



Budget Task Force

Sacramento State President Alexander Gonzalez has established a campus-wide Budget Task Force to examine the 2006-07 budget, determine the extent and sources of any structural deficit that may exist, and make recommendations regarding current and future spending regarding that deficit. The Budget Task Force will meet for the first time in December. Its membership includes members of the faculty, staff and administration as well as two student representatives.

The members of the Task Force are: Faculty members Steve Perez, Chris Castaneda, Tom Krabacher, Lauren O'Hanlon, Karen Davis-O'Hara, James Sobredo and Scott Farrand; Administration/Staff representatives Paul Edwards, Lillie Jones, Emir Macari and Suzanne Ogilby; and Student representatives Tiffany Huang and Sabrina Barbarena.

The President has also indicated his plan to form a University Budget Advisory Committee once the Task Force has completed its work. That committee will be charged with involving the campus community in the budget process, ensuring that budget information is clear and easily accessible, and making recommendations for annual budgets.

The current Sacramento State budget has a structural deficit that must be addressed in coming years. The Budget Task Force and the eventual University Budget Advisory Committee will play a key role in finding solutions and leading the campus community in informed budget discussions.

Some facts about the Sacramento State budget:

- CSU funding is based on enrollment and student fee revenue. The California Legislature mandates that the CSU system enroll a specific number of students each year, and the CSU in turn sets enrollment targets for each campus. Sacramento State has not met its enrollment targets for the past three years, missing by about 1.5 percent each year, and the problem has compounded. This is a structural problem that has been addressed for many years by carryover funds and reserves.
- Even though enrollment targets have not been met, the campus has continued to operate at the same level (as if it had made enrollment targets), which has

contributed to the structural problem. In addition, mandatory costs have not been fully covered. These costs include salary/benefits, energy and insurance.

- The campus has relied on carry forward funds to make up the difference between revenue shortfalls (of not meeting enrollment targets) and the permanent expenditure base, which has been kept at the same funding level.
- Continued funding of annual operations through carryover funds might have continued if enrollment had grown as quickly as expected. But while there has been growth, it has been slower than planned. After implementing a number of efforts related to student recruitment for 2006-07, such as adding student callers and increasing the number of visits to high schools and community colleges, the campus may meet its enrollment target. Specifically, in fall 2006, first-time freshmen enrollment at Sacramento State increased by 10 percent over fall 2005, but the campus at this point is 0.7 percent short of meeting the 2006-07 enrollment target.
- For 2006/07, the total funding available to Sacramento State from the General Fund is \$229 million. The campus budget called for General Fund spending of about \$235.5 million, which is \$6.5 million over the amount available.
- The existing Budget Advisory Group made the recommendation to eliminate this gap over three years by making cuts as well as utilizing some carryover and reserve funds. The President approved the recommendation.
- At the request of the Provost, and to allow the Budget Task Force the necessary time to make recommendations, the President has deferred permanent baseline cuts to Colleges and the Library for the 2006-07 fiscal year.
- Other units will implement cuts this year as planned. However, there have been increases for student recruitment, transcript evaluations to help retain transfer students, and initiatives to increase private funding. This amounts to about 0.5 percent of the budget.
- The compact agreement between the Governor and the CSU, while important, primarily covers salary increases, enrollment growth and a portion of the mandatory costs.
- The Budget Task Force will be expected to meet at least twice before the end of the fall semester and to make recommendations about the current budget in early 2007.