



SPARTANS

SAN JOSÉ STATE UNIVERSITY

2022-23 Annual Budget Report

San José State University

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VP Administration & Finance / CFO

What have we accomplished?

2016 Enhanced transparency, new Campus Leadership

Growing Enrollment *Growing International Students* *Student Union*
DMH Upgrades *ISB Planning* *Advising* *Office of DEI* *CV 2*
Hammer Theatre *Wellness Center*

2019 Transformation 2030 Strategic Plan

+100 net T/T Faculty *Racial Justice Initiatives* *SRAC*
Fires, Heat, Smoke, Climate **PANDEMIC** *Graduate Enrollment* *HEERF*
Basic Needs & Mental Health *CGR* *State Surplus* **Declining AUL** *Health Building*
RSCA *Title IX expansion* **State Budget Cut** *Alquist Planning*
Enrollment fluctuations *ISB Construction* *Division of Research & Innovation*
Significant reduction in International Students

2022 Current Operating Year

Enrollment less than planned **PANDEMIC** *Recession?* *Alquist BOT in January*
State Surplus Dwindling *SJSU Online* **Economy / Stock Market**

Transformation 2030

We are a MUCH BETTER campus for addressing, enacting, improving all of the these areas.

But all these needed changes come at a cost.

We believed and are making plans to continue to believe that we should and can grow our enrollment.

We will be continuing to seek CSU funding, but will also be advocating for additional State, Federal and grant funding.

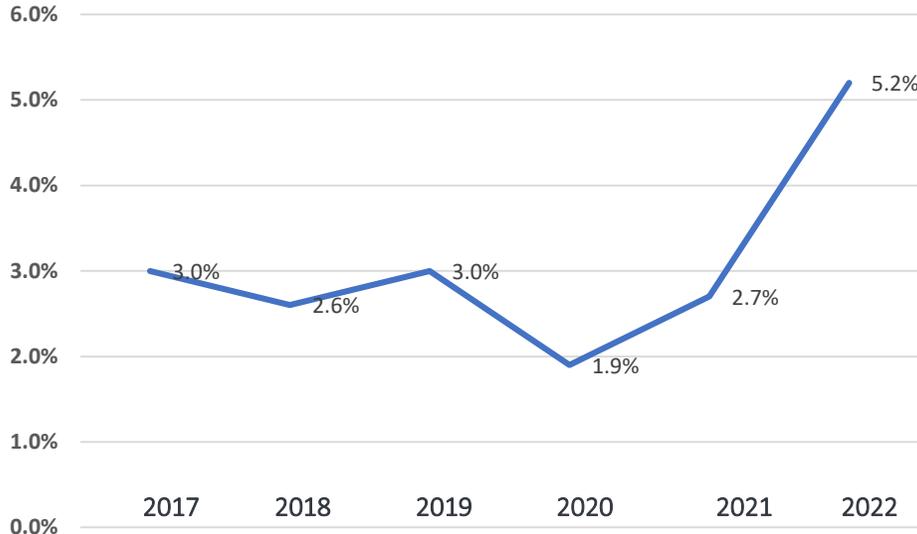
State Appropriations to SJSU

	<u>19/20</u>	<u>20/21</u>	<u>21/22</u>	<u>22/23</u>	<u>4 Yr Avg</u>
Base	\$ 171.7	\$ 192.3	\$ 173.7	\$ 193.2	
State Adds	\$ 20.5				
State Adds		\$ (18.6)			
State Adds			\$ 19.5		
State Adds				\$ 27.9	
Total	\$ 192.2	\$ 173.7	\$ 193.2	\$ 221.1	\$ 195.1

Tuition & Fees

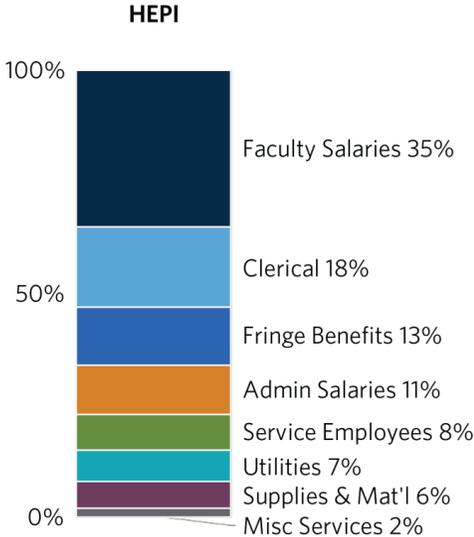
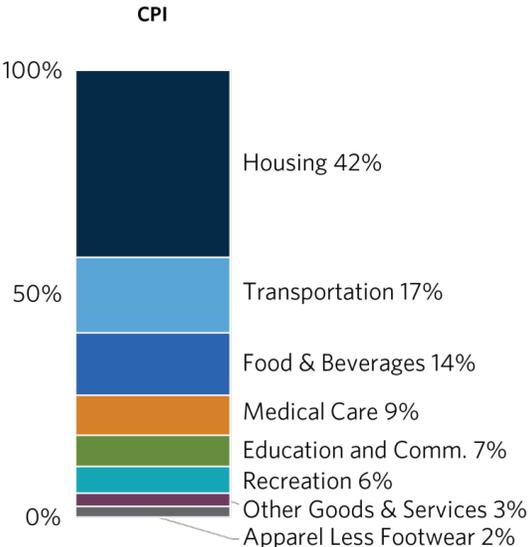
	Undergrad	Campus			
	<u>Tuition</u>	<u>Fees</u>	<u>Total</u>	<u>Chg</u>	<u>% Chg</u>
22/23	\$ 5,742	\$ 2,157	\$ 7,899	\$ 47	0.6%
21/22	\$ 5,742	\$ 2,110	\$ 7,852	\$ -	0.0%
20/21	\$ 5,742	\$ 2,110	\$ 7,852	\$ -	0.0%
19/20	\$ 5,742	\$ 2,110	\$ 7,852	\$ 56	0.7%
18/19	\$ 5,742	\$ 2,054	\$ 7,796	\$ 75	1.0%
17/18	\$ 5,742	\$ 1,979	\$ 7,721	\$ 304	4.1%
16/17	\$ 5,472	\$ 1,945	\$ 7,417	\$ 39	0.5%
15/16	\$ 5,472	\$ 1,906	\$ 7,378	\$ 55	0.8%
14/15	\$ 5,472	\$ 1,851	\$ 7,323	\$ (20)	-0.3%
13/14	\$ 5,472	\$ 1,871	\$ 7,343	\$ 214	3.0%
12/13	\$ 5,472	\$ 1,657	\$ 7,129		

HEPI Index



HOW DOES YOUR INSTITUTION DEFINE INFLATION?

CPI might not best capture your expense structure



Source: U.S. Bureau of Labor Statistics, Commonfund Research

Enrollment Headwinds

Prior plan anticipated enrollment and revenue growth

- We haven't achieved these goals

Five Areas of impact

Free Community College (CC) Tuition – lower Freshmen

UC Transfer Policy – CC (lower transfers to SJSU)

SJSU (lower retention)

Lower High School Seniors – lower Freshman

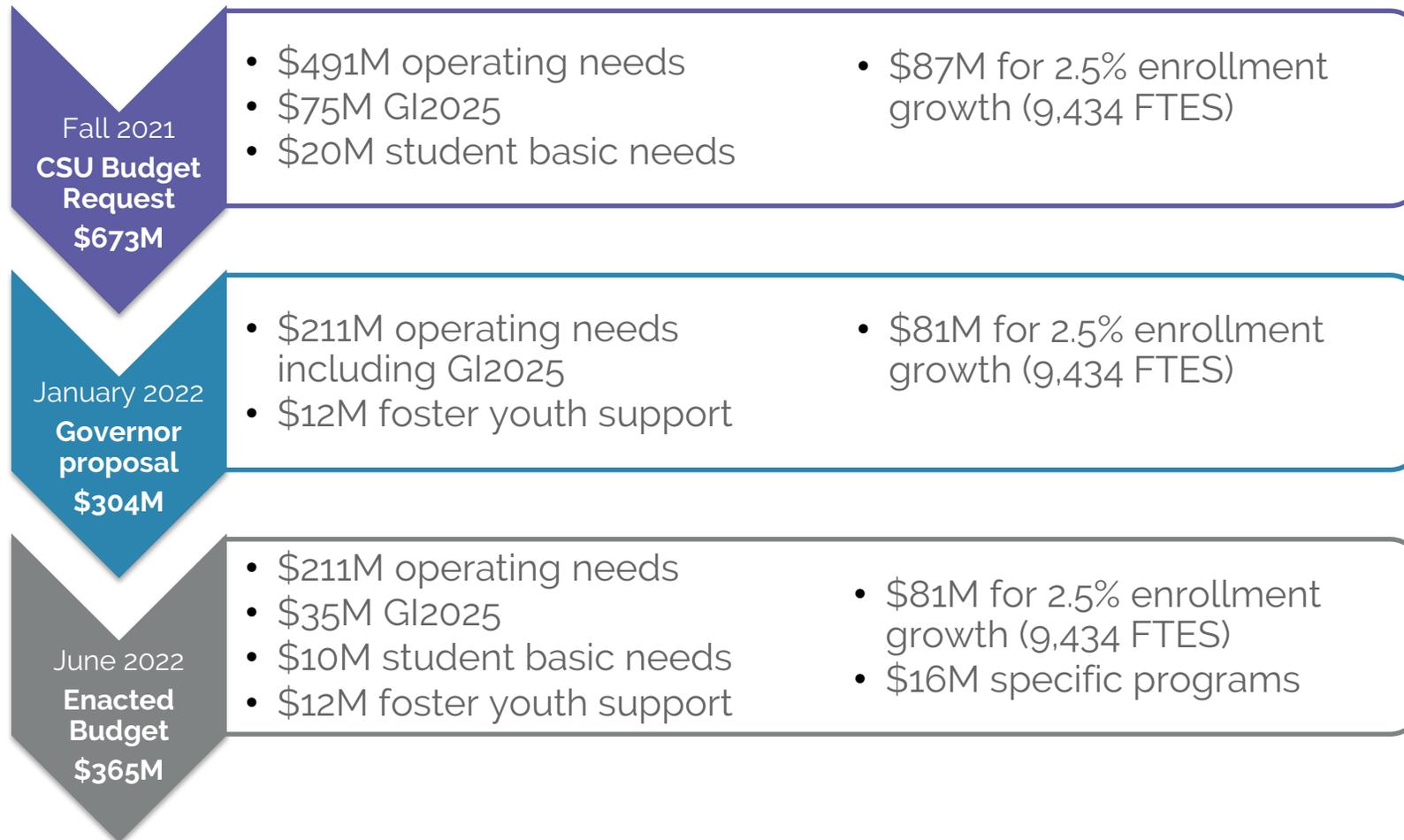
International – Graduate / Freshman / Transfers

Improved Graduation Rates

*Difficulty growing impacted areas
Recruiting / Retaining Faculty*

2022/23 Budget Planning

CSU – State Budget Cycle



2022/23 Budget Planning

CSU – State Budget “Good News!”

- 5% multi-year Compact established
- Over \$211M of undesignated funding
- GI2025 Basic Needs and Mental Health funding
- Funded enrollment growth
- \$500M+ of infrastructure funding

2022/23 Budget Planning

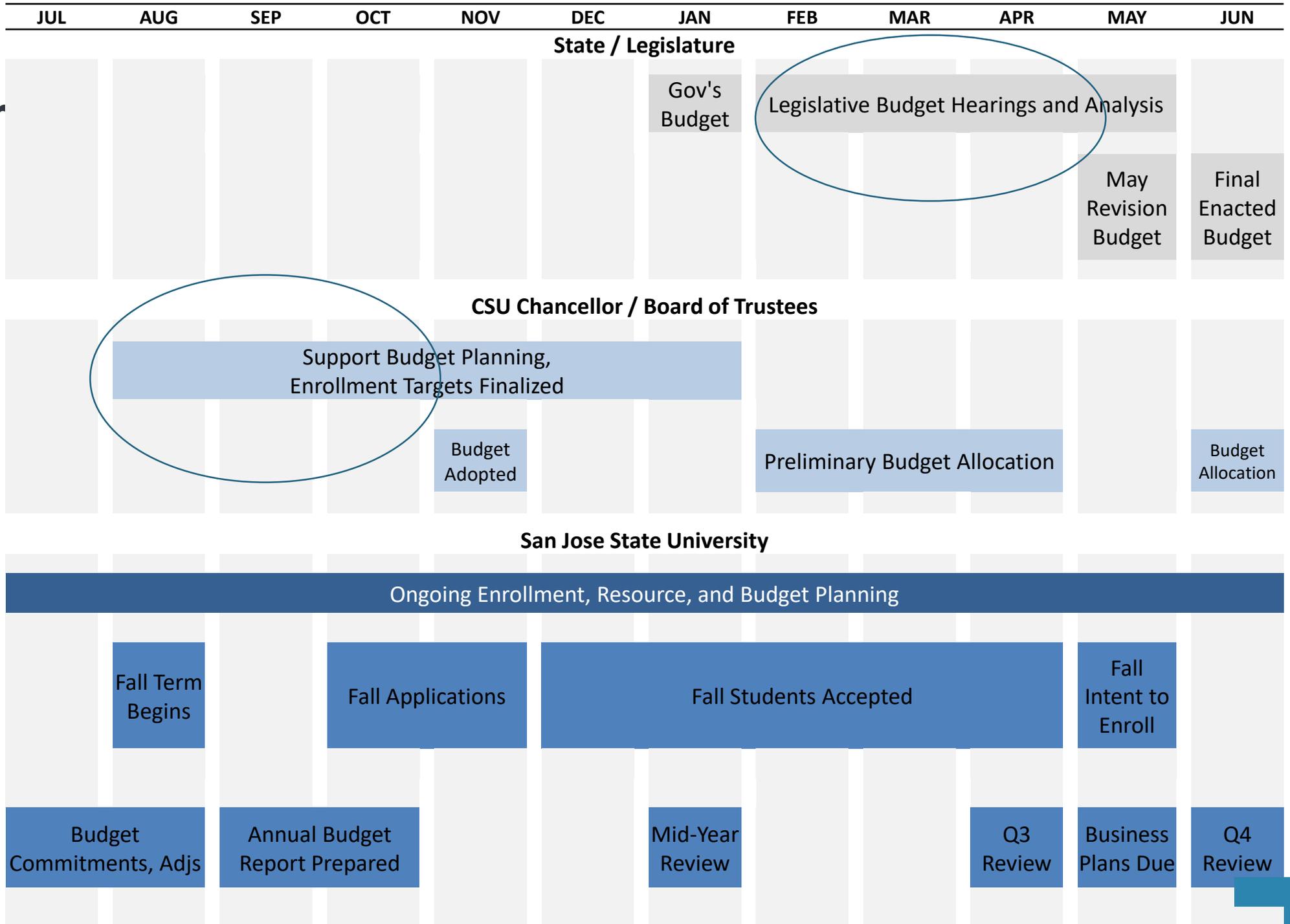
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CSU – State Budget Reality!

- Compact only yields 3.5% and has required commitments
- Pressure to reduce base funding increases in final budget (Governor)
- No funds for staff or faculty salary studies
- \$125M of infrastructure in 1X funds...SJSU gets \$7M
- HEERF is gone, expenditures remain
- Inflation, supply chain, retention, recruiting, cost of living

Budget Calendar



2022/23 Budget Planning

	CSU	SJSU	
2021/22 Final Budget, General Fund	\$4,228,282	\$193,186	5%
2021/22 State-Funded Retirement Adjustment	(\$4,410)	(\$304)	7%
2021/22 Revised General Fund Budget	\$4,223,872	\$192,882	5%
2022/23 General Fund Increase	\$365,718	\$28,186	8%
2022/23 Total General Fund Budget	\$4,589,590	\$221,068	5%
2021/22 Gross Tuition & Fees	\$3,081,482	\$231,113	8%
2022/23 Tuition from Enrollment Growth (9,434 FTES)	\$45,078	\$2,974	7%
2022/23 Gross Tuition & Fees	\$3,126,560	\$234,087	7%
2022/23 Total Operating Budget	\$7,716,150	\$455,155	6%
2022/23 Expenditure Increases			
Employer Paid Health Premiums	\$13,962	\$909	7%
Operations and Maintenance of New Facilities	\$3,094	\$176	6%
Compensation Adjustment	\$173,427	\$21,085	12%
Strategic Resident Enrollment Growth (9,434 FTES)	\$129,862	\$7,915	6%
Graduation Initiative 2025, Student Basic Needs	\$45,000	\$0	0%
Foster Youth Program	\$12,000	\$712	6%
Other Program Adjustments	\$33,451	\$0	0%
State University Grant Redistribution	\$0	\$363	N/A
2022/23 Total Expenditure Increases	\$410,796	\$31,160	8%

CO gave \$ to campuses as 1X

Base funding in \$ thousands. SJSU compensation is showing as 12% of CSU allocation as CSU used funds received in prior year to fund. CSU allocated 1X \$ for GI2025 and Student Basic Needs for 2022/23; base funds anticipated in future year.

Simple Math for Salaries

Add Benefits!

		<u>M\$</u>
Faculty / Staff Headcount	3300	
One-Time Payment	\$ 3,500	\$ 11.5
Average Salary	\$ 80,000	
Salary Increase	7%	\$ 18.5
Expense Incurred		\$ 30.0

Note: There's another 500 staff in Enterprises & Auxiliaries \$4.5M

Four Areas that put us here

General Fund

SJSU's starting point was under staffed / under funded

SJSU's Compensation (even more so than the CSU) is under funded

Revenues

Impossible to correct budget without adding Revenue

- **Enrollment Increases**
- Tuition Increases - systemwide
- New Sources

Requests

We have historically NOT asked for what we need & then asking late when we do

Pandemic

Changed our way of teaching, learning & operating at significant cost

What's the Gap?

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>
Gap	(\$92.3)	(\$36.7)	(\$36.7)
Measures:			
Unspent Salary Expense	(\$6.2)	(\$10.0)	(\$10.5)
Reserves			
<i>Univ</i>	(\$53.0)	(\$18.2)	(\$18.1)
<i>Aux</i>	(\$6.0)		
HEERF	(\$16.5)	(\$5.0)	(\$1.3)
OE&E			
<i>Travel</i>	(\$2.6)	(\$1.3)	
<i>Deferrals</i>	(\$2.7)	(\$2.5)	(\$1.5)
<i>Div Reduction</i>	(\$6.2)		(\$5.3)

How do we recover?

This year

One Time Savings

Reserves / OE&E / Unfilled Position Salary Savings

Short term

Enrollment

Need to assess:

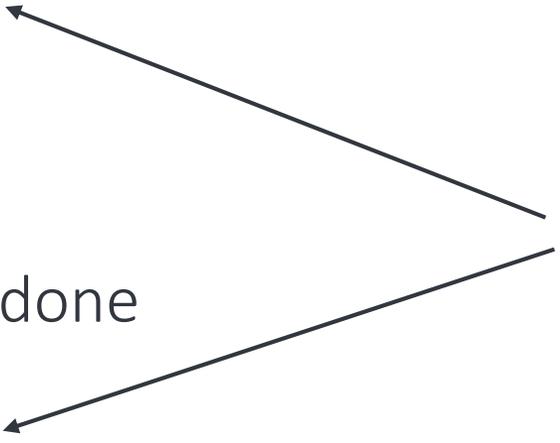
Campus Priorities

Funding Levels

Focus

What doesn't get done

Clear Communications



Longer term

Enrollment Growth Strategies

Scope Reallocation / Focus

Grow SJSU Online

Other Future Revenue Growth areas

Operating Fund Expenditures by Division 2022-2023 Budget

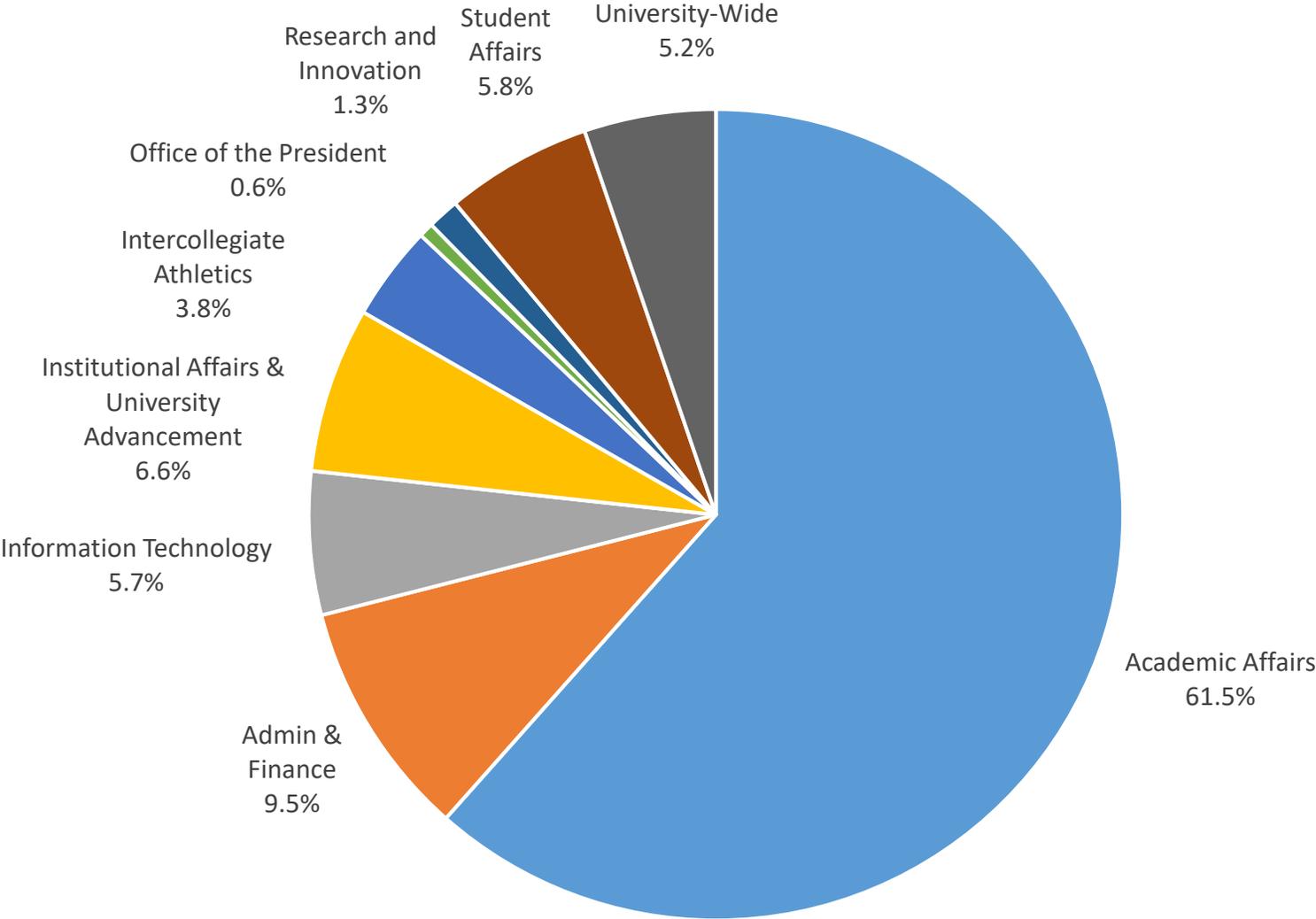
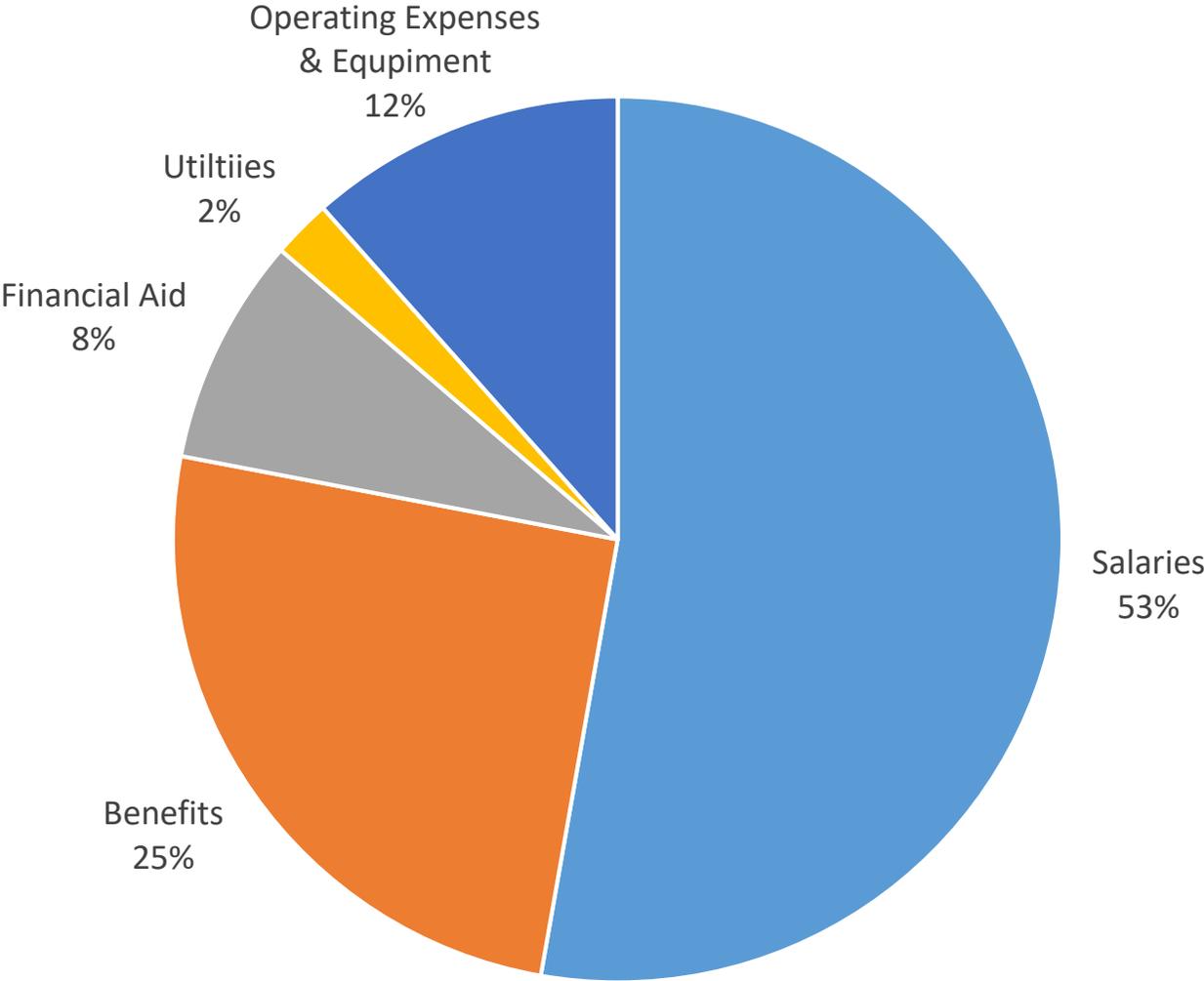


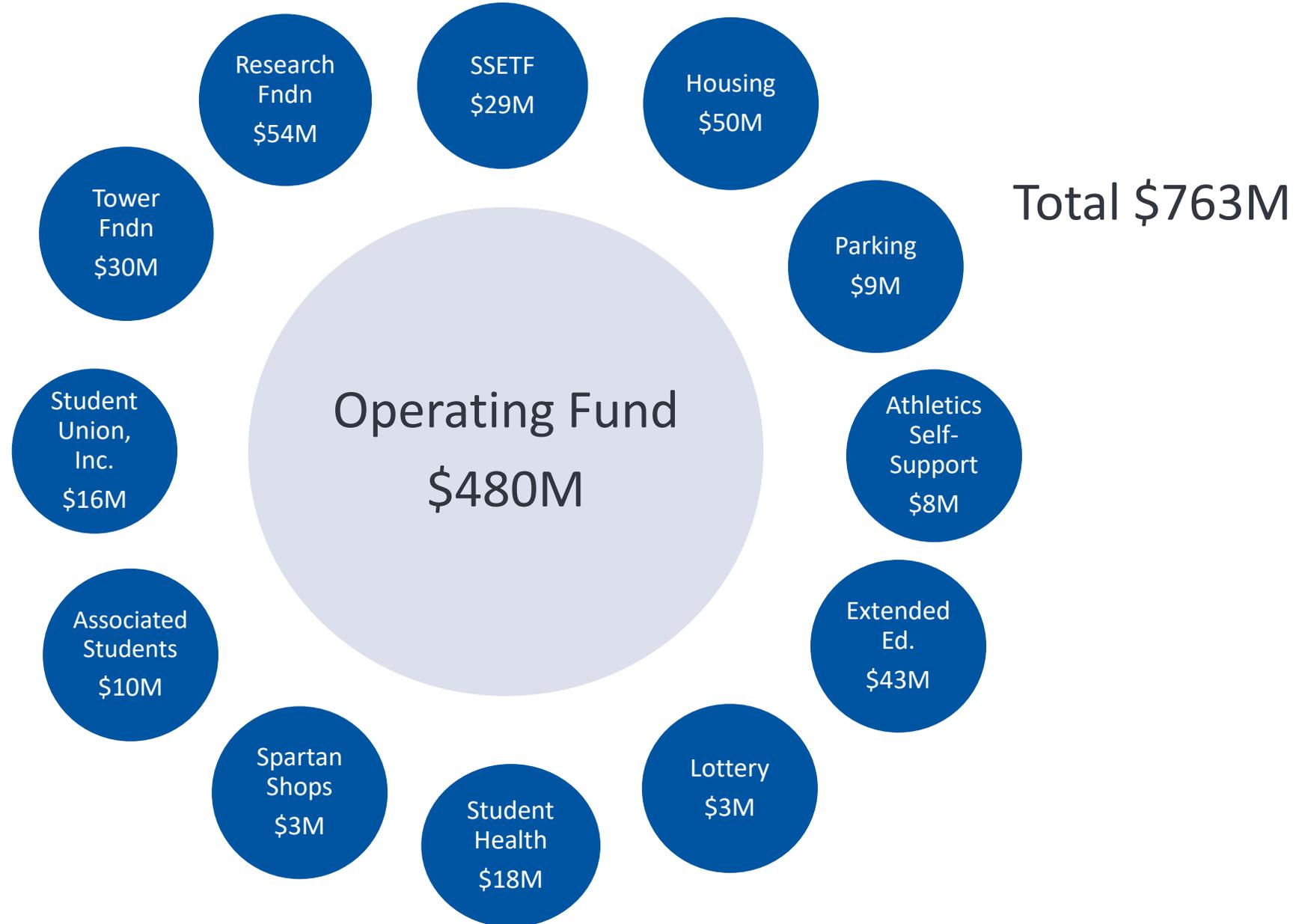
Chart above displays the breakdown of the Operating Fund expenditure budget, base and one-time allocations for this year. Budget excludes Restricted Student Aid (primarily a U-Wide tuition discount). Employee benefits have been estimated for all Divisions at a rate of 48%. More details are available in the Annual Budget Report.

Breakdown of Operating Fund Categories 2022-2023 Budget



SJSU Expenditure Budgets

2022-2023 Budget



For more information, visit:

<https://www.sjsu.edu/fabs/services/transparency/annual-reports>

<https://www.sjsu.edu/adminfinance/csu-operating-budget.php>

SAN JOSÉ STATE UNIVERSITY *powering* **SILICON VALLEY**

