

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
FINANCE COMMITTEE MINUTES
FRIDAY, MAY 30, 2025
MINUTES
SOL CENTER, EXECUTIVE BOARD ROOM, 3RD FLOOR**

I. Call to Order

Chair, V. Pathak, called the meeting to order at 1:07 p.m.

II. Roll Call

Present	Absent	Staff/Guests
Alejandra Castillo, Student Committee Member* (voting)	Ronny Morales, Student Committee Member (voting)	Jolee Innocent, Accounting & Finance, SASA II
Dayana Figueroa, Student Committee Member** (voting)		
Joseph Illuminate, Executive Secretary (non-voting)		
Cecilia Ortiz, Executive Director (non-voting)		
Dr. Freddie Sanchez, Assistant VP, Student Affairs, Equity & Inclusion Services* (voting)		
Heet Patel, Committee Co-Chair (voting)		
Vyom-Vimalkumar Pathak, Committee Co-Chair (voting)		
Maria Vergara, Student Committee Member (voting)		
Dr. Edith Winterhalter, Associate VP for Budget & Strategic Business Ops, Administration & Finance* (voting)		

* Attended via Zoom

** Dayana Figueroa Arrived at 1: 09 p.m.

III. Approval of Agenda

M/S/P (H. Patel/M. Vergara) Motion to approve the Agenda for May 30, 2025.

Main Motion approved by General Consensus

IV. Approval of Minutes

M/S/P (H. Patel/A. Castillo) Motion to approve the Minutes for April 25, 2025.

Main Motion approved by General Consensus

V. Chair's Report

A. None

VI. Action Items

A. 2025-26 Operating Budget Allocation Proposal

M/S/P (A. Martinez/D. Figueroa) Motion to recommend approval of the 2025-26 Operating Budget Proposal with projected revenues and expenses in the amount of \$22,394,454.

INTRODUCTION

The purpose of this message is to provide an overview of the Budget Allocation Proposals presented herein. The budget is how the organization implements its strategic priorities and allocates resources to student programs, services, and facilities. These proposals reflect our commitment to the students of California State University, Northridge, as well as the campus community, to maintain financial viability and integrity within the constraints of available resources.

CHALLENGES CONTINUE

In 25-26, we will continue to encounter some of the same challenges we have faced in previous years:

1. Inflation in the cost of labor, services, and commodities; the threat of tariffs; and a \$0.56 per hour increase in the minimum wage for the City of Los Angeles [from \$17.28 per hour to \$17.84] effective July 01, 2025, continue to create financial challenges for the USU.
 - a. The budgeted average hourly rate for Student Assistant Employee labor for 24-25 was \$17.71 per hour. The projected average hourly rate for 25-26 is \$18.65 per hour which is a \$0.94 per hour increase over the budgeted rate for 24-25.
 - b. 221,052 hours of Student Assistant Employee labor are budgeted for 25-26 compared to the 213,946 total hours

budgeted in 24-25. The increase in budgeted hours is partially attributable to the additional 3,194 hours budgeted for The Valera NEST, a new USU department.

- c. The combination of an increase in budgeted hours and an increase in the minimum wage has resulted in a projected 8.8% or \$334,416 increase in Student Wages when compared to 24-25.
2. Increase in borrowing rates for the issuance of 30-Year bonds which could increase the cost for the USU Gateway Project.
 3. Potential decrease in projected enrollment headcount.
 4. Potential elimination of the Build America Bonds (BABs) subsidy. Build America Bonds were created by the federal government in 2009 to incentivize construction during the Great Recession by providing interest subsidies. The USU has received an annual interest subsidy on the bonds issued for the construction of the Student Recreation Center. The interest subsidy has ranged from \$500,000 to \$700,000 annually.
 5. Employee Turnover (Professional Staff)
 - a. Based on the current turnover rate of 5% for the 24-25 fiscal year (through April 2025), the “Great Resignation” has definitely come to a close.
 - b. This low turnover rate could indicate that is more difficult for employees to change jobs due to uncertain economic conditions. It could also indicate that employees are more engaged, satisfied, and motivated. Lower turnover is beneficial because it reduces hiring and training costs.
 - c. The final 23-24 turnover rate was 15% and reached a high point of 22% during COVID in 21-22.

JUSTICE, EQUITY, DIVERSITY, & INCLUSION (JEDI)

Justice, Equity, Diversity, and Inclusion (JEDI) are at the heart of everything we do at the USU.

In alignment with our goal to strengthen understanding of JEDI principles and cultural awareness, the USU focused on deepening the knowledge and practices of our staff, student employees, and Board of Directors.

In a collective demonstration of our commitment to equity and inclusion, all 25 departments within the USU established JEDI-focused goals integrating these values into the core of their work.

We also introduced a JEDI assessment tool designed to evaluate participants' understanding of cultural identity and JEDI-related practices. Distributed to student Board members, professional staff, and student assistants, the assessment had strong participation and yielded valuable insights. The results provided actionable recommendations to enhance future trainings, refine programming, and further embed equity practices across the USU.

Additionally, the Board of Directors' Diversity & Inclusion Committee championed a proposal to establish a DREAM Center fellowship program—an initiative designed to elevate support for undocumented students and advance their success at CSUN.

Looking ahead to 2025–2026, we remain dedicated to advancing our JEDI work through ongoing training, intentional assessment, and engaging programs and services that benefit all CSUN students.

THE VALERA NEST/EXPANSION PROJECT UPDATE

The USU is committed to providing students with expanded and modernized offerings to deliver on the primary goals of the 2019 student fee referendum. One of the future plans includes The Valera NEST (Nurturing Environment for Students to Thrive). The Valera NEST is expected to open in Spring 2026 and will house critical support services to enable students to thrive and reach their educational goals including:

- The CSUN Food Pantry, offering shelf-stable items along with fresh produce and perishable goods.
- Matty's Closet, a boutique that provides gently used and new professional clothing—free of charge—for CSUN students.
- The Basic Needs department, where staff will support students in securing both temporary and long-term housing, while also offering advocacy, guidance, and comprehensive wraparound support services.
- Ila's Kitchen, a space equipped with microwaves, hot water dispensers, cold food storage lockers, a food prep area, and a student lounge.

In addition to The Valera NEST, the USU has shifted its direction and developed a revised project scope that maintains the original goals and themes of the 2019 referendum. This work has led to the creation of the *USU Gateway Project*, which now focuses on replacing the aging Southwest addition building, constructed in the early 1990s and approaching the end of its useful life. This shift offers a timely opportunity to enhance the physical connection between the USU complex and the main CSUN campus, while also creating vibrant, inclusive spaces that bring together

student resource centers and involvement-based organizations into a central hub of student life. Feasibility planning for the USU Gateway is beginning in June 2025 and will continue through the 2025–2026 fiscal year in preparation for the design-build process.

The USU has received approval to phase in the \$125 per semester fee increase—approved by students in the 2019 referendum—over four years, rather than implementing it all at once. This phased approach will provide a more manageable fee schedule for students starting in the 2026–2027 academic year.

STATE OF CALIFORNIA BUDGET

The extreme revenue volatility from the personal income tax has caused significant budget shortfalls over the last two fiscal year since only one percent (1%) of Californians’ tax returns generate over half of the state’s income tax revenue. When the income of the 1% declines due to stock market downturns, the personal income that would have been taxed on stock gains, declines.

The Governor’s May 2025 Revised Budget reveals that the State’s budget fiscal condition has worsened since the release of the initial budget in January 2025.

In January, the proposed budget was balanced, but now, a \$12 billion deficit is projected caused by state expenditures beyond previous estimates and downward revision of revenue estimates from tariff impacts, reduced California port activity, and slowing job growth. In addition, there are substantial federal funding reduction being considered by Congress which are not included in the State’s current revenue assumptions.

In addition, expenditures are expected to exceed revenues for the next three years even though the state is using \$7.1 billion of reserves to fill the part of the budget gap.

CSU/CSUN BUDGET IMPLICATIONS

CSU Impacts

In the Governor’s May Budget Revision, the proposed budget cut to the California State University (CSU) system was reduced from 7.95% (\$374 million)—as outlined in the January proposal—to 3% (\$144 million). While this is a positive development, it still requires the campus to incorporate a significant ongoing revenue budget reduction into CSUN’s 2025/26 budget plan.

Additionally, the May Revision continues to defer the 5% (\$252M) compact base funding increase, originally planned for 2025/26, to 2027/28.

The CSU will continue to strongly advocate for the following:

- Elimination of the proposed 3% budget cut, and
- Restoration of the deferred 5% compact base funding increase.

These advocacy efforts will continue as the Governor and Legislature work toward finalizing the state budget by June 30th. However, the CSU Chancellor's Office has advised all campuses to prepare their 2025/26 budgets with these fiscal risks in mind, in case full funding is not restored.

CSUN Impacts

Based on the Governor's May Budget Revise (released May 14), and the CSU Preliminary Budget Memo B2025-01 (released on May 30), and resident enrollment projections shared during the University Planning & Budgeting Group (UPBG) meeting on May 15, CSUN is currently projecting a \$14.8M budget deficit for 2025/26.

This estimate uses conservative assumptions regarding non-resident student enrollment, due to the increasingly volatile national climate affecting international student enrollment. Specifically, revenue forecasts assume a 15% decline in total non-resident enrollment. The campus will continue to monitor these figures closely as Fall 2025 approaches

CSUN STUDENT HEADCOUNT

The University Student Union (USU) anticipates that 86% of its 2025–26 budget will come from student fees, which are directly tied to student headcount (enrollment).

Fluctuations in enrollment will therefore have a direct impact on available revenue for the USU and other student-supported services.

1. The latest projection for 25-26 is that 36,646 students will enroll in Fall 2025 and 34,309 students will enroll in Spring 2026. Spring headcount is typically lower than Fall headcount.
2. The actual headcount for Fall for 24 was 36,948 and the projected headcount for Spring 2025 is 34,419.
3. The encouraging news is that projected headcount for 25-26 is holding steady when compared to 24-25.

FINANCIAL STRATEGIES

The USU has implemented various strategies to ensure that we can

withstand economic downturns and maintain our long-term financial viability.

Strategy 1: Financial Plan

Our first strategy is to ensure that total revenues and expenditures in the Operating Budget Proposal align with the corresponding revenues and expenditures in the financial plan. There is only a 1.0% difference in the 25-26 Operating Budget Proposal and the corresponding amount in the financial plan.

We are continuing to work closely with our consultants Brailsford & Dunlavey to continually update the plan with the latest financial information to ensure there are sufficient ending net assets at the end of each fiscal year to meet the subsequent years financial obligations which include:

1. Transfer of Student Fees to the USU Operating Budget
2. Transfer of funds for annual debt service
3. Transfer of funds to the Major Repair & Replacement Fund in accordance with the 30-Year Repair & Replacement Plan
4. Transfer of funds for the USU Gateway Project

Strategy 2: Debt Service Coverage Ratio (DSCR)

The second strategy is to maintain the Debt Service Coverage Ratio (DSCR) at or above 1.25¹ which means that there is \$1.25 of net student fee revenue available for every \$1.00 of annual debt service.

Strategy 3: Unallocated Reserves

The third strategy is to build up Unallocated Reserves to handle unexpected economic events and any other financial contingencies. Unallocated Reserves are established by transferring unutilized funds identified during quarterly budget reviews to Unallocated Reserves.

Strategy 4: Administrative Contingencies

The fourth strategy is to retain a reserve for one-time, non-recurring expenses. These expenses are referred to as Administrative Contingencies². Administrative Contingencies are included as a part of the Operating Budget Allocation Proposal.

The 25-26 proposed budget for Administrative Contingencies is \$542,200. The descriptions and justifications for Administrative Contingencies are included in **Exhibit 1**.

Strategy 5: Surplus and Deficit Management

The fifth strategy is to manage the surplus so that the surplus is not excessive or manage the deficit when it may be necessary to proactively

budget a deficit.

- If an unexpected large surplus develops in 25-26, the USU will bill less student fees than what was approved in the budget in order to reduce the surplus. The student fees that remain in the Revenue Fund would provide more funding for the USU Gateway Project. This strategy was used in 22-23, 23-24, and may be used again in June 2025.
- \$6.0 million dollars in the Consolidated Investment Pool (CIP) is designated to provide some of the down payment for the USU Gateway Project. These funds will eventually be transferred to the Revenue Fund from the Operating Fund (CIP) to make these funds available for the project.
Depending on the timing and the amount of the transfer, a planned deficit could result since a multi-million-dollar transfer would offset any surplus in existence at the time the transfer is made.

BUDGET ALLOCATION PROPOSALS

Operating Budget Allocation Proposal

The Operating Budget compares the 2024-25 Approved Budget with the 25-26 Operating Budget Proposal to compute dollar and percentage variances.

The charge given to budget managers at the Annual Budget Meeting was to keep their total 2025-26 department expenditures in alignment with 2024-25 levels. The goal was to maintain the same level of services, programs, and facilities while advancing the USU Gateway and The Valera NEST projects in spite of projected state budget deficits and inflationary pressures.

The USU is proposing a breakeven Operating Budget which means that the total budget for revenue equals the total budget for expenditures. The University Student Union's 25-26 Budget Allocation Proposal totals \$22,394,454.

The total increase in the budget when compared to 24-25 is 3.8% or \$820,606. This is quite an achievement considering that salary, benefits, and operating expenses continue to increase in addition to the increase in expenditures as a result of the addition of The Valera NEST.

The addition of The Valera NEST adds \$364,034 to the operating budget. If The Valera NEST's expenditures were not included in the budget, the increase in the budget would only have been 2.1% or \$456,751.

The summary of the Operating Budget Allocation Proposal is displayed in **Exhibit 2**.

Total Salaries, Wages, and Employee Benefits are expenditures that department managers cannot directly control. Salaries are projected to increase by 1.5% and Employee Benefits by 1.2%.

Operating Expenses are projected to increase by 8.0%.

Where the Money Comes From

The table below summarizes the dollar and percentage variances in each Revenue category:

Revenue Category	2024-25 Adopted Budget	2025-26 Proposed Budget	Variance \$	Variance %
Student Fees	\$ 18,622,299	\$ 19,221,302	\$ 599,003	3.2%
Food Service Commissions	\$ 51,778	\$ 47,694	\$ (4,084)	-7.9%
Rental Income	\$ 942,369	\$ 954,604	\$ 12,235	1.3%
Summer Camp Revenue	\$ 697,986	\$ 788,530	\$ 90,544	13.0%
SRC Income	\$ 552,949	\$ 600,966	\$ 48,017	8.7%
Interest Income	\$ 116,638	\$ 160,000	\$ 43,362	37.2%
Grant Revenue	\$ 407,844	\$ 329,919	\$ (77,925)	-19.1%
Miscellaneous Income	\$ 181,985	\$ 291,439	\$ 109,454	60.1%
Total Revenues	\$ 21,573,848	\$ 22,394,454	\$ 820,606	3.8%

The projected increase in revenue is \$820,606 or 3.8%.

Student union fees are projected to provide 86% of the Operating Revenue Budget and non-student fee revenue, internally generated by the USU, is projected to provide 14% of the Operating Revenue Budget.

Food Commission Income

- \$4,084 decline due to a decrease in sales projections for USU foodservice units when compared to 24-25 actuals per Michael Lennon, TUC Associated Director, Facility & Operations.

Rental Income

- \$12,235 gain due to the increase in the sublease rate charged to Associated Students.

Summer Camp Revenue

- \$90,544 gain due to an increase in the price charged to customers and an 7% increase in the number of enrolled campers when compared to the prior year. Camp for the 2025-26 season has sold out.

SRC Income

- Increase of \$48,017. There is a \$56,741 increase in Membership Income offset by a \$10,375 decrease in Fitness Program Income in the Aquatics department. The decrease in Fitness Program Income is attributable to the following:
 - Reduction in the number of participants in American Red Cross CPR/AED classes
 - Reduction in Lifeguard training due to the decommissioning of the Plaza Pool.

Interest Income

- \$43,362 gain due to interest rates projected to remain at or above 4.0% in the Consolidated Investment Pool (CIP) and the U.S. Treasury Reserves Cash Reserves account with Farmers & Merchants Bank.

Grant Revenue

- \$77,925 decrease due to the cessation of the HEAL Program funded by the Campus Quality Fee (CQF).

Miscellaneous Income

- \$109,454 increase due to the reinstatement of the AORMA (Auxiliary Organizations Risk Management Alliance and CSURMA (California State Risk Management Authority) General Liability insurance and Workers Compensation premium dividends.

Decreases in student headcount could have an adverse financial impact on Student Union Fee revenue recorded in the Revenue Fund. Decreases in student fees are managed by realigning expenditures with revenues during quarterly budget reviews and future annual operating budgets.

Where the Money Goes

The projected increase in Total Expenditures is \$820,066 or 3.8%. The following table reflects the dollar and percentage variances in each Expenditure category:

Salaries, Wages & Benefits

Salaries, Wages & benefits comprise 62.6% of the Expenditure Budget and Operating Expenditures comprise 37.4%

Expenditure Category	2024-25 Budget (6&6)	2025-26 Proposed Budget	\$ Variance	% Variance
Staff Salaries	\$ 6,555,566	\$ 6,462,879	\$ (92,686)	-1.4%
Hourly Wages	\$ 516,701	\$ 436,115	\$ (80,586)	-15.6%
Student Wages	\$ 3,787,943	\$ 4,122,359	\$ 334,416	8.8%
Total Salaries & Wages	\$ 10,860,210	\$ 11,021,353	\$ 161,144	1.5%
Benefits	\$ 1,400	\$ 1,400	\$ -	0.0%
Retirement	\$ 410,000	\$ 458,395	\$ 48,395	11.8%
Workers Compensation	\$ 83,166	\$ 94,090	\$ 10,924	13.1%
Unemployment Compensation	\$ 49,124	\$ 50,846	\$ 1,722	3.5%
Insurance Benefits	\$ 1,353,503	\$ 1,481,658	\$ 128,155	9.5%
Vacation	\$ -	\$ -	\$ -	-
Post Employment Insurance	\$ 351,467	\$ 193,359	\$ (158,108)	-45.0%
Payroll Taxes	\$ 674,919	\$ 639,305	\$ (35,614)	-5.3%
Staff Enrichment Reimbursement	\$ 32,922	\$ 72,932	\$ 40,010	121.5%
Benefits	\$ 2,956,502	\$ 2,991,985	\$ 35,483	1.2%
Total Salaries, Wages & Benefits	\$ 13,816,712	\$ 14,013,338	\$ 196,626	1.4%
Cost of Goods Sold	\$ 27,300	\$ 34,550	\$ 7,250	26.6%
General Operating Expenses	\$ 525,850	\$ 592,969	\$ 67,119	12.8%
Supplies & Services	\$ 2,566,322	\$ 2,806,065	\$ 239,743	9.3%
Travel	\$ 318,320	\$ 257,663	\$ (60,657)	-19.1%
Utilities	\$ 1,263,846	\$ 1,326,684	\$ 62,838	5.0%
Repairs & Maintenance	\$ 2,029,033	\$ 2,177,064	\$ 148,031	7.3%
Fees & Charges	\$ 255,086	\$ 283,595	\$ 28,509	11.2%
Reserves	\$ 419,017	\$ 542,200	\$ 123,183	29.4%
Grants & Scholarships	\$ 75,991	\$ 79,825	\$ 3,834	5.0%
Expendable Equipment	\$ 161,348	\$ 144,807	\$ (16,541)	-10.3%
Amortization & Depreciation	\$ 131,591	\$ 81,260	\$ (50,331)	-38.2%
Post-Retirement Expense	\$ (16,567)	\$ 54,434	\$ 71,001	-428.6%
Total Operating Expenses	\$ 7,757,137	\$ 8,381,116	\$ 623,979	8.0%
Total Expenditures	\$ 21,573,848	\$ 22,394,454	\$ 820,606	3.8%

- **Staff Salaries:** \$92,686 decrease due to the reduction in projected budget for general salary increases from 5% to 2.5%
- **Hourly Wages:** A \$80,586 decrease in Hourly Wages primarily attributable to the decrease in hours for lifeguards as a result of the Plaza Pool closure.
- **Student Wages:** \$334,416 or 8.8% increase due to the minimum wage rising from \$17.27 per hour to \$17.84 per hour.

- **Employee Benefits:** \$35,483 or 1.2% increase
 - \$128,155 and \$48,395 increase in health insurance and retirement expense offset by a \$158,108 decrease in post-employment insurance and a \$35,614 decrease in employer-paid payroll taxes.
 - The decrease in post-employment is due to fully funding the Retirement Health Benefit Plan in November 2024.
 - The decrease in employer-paid payroll taxes is due to the decrease in the projected budget for Staff Salaries and Hourly Wages .

Operating Expenses

Operating Expenditures increased by 623,979 or 8.0%.

- **General Operating Expenses** increased by a net amount of \$67,119 primarily in the following accounts:
 - **Increases**
 - \$42,439 Insurance Premium Expense
 - \$5,191 Subscriptions
 - \$26,010 Hospitality
 - \$9,329 Program Food Costs (Summer Camp)
 - **Decreases**
 - \$3,765 Advertising & Promotional Items
 - \$15,000 Recruitment
- **Supplies & Services** increased by a net amount of \$239,331 primarily in the following accounts:
 - **Increases**
 - \$5,740 Audit Services
 - \$19,864 Technology Contractual Services
 - \$6,397 Training Professional Development
 - \$164,667 Program Costs
 - \$50,284 Operational Supplies
 - \$38,090 Professional Services
 - \$24,372 Subcontractor Services University

- **Decreases**
 - \$82,552 Contractual Services. There was an on-time allocation in 24-25 for renovation of the Associated Student’s Athletic space which will not be repeated again in 25-26.
- **Travel** decreased by \$60,657 in order to be in alignment with campus guidelines to reduce travel due to the challenges with the CSU Budget.
 - **Decreases**
 - \$32,665 General Travel Expenses
 - \$27,992 Workshop & Conference Fees
- **Utilities** increased by \$62,838. The budget for utilities is provided by Physical Plant Management, a CSUN campus department:
 - **Increases**
 - \$51,607 Electricity
 - \$41,870 Water
 - **Decreases**
 - \$29,615 Natural Gas
 - \$1,024 Communication Cell Phones
- **Repairs & Maintenance (R&M)** increased by a net amount of \$148,643 primarily in the following accounts:
 - **Increases**
 - \$41,968 Sanitation Services
 - \$17,534 Building Maintenance
 - \$50,837 Custodial Services
 - \$23,577 Equipment Repairs
 - \$7,675 R&M – Sports & Fitness Equipment
 - \$8,000 R&M Outdoor Field
- **Fees & Charges** increased by \$28,509 due to increases in the following accounts:
 - \$7,750 University Department Support
 - \$16,922 Licensing & Fees
 - \$3,801 Credit Card Processing Fees

- **Reserves**
 - \$123,183 increase in Administrative Contingencies due to contingencies established for The Valera NEST and a contingency for meeting room tables and chairs.
- **Expendable Equipment** decreased by \$16,541 in the Equipment less than \$5,000 account.
- **Amortization & Depreciation** decreased by \$50,331 because many pieces of equipment were fully depreciated in 2024-25:
 - \$2,542 Depreciation for Leasehold Improvements
 - \$47,789 Depreciation for Equipment & Furniture
- **Post Retirement Expense** increased by \$71,001 per the latest Actuarial Valuation Report prepared by Foster & Foster, the USU's actuarial consultants.

CAPITAL OUTLAY, MAJOR R&R, AND DESIGNATED RESERVES ALLOCATION PROPOSALS

The Capital Outlay, Major Purchases, Repair & Replacement, and Designated Reserves Allocation Proposals were approved by the Board of Directors on May 05, 2025.

Capital Outlay Allocation Proposal

Capital Outlay, also known as fixed assets, is defined as a single item purchase or project greater than \$5,000 that is used in a productive capacity in the USU for more than one year.

We are requesting an allocation totaling \$41,162.

Major Purchase, Repair, & Maintenance Allocation Proposal

The Major Purchase, Repair & Maintenance fund is administered by the campus on behalf of the USU. This fund is used for major purchases, repairs, and replacements exceeding a total of \$100,000.

We are requesting an allocation totaling \$423,410. The estimated annual transfer³ to the Repair & Replacement Fund for 24-25 is projected to be \$3,000,000.

Designated Reserves Allocation Proposal

The Board of Directors sets aside Designated Reserves⁴ for specific purposes such as payroll-related items. We are requesting an allocation of \$804,839.

Motion passes 6-0-0

B. 2024-25 Third Quarter Budget (9&3)

M/S/P (H. Patel /D. Figueroa) Motion to recommend approval of the 2024-25, 9&3 Third Quarter Budget as presented.

The purpose of this report is to summarize the financial results of the University Student Union for the nine-month period ended March 31, 2025. The optimal operating range is 75% of the yearly budget, although limits from 70% to 80% are acceptable.

STATEMENT OF ACTIVITIES

The Statement of Activities does not include budget modifications that were discussed during budget meetings with department managers held the first two weeks of May 2025. These Budget Modifications will be recorded in April 2025.

Revenue

Total Revenue is at the optimal range of 75.6% due to the weight of Student Fee Revenue which comprises 85% of the total revenue as of March 31, 2025.

Expenditures – Salaries & Wages

Total Salaries & Wages are below the optimal range at 68.4% because Staff Salaries are at 66.7%.

Budget Modifications will be processed in April 2025 to bring Staff Salaries up to the optimal range.

Expenditures – Operating

Total Operating Expenditures are significantly below the operating range at 58.4%. This provides opportunities to increase Unallocated Reserves by decreasing the budget for accounts that are below the optimal range. The budget for accounts within the following expenditure categories are being analyzed for possible reduction:

- General Operating Expenses (54.0%)
- Supplies & Services (59.4%)
- Travel (57.5%)
- Repairs & Maintenance (64.3%)
- Amortization & Depreciation (60.1%)

Please note that although the Expendable Equipment category is at 24.8%, we expect the category to be within range by fiscal-year end.

Budget Modifications were made to increase the budget for Expendable Equipment to account for purchases to be made in the fourth quarter in order to accommodate moving 25-26 technology and audiovisual purchases into 24-25. The benefit of moving the purchases into 24-25 is to take advantage of available

Unallocated Reserves and to keep expenses lower for the 25-26 Operating Budget.

Change in Net Assets (Surplus)

The Actual Change in Net Assets is a surplus of \$1,195,684 while the Budget Change in Net Assets is zero reflecting the USU’s practice of maintaining a break-even budget.

If the surplus remains at current levels and/or continues to increase, the USU will utilize the strategy employed for the last two fiscal years to manage a large surplus. The strategy is to invoice less student fees than budgeted in order to increase projected Ending Net Assets in the Revenue Fund.

The Revenue Fund is managed by the campus on behalf of the USU and is the fund where all student fee revenue is deposited and disbursed to the USU via monthly invoices.

Increasing Ending Net Assets in the Revenue Fund increases the financial strength of the USU as reflected in the Long-Term Financial Plan. It is important in the short term to have more cash on hand in the Revenue Fund as large amounts of cash will be disbursed for the construction of the Gateway Project until completion in 2032.

Statement of Changes in Financial Position

- a. \$11,532,340 Total Assets of which \$10,668,348 is liquid cash.
- b. \$1,290,298 Total Liabilities of which a negative \$224,889 is the Post Employment liability set aside to pay for the projected medical expenses of current and future USU retirees who are eligible for the Retirement Health Benefits Plan (RHBP).
 - i. The liability is negative because the RHBP is fully funded, meaning there are sufficient resources to pay all current and projected expenses for eligible retirees in the plan.
- c. \$10,242,042 Total Net Assets.

Investment Summary

There is a total of \$251,591 of investment income broken out as follows:

- \$247,593 Consolidated Investment Pool (CIP)
- \$3,812 US Treasury Cash Reserves (Farmers & Merchants Bank)
- \$186 Capital Preservation Fund (American Century)

Unallocated Reserves

The balance of Unallocated Reserves is \$139,877.

Unallocated Reserves will be replenished with funds returned to Unallocated Reserves by department managers after their third quarter department budget review.

Unallocated Reserves have been used to move expenditures anticipated in 25-26 to 24-25. The purpose is to lower the overall expenditure budget for 25-26 and use all available 24-25 Unallocated Reserves.

Designated Reserves

The 24-25 approved budget for Designated Reserves is \$597,458.

A total of \$113,248 has been transferred to the Operating Budget during the fiscal year, leaving a balance of \$484,210.

The transfers were for employee vacation advances and the corresponding employer-paid payroll taxes associated with those vacation advances. A vacation advance is used by employees to cash out a portion of their vacation accrual per USU Policy.

Capital Outlay

The Capital Outlay budget is \$189,095.

All Capital Outlay purchases have been completed with the exception of the following:

- Virtual Desktop Infrastructure (VDI) Storage Upgrade: the order has been placed.
- SRC Partition Curtain Replacement: the contract has been completed and the curtain is in the process of being ordered.

Foundation Account Balances

The total Foundation cash balance is \$534,539 of which \$151,157 is unrestricted and \$383,381 is restricted.

Restricted and unrestricted funds are terms related to the USU funds on deposit at the CSUN Foundation:

1. **Unrestricted Funds:**
These are available for general use for all of the USU's permitted activities.
2. **Restricted Funds**

These funds can only be expended in accordance with the donor’s specifications. For example, funds directed by a donor to be used for the benefit of the Pride Center or Veterans Resource Center can only be used to support the activities of the Pride Center and Veterans Resource Center.

Work Study

There have been \$57,488 in receipts and \$15,974 in expenditures leaving a balance of \$41,514 available to spend.

The Federal Work-Study program (sometimes called the FWS) is designed to help college students find part-time work and offset education expenses. The program is overseen by the U.S. Department of Education and represents one form of financial aid that the government makes available to students who need help with college expenses.

The CSUN Work Study Office subsidizes 55% of the gross wages of USU Student Assistant Employees in the Work Study Program.

The USU utilizes these funds to pay for expenditures like student travel, professional development, memberships and subscriptions, and other expenses approved by management.

Motion passes 6-0-0

VII. Discussion Items

A. 2024-25 Finance Committee Goals Review

Chair V. Pathak led the discussion on the progress the committee made towards completing its goals for the 2024-25 fiscal year. Please refer to the table below:

No.	GOALS	PROGRESS
1	Update and finalize the long-term financial plan for the New Heart of Campus for presentation to the USU Board of Directors and Campus Administration. [June 2025 Carried over from 2023-24]	In Progress – the Financial Plan has been continuously updated to reflect the latest information available and was discussed at one Finance Committee meeting.
2	Revise the Procurement Policy to incorporate justice, equity, diversity, and inclusion (JEDI) in order provide underrepresented small businesses the opportunity to compete for business	Not Completed – due to time constraints. This goal may be carried over to the 25-26 fiscal year.

No.	GOALS	PROGRESS
	opportunities with the USU. [June 2025 Carried over from 2023-24]	

B. Committee Member Appreciation

Chair V. Pathak expressed gratitude to each member’s service on the committee during the 2024-25 fiscal year by presenting a Certificate of Appreciation to each student and staff member.

VIII. Announcements

- A.** Chair V. Pathak articulated her indebtedness to each member of the committee with a few words of wisdom. In addition, he encouraged the committee that there are applications available to reapply for the upcoming term.

IX. Adjournment

The meeting was adjourned by Chair, Vyom Pathak 1:57 at P.M.

Respectfully Submitted,



Joseph Illuminate
Associate Director, Accounting & Finance