

2022-2023 Budget Planning

Academic Affairs Budget Advisory Working Group

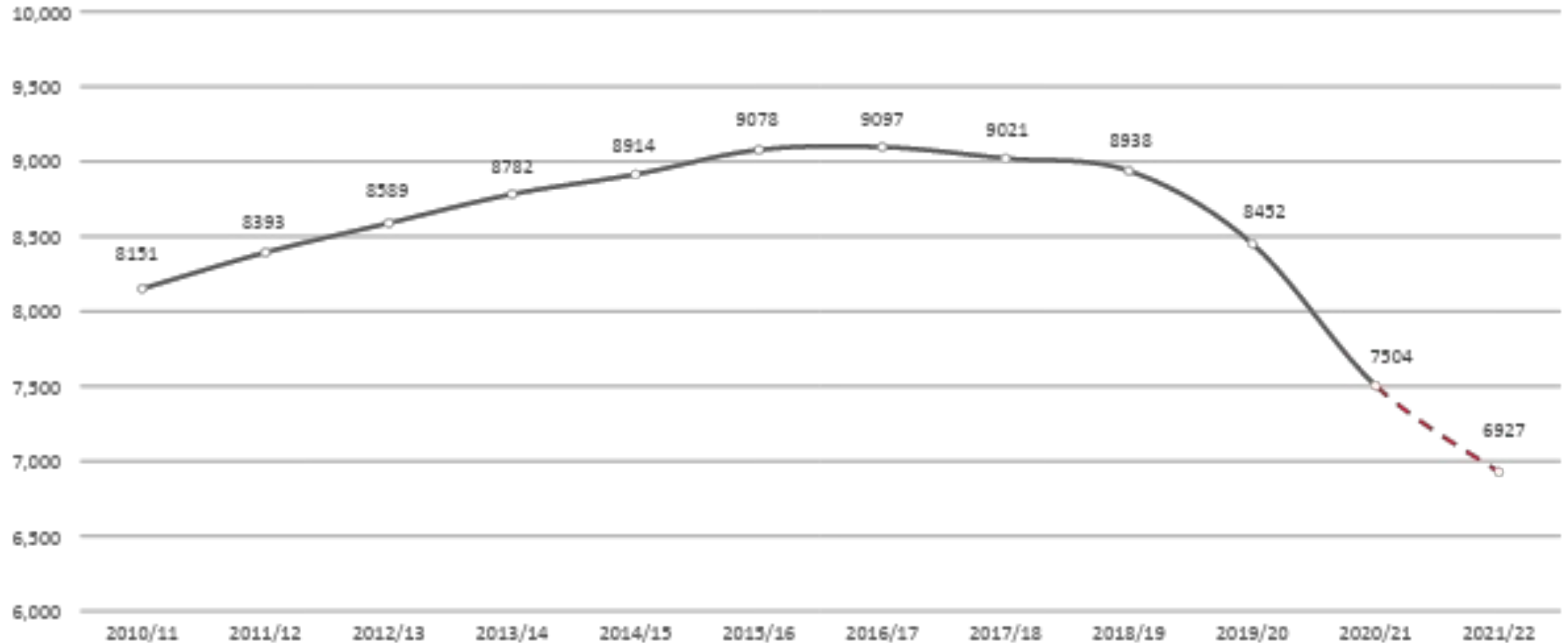
December 14th, 2021

**SONOMA
STATE**
UNIVERSITY

UNIVERSITY BUDGET
& PLANNING OFFICE

2022-2023 Multi-Year Plan and Draft Reduction Plan

Actual AY Enrollment 2010-2011 to 2021-2022



Multi-Year Budgeted Enrollment Assumptions

- Utilizing Fall 2021 yield rates
- Utilizing Fall 2021 application rate
- Will update with current year applications for 2022-2023 projections
- Will update yield rates with rolling year averages as rates change/improve for 2023-2024 and beyond

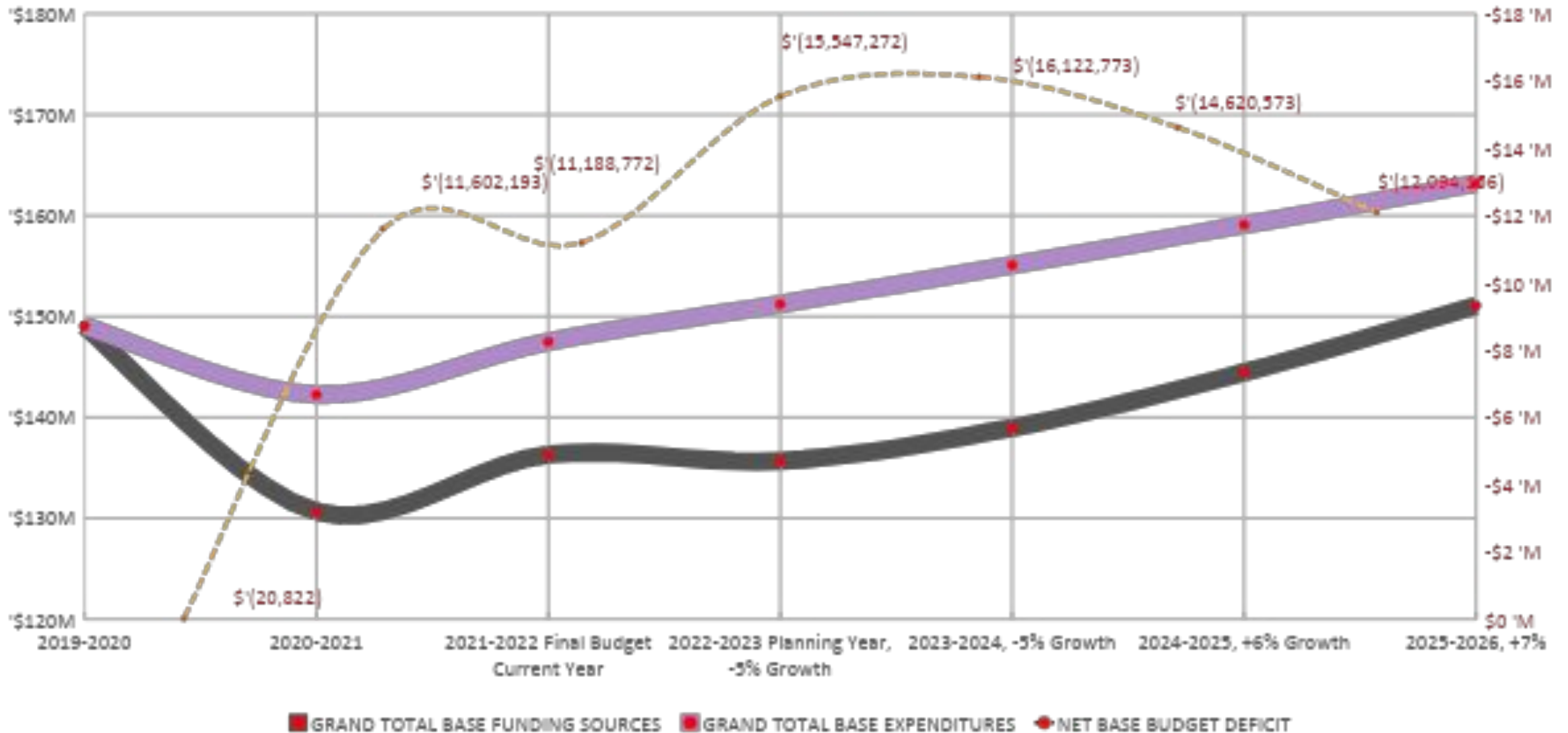
Multi-Year Budgeted Enrollment

	Prior Year 2019-2020	Prior Year 2020-2021	Final Budget Current Year 2021-2022	Current Planning Year w/ -5% enroll growth 2022-2023	Future Planning Year w/ -5% enroll growth 2023-2024	Future Planning Year w/ 6% enroll growth 2024-2025	Future Planning Year w/ 7% enroll growth 2025-2026
ENROLLMENT PLANNING							
Resident FTES Target	8244	8429	8429	8429	8429	8429	8429
Non-Resident FTES Target	105	105	105	105	105	105	105
New Funded Enrollment (FTES)	185	0	0	0	0	0	0
Total Target FTES	8534	8534	8534	8534	8534	8534	8534
AY Headcount	8960	7188	6927	6,580	6,239	6,603	7,035
<i>Average Unit Load</i>	<i>14.05</i>	<i>14.05</i>	<i>14.05</i>	<i>14.05</i>	<i>14.05</i>	<i>14.05</i>	<i>14.05</i>
<i>% of FTES Target</i>	<i>100%</i>	<i>80%</i>	<i>77%</i>	<i>73%</i>	<i>69%</i>	<i>73%</i>	<i>78%</i>

Multi-Year Budget Totals

	Prior Year 2020-2021	Final Budget Current Year 2021-2022	Planning Year w/ -5% enroll growth 2022-2023	Future Planning Year w/ -5% enroll growth 2023-2024	Future Planning Year w/ 6% enroll growth 2024-2025	Future Planning Year w/ 7% enroll growth 2025-2026
TOTAL BASE FUNDING SOURCES	130,654,235	136,313,656	135,682,714	138,982,868	144,466,293	151,083,071
TOTAL BASE EXPENDITURES	142,256,428	147,502,428	151,229,986	155,105,641	159,086,866	163,177,227
NET BASE BUDGET SUPPLUS / (DEFICIT)	(11,602,193)	(11,188,772)	(15,547,272)	(16,122,773)	(14,620,573)	(12,094,156)

Multi-Year Budget Plan with Deficit



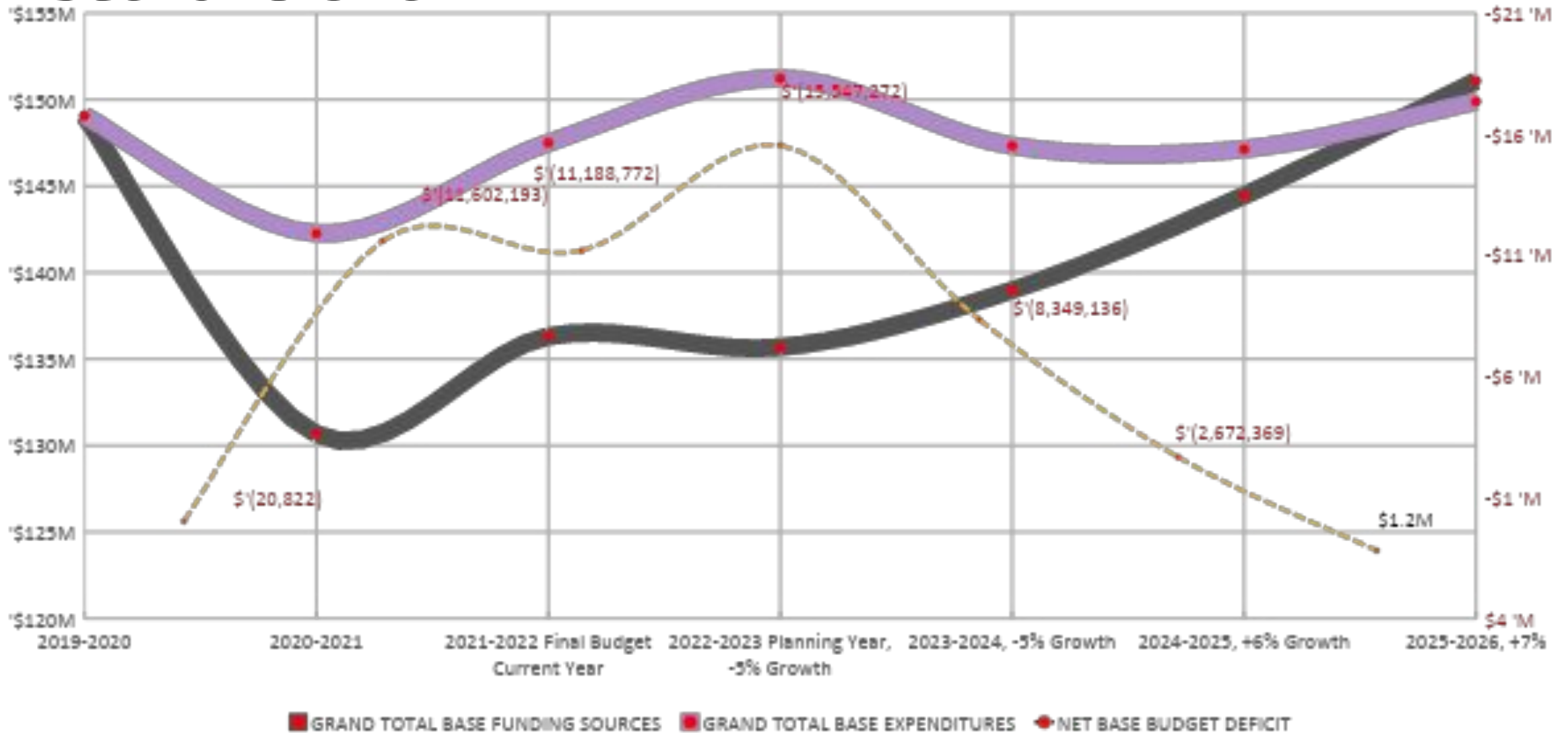
Multi-year Reduction Strategy

	Final Budget Current Year 2021-2022	Planning Year 2022-2023	Future Planning Year w/ -5% enroll growth 2023-2024	Future Planning Year w/ 6% enroll growth 2024-2025	Future Planning Year w/ 7% enroll growth 2025-2026
BASE FUNDING SOURCES	136,313,656	135,682,714	138,982,868	144,446,293	151,083,071
BASE EXPENDITURES	147,502,428	151,229,986	147,332,005	147,138,662	149,892,838
BASE BUDGET SUPPLUS / (DEFICIT)	(11,188,772)	(15,547,272)	(8,349,136)	(2,672,369)	1,190,233
Base Reductions to Address Deficit	-	(7,773,636)	(4,174,568)	(1,336,184)	
ADJUSTED TOTAL BASE BUDGET SURPLUS / (DEFICIT)	-	(7,773,636)	(4,174,568)	(1,336,184)	1,190,233
One Time Reduction Strategies	-	(7,773,636)	(4,174,568)	(1,336,184)	-
Final Budget Surplus / (Deficit)		(0)	(0)	(0)	1,082,708
<i>Surplus/Deficit % of Prior Year Budget</i>	<i>-7.87%</i>	<i>-10.93%</i>	<i>-5.52%</i>	<i>-1.81%</i>	<i>0.81%</i>

Cumulative Base Cuts	(11,948,204)
Cumulative 1x	(13,284,388)

50% of base deficit is reduced in base each year except 2025-2026

Multi-Year Budget Plan with Deficit – with Scenario One



2022-2023 Reduction Plan

- Current **projected** deficit for 2022-2023 is **\$15.5M** or **10.93%** of this year's budget
- Currently addressing 50% of the reduction in one-time using various University/Cabinet level approaches to be determined, e.g. use of University reserves, financing, etc.
- Manage 50% of the reduction with base cuts to the Divisions allocated by share of marginal cost function.

2022-2023 Reduction Plan

- Changes to funding (+/-) based on headcount / FTES are allocated based on share of marginal cost function.
- Reductions allocated on this methodology now related to enrollment decline shall be reallocated on the same methodology for funds related to enrollment growth.

Division Preliminary Budget Reduction Plans

2022-2023 Reduction Plan - Proposal

Reduction by Marginal Cost Category

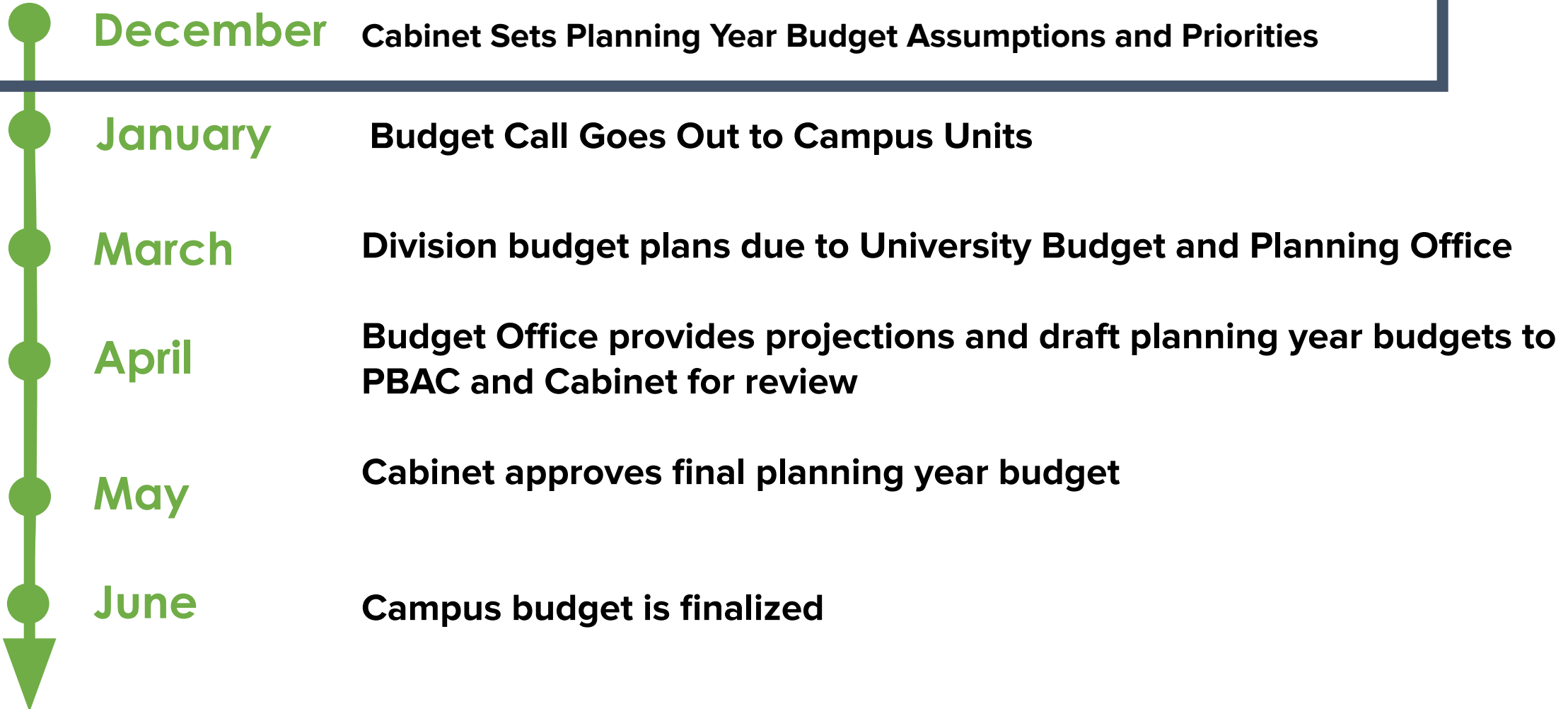
<u>MC Category</u>	<u>CY MC Percent</u>	<u>Amount</u>
Instruction	52.82%	4,106,235
Academic Support	12.23%	950,453
Student Services	13.90%	1,080,616
Institutional Support	11.29%	877,669
Plant Operations & Mtc	9.13%	709,785
Instructional Equipment	0.63%	48,877
Total	100.00%	7,773,636

2022-2023 Reduction Plan - Proposal

Cut by Division Based on Share of Marginal Cost Category

Academic Affairs	71.01%	5,520,046
Administration and Finance	19.31%	1,501,247
Office of the President	2.43%	188,631
Student Affairs	5.07%	394,297
University Advancement	1.24%	96,776
Green Music Center	0.93%	72,639
Total	100.00%	7,773,636

Annual Budget Timeline



What's Next

- Divisions begin preliminary planning for reduction based on 50% of 2022-2023 projected deficit
- Continue to refine and update budget projections with updates from state (January Governor's budget) and campus (enrollment)