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COMMITTEE ON BUDGET AND RESOURCE ALLOCATION

23-24 COBRA 2
October 16, 2023

TO: The Academic Senate

FROM: Committee on Budget and Resource Allocation (COBRA)

SUBJECT: 23-24 COBRA 2: CSUEB Budget Update

PURPOSE: For Information to the Academic Senate

BACKGROUND INFORMATION:
Myeshia Armstrong, VP Administration and Finance and CFO reported to COBRA on the current budget position and closing the deficit to COBRA on September 27, 2023.

ACTION REQUESTED:
For Information to the Academic Senate.

Presentations by VP, Administration and Finance and CFO

Myeshia Armstrong, VP Administration and Finance and Chief Financial Officer joined the COBRA meeting on September 29th and provided an update on the budget and ongoing efforts to address the deficit. This was a brief update and a fuller and formal report on the budget will be provided at a future COBRA meeting later in the Fall semester. This fulfills a commitment CFO Armstrong made to COBRA in 22/23 to attend and provide regular updates.

It was noted that the budget situation was fluid with ongoing negotiations with the unions regarding contracts and salary increases. A budget has been projected and developed for the 23/24 that reflects a deficit. As was presented last year, efforts have been made to close the deficit and these efforts are ongoing and progress is being made. The deficit has been reduced from $11M to $8M largely through closing open positions and realigning responsibilities around the closed positions. Next steps are to look at operations and strategize making efficiencies and savings there.

The fluidity is also in part around the tuition increase 5-year plan and the impact that will have on fiscal projections for next year with revenues predicted to go up. The impact on East Bay students has not been explored but as over 60% receive financial aid the impact is thought to be minimal in terms of reducing enrollment. Any decision on the union negotiations will be retroactive to July 2023 and this will impact the budget. It is expected that any increase would be in part covered by the CO. Depending on the timing it is possible that especially for the retroactive portion this will have to be absorbed by individual campuses. It was noted that our reserves are still healthy. CFO Armstrong noted that later today she will be meeting with her counterparts at other campuses to hear an update from the CO on finances. She will report back on this at a future COBRA meeting.

While the deficit has been reduced, to balance the budget each year a portion of the reserves has been used. This cannot continue and the structural deficit has to be reduced so the efforts to close the gaps are ongoing and closing the gap is being done over time rather than instigating a 'one-time' 'slash and burn' approach. CFO Armstrong, based on a question from the committee, addressed the possible impact of a cut of 5% in 2025 from the CO due to the campus not meeting the CA resident target. She noted that the President is working on making a case with the CO for this cost reallocation not being imposed. Whether this is successful, any cut while not having an immediate effect will have to be taken into account longer-term as it will have a huge impact if implemented.

Lastly, CFO Armstrong provided an update to the current search underway for a Chief of Police. This position is deemed as critical and as such is moving forward whereas in analyzing other open positions a number were closed to help reduce the deficit as they weren't deemed critical. A consultant has been hired to aid recruitment and has met with many constituencies on campus.