

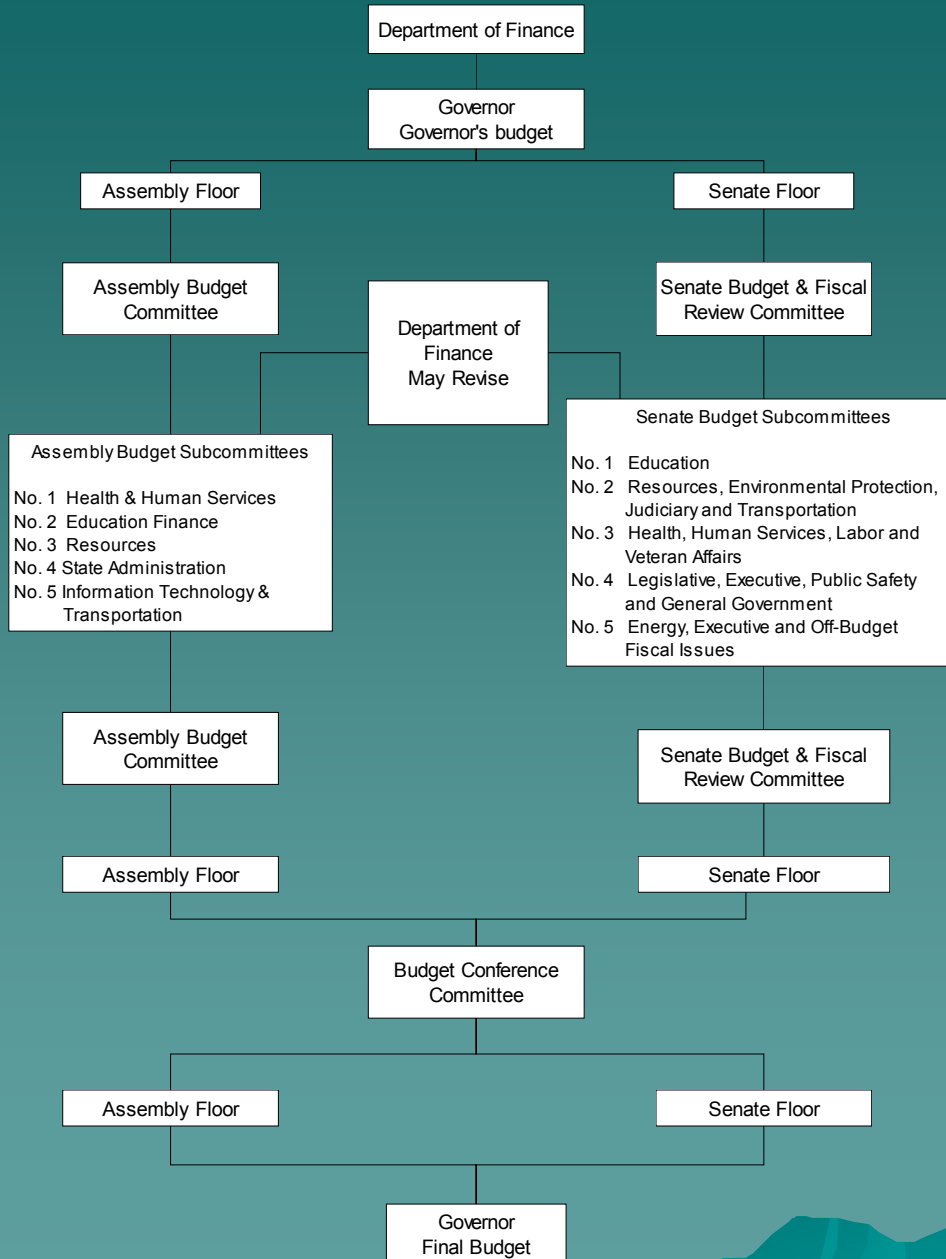
General Fund Summary

Faculty Senate
Presentation
August 30, 2006

General Fund Summary Agenda

- ◆ State Budget Process
- ◆ CSU and Sac State General Fund Process
- ◆ Higher Education Compact
- ◆ Student Fees
- ◆ FTES Comparison
- ◆ Sac State's Budget
- ◆ Campus Budget Issues

Budget Bill Process



General Fund Budget Development Timeline

	OCT-DEC	JAN-MAR	APR-JUN	JUL-SEP	SEPT/OCT
STATE		<ul style="list-style-type: none"> •Governor releases proposed budget for upcoming fiscal year •LAO review of Governor's budget •Legislative budget subcommittee hearings begin 	<ul style="list-style-type: none"> •Legislative Analyst's Office releases May Revision of next fiscal year's revenue projections •Legislature deliberates, sends Governor balanced budget. 	<ul style="list-style-type: none"> •Governor redline's budget proposal from the Legislature and signs budget 	
CSU	<ul style="list-style-type: none"> •Board of Trustees approve CSU Budget for next budget year •CSU meets w/Governor's Office & DOF Staff 	<ul style="list-style-type: none"> •BOT & Chancellor's Exec Committee begin deliberation on budget issues based on Governor's Budget. Chancellor's Office provides campuses with periodic updates. 	<ul style="list-style-type: none"> •Chancellor's Office provides campus Presidents with anticipated budget outcomes based on LAO "May Revise" 	<ul style="list-style-type: none"> •Chancellor's Office notifies campus of final budget allocations •BOT & Chancellor's Exec Committee ends deliberation on budget issues 	
SAC STATE					
Budget Advisory Group	<ul style="list-style-type: none"> •BAG meetings for updates/discussions on current year funds, and discussions on anticipated budget issues for next budget year •Receives updates from on-going strategic planning process •BOT strategies input reviewed 	<ul style="list-style-type: none"> •BAG receives updates to University priorities •BAG meets for updates/ discussions on current year funds, develops campus budget assumptions and parameters for new budget year •President sends Budget Call & DLI Call to VPs •BOT strategies input reviewed 	<ul style="list-style-type: none"> •Budget Office prepares summary of responses to budget call and develops budget information updates •BAG meets to get budget updates, refine campus budget assumptions and needs. •BAG develops balanced budget proposal •BOT strategies input reviewed •Campus strategic priorities reviewed, considered and updated 	<ul style="list-style-type: none"> •President decides campus budget allocations and notifies Provost/VPs and campus •BAG meets for updates/discussions on current year funds. •Campus strategic priorities reviewed, considered and updated 	<ul style="list-style-type: none"> •University Budget Office implements President's budget allocations •Campus strategic priorities reviewed, considered and updated
	← Town Hall Meetings →				
Provost/VP's	<ul style="list-style-type: none"> • On- going dialogue with Program Areas/Departments regarding budget issues 	<ul style="list-style-type: none"> •Provost/VPs identify strategic initiatives for new budget year •Divisions develop and implement internal budget process to identify priorities and budget needs. 	<ul style="list-style-type: none"> •Provost/VP's respond to budget call 	<ul style="list-style-type: none"> •Provost/VP's notify Budget Office of budget allocations to Program Areas; 	<ul style="list-style-type: none"> •University Budget Office implements Provost/VP's distribution of budget allocations
Colleges/ Departments	<ul style="list-style-type: none"> • On- going dialogue with Provost/VP's regarding budget issues 	<ul style="list-style-type: none"> •College/Departments respond to Provost/VP request for priorities and budget needs. 		<ul style="list-style-type: none"> •Program Areas prepare budget allocations to departments. 	<ul style="list-style-type: none"> •University Budget Office implements Program Area distribution of budget allocations received from Divisions

Higher Education Compact

Starting point funding agreement between Governor Schwarzenegger and the California State University

- Long term funding stability – enrollment growth
- Predictable student fees
- Faculty and staff compensation

Components of the Higher Education Compact:

- Six years (2005/06 through 2010/11)
- Provide base budget adjustments
 - ◆ 3% annual increase for 2005/06 – 2006/07
 - ◆ 4% annual increase for 2007/08 – 2010/11
- 2008/09 – 2010/11 - additional 1% annual increase
- Some mandatory cost budget adjustments
 - ◆ annuitant dental benefits,
 - ◆ retirement contributions, and
 - ◆ debt service for state funded projects

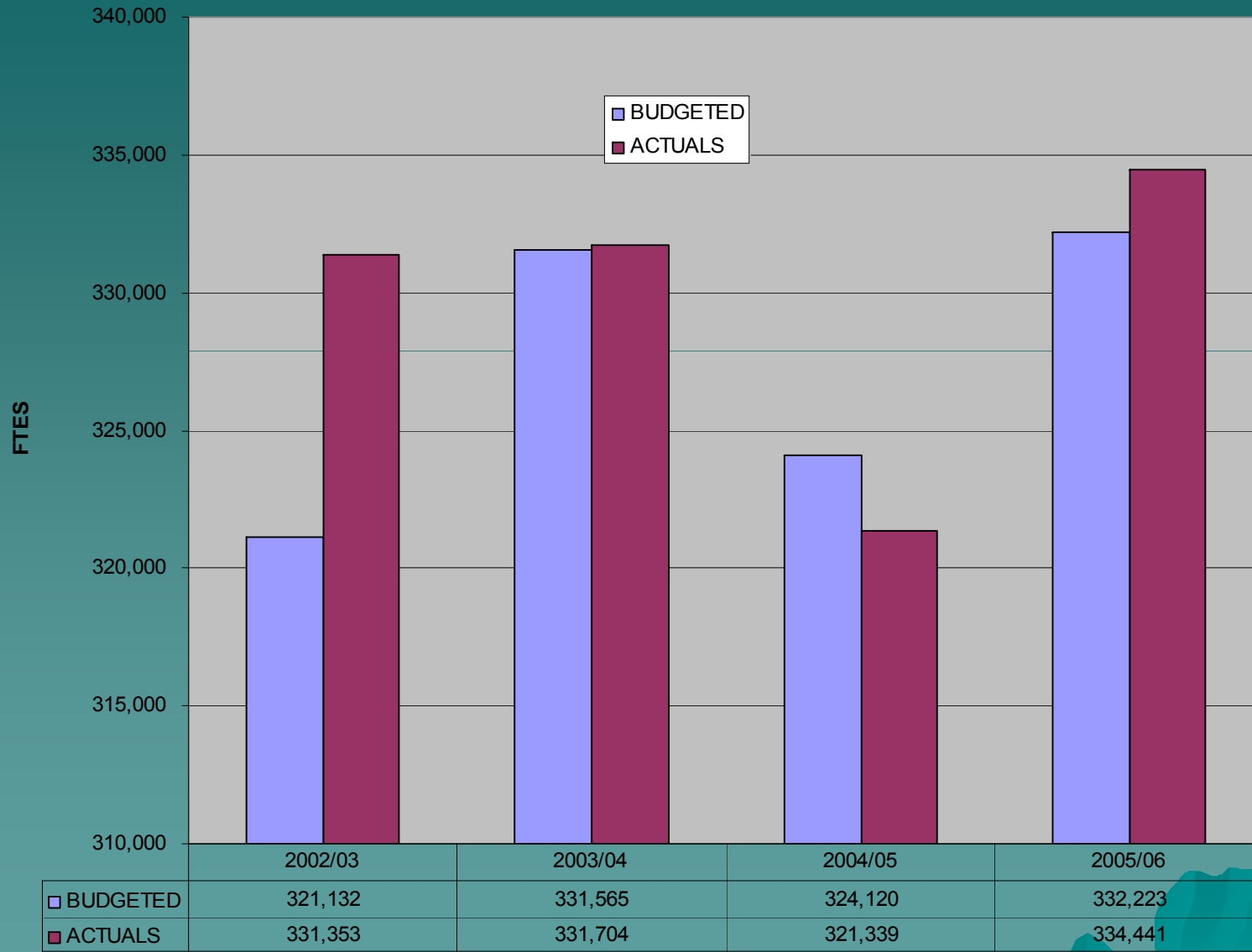
Systemwide Student Fee Changes

- ◆ 2002/03
 - State University Fee increase effective Winter 2002
 - ◆ 10% for undergraduate
 - ◆ 15% for graduate/post baccalaureate
 - Nonresident tuition rates increased by 15%
- ◆ 2003/04
 - State University Fee increase
 - ◆ 30% for undergraduates and graduates
- ◆ 2004/05
 - State University Fee increases
 - ◆ 14% for undergraduate
 - ◆ 20% for graduate/postbaccalaureate teacher credential students
 - ◆ 25% other graduate/postbaccalaureate students
- ◆ 2005/06
 - State University Fee increases
 - ◆ 8% for undergraduates and postbaccalaureate teacher credential students
 - ◆ 10% for graduates/other postbaccalaureate students

Systemwide Comparison

	2002/03	2003/04	2004/05	2005/06
BUDGETED FTES	321,132	331,565	324,120	332,223
% CHANGE	5.0%	3.2%	-2.2%	2.5%
ACTUAL FTES	331,353	331,704	321,339	334,441
% CHANGE		0.1%	-3.1%	4.1%
	2002/03	2003/04	2004/05	2005/06
BUDGETED FTES ENROLLMENT CHANGE	12,030	10,433	(7,445)	8,103
MARGINAL COST/FTES FUNDING	\$7,306	\$7,407	\$7,496	\$7,868
GENERAL FUND CHANGE	\$72.9M	<\$188.3M>	<\$44.0M>	\$167.2M
STUDENT FEE REVENUE CHANGE	\$26.6M	\$275.6M	\$105.6M	\$101.0M
FEE INCREASE RATE	Winter 2005 10% / 15%	30%	14% / 20% / 25%	8% / 10%
MID YEAR REDUCTIONS				
- GENERAL FUND	<\$59.6M>			
- STUDENT FEE REVENUE	<\$20.0M>			

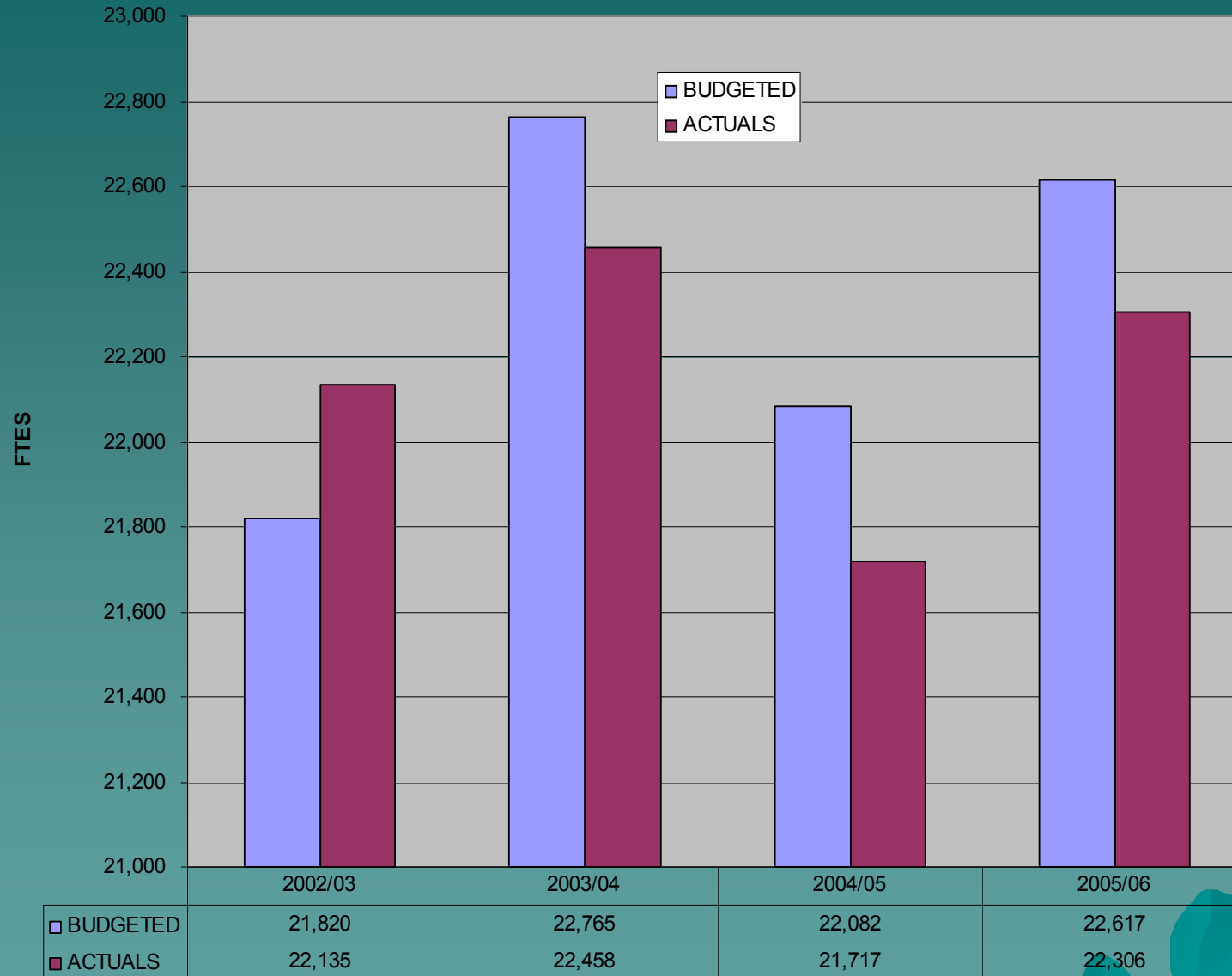
Systemwide FTES Comparison



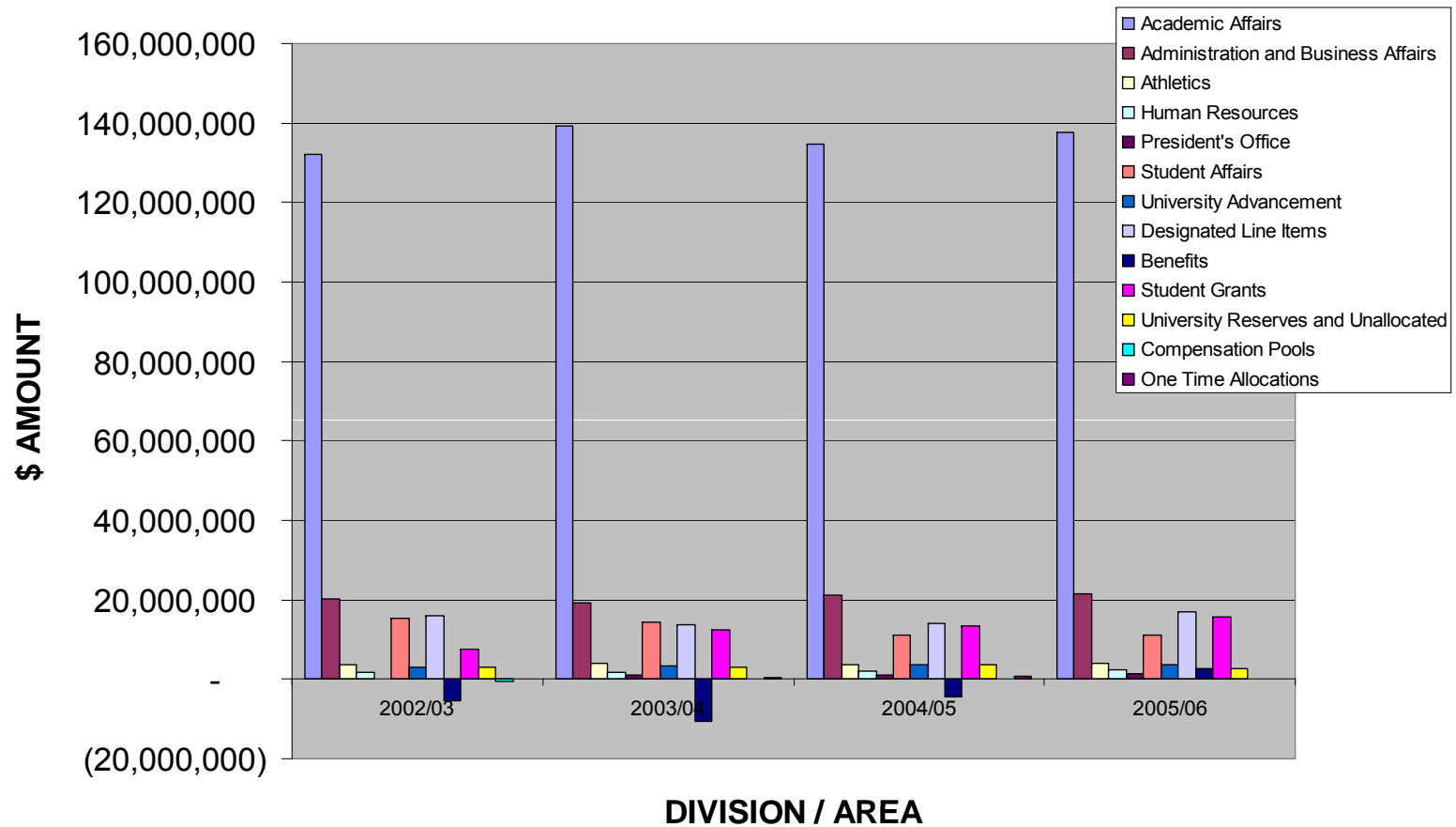
Sac State FTES Comparison

COMPARISON OF FTES BY COLLEGE YEAR					
SACRAMENTO STATE STUDENT ACCESS AND ENROLLMENT TARGETS					
	2002/03	2003/04	2004/05	2005/06	
BUDGETED	21,820	22,765	22,082	22,617	
ACTUALS	22,135	22,458	21,717	22,306	
DIFFERENCE	315	(308)	(365)	(311)	
% (DIFF/BUDGETED)	1.44%	-1.35%	-1.65%	-1.38%	
UNMATERIALIZED REVENUE					
	2002/03	2003/04	2004/05	2005/06	TOTAL
General Fund @ Enrollment Growth Marginal Cost Rate		(2,277,653)	(2,737,539)	(2,446,948)	(7,462,140)
State University Fee Revenue *		(450,279)	(792,419)	(982,375)	(2,225,073)
TOTAL REVENUE:		(2,727,932)	(3,529,958)	(3,429,323)	(9,687,213)
Enrollment Growth Marginal Cost Rate		\$7,407	\$7,496	\$7,868	
* Difference equals actual less projected revenue					

Sac State FTES Comparison



GENERAL FUND ALLOCATIONS BY FISCAL YEAR

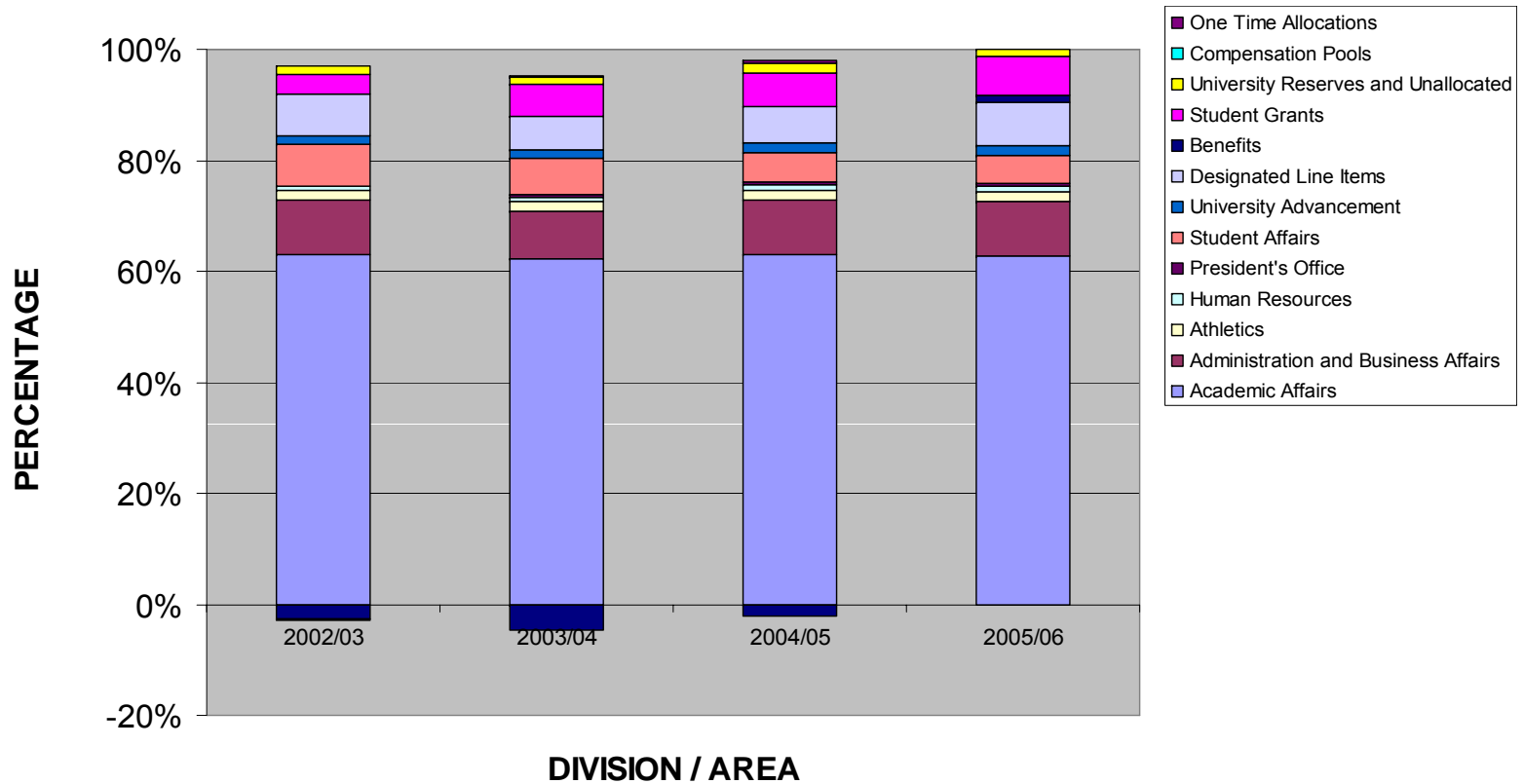


NOTES

THE FOLLOWING UNITS SWITCHED DIVISIONS

- 03/04 - Public Safety switched from Student Affairs to Admin & Bus Affairs
- 03/04 - International Admissions switched from Student Affairs to Academic Affairs
- 03/04 - Advising, EOP, etc switched from Student Affairs to Academic Affairs
- 04/05 - Payroll switched from Admin & Bus Affairs to Human Resources
- 04/05 - SSWD switched from Student Affairs to Academic Affairs
- 05/06 - Univ Co-op Educ Ctr moved to Student Affairs

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Campus General Fund Allocations

GENERAL FUND ALLOCATIONS BY FISCAL YEAR								
Division/Area	2002/03		2003/04		2004/05		2005/06	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Academic Affairs	132,167,703	67.0%	139,397,281	68.6%	134,817,618	65.9%	137,670,871	62.7%
Administration and Business Affairs	20,321,262	10.3%	19,384,900	9.5%	21,033,334	10.3%	21,639,614	9.8%
Athletics	3,804,658	1.9%	3,892,628	1.9%	3,771,770	1.8%	4,023,043	1.8%
Human Resources	1,827,163	0.9%	1,848,795	0.9%	2,186,883	1.1%	2,243,333	1.0%
President's Office	*	0.0%	1,197,718	0.6%	1,098,892	0.5%	1,354,826	0.6%
Student Affairs	15,509,854	7.9%	14,425,249	7.1%	10,996,607	5.4%	11,000,294	5.0%
University Advancement	3,143,502	1.6%	3,350,249	1.7%	3,561,555	1.7%	3,571,967	1.6%
Designated Line Items	16,075,239	8.2%	13,768,739	6.8%	13,971,689	6.8%	17,053,337	7.8%
Mandatory Costs								
Benefits	(5,441,802)	-2.8% **	(10,503,494)	-5.2% **	(4,485,321)	-2.2% **	2,690,067	1.2% ***
Student Grants	7,420,150	3.8%	12,555,150	6.2%	13,252,550	6.5%	15,745,750	7.2%
University Reserves and Unallocated	3,148,976	1.6%	3,153,110	1.6%	3,594,998	1.8%	2,597,614	1.2%
Compensation Pools	(700,905)	-0.4%	124,675	0.1%	40,925	0.0%	147,795	0.1%
One Time Allocations	-	0.0%	500,000	0.2%	910,000	0.4%	-	0.0%
Total Budget:	197,275,800	100.0%	203,095,000	100.0%	204,751,500	100.0%	219,738,511	100.0%
<p>* President's Office budget was included in Administration and Business Affairs' budget allocation</p> <p>**Midyear PERS allocation of \$3,849,800 received in FY 2002/03, \$9,178,900 received in FY 2003/04, and \$2,836,000 received in FY 2004/05 which reduced the deficits</p> <p>***Midyear deallocation of (\$1,383,000) received in FY 2005/06 which reduced the surplus</p>								

Common Management System Project Milestones

- ◆ **Student Administration Implementation**
 - July 06 – Course Catalog – Completed
 - September 06 – Schedule of Classes
 - October 06 – Admissions for Fall 2007
 - December 06 – Transfer Credit for Fall 2007
 - March 07 – Financial Aid for Fall 2007
 - April 07 – GE Advising
 - April 07 – Enrollment – Continuing Students
 - June 07 – Enrollment – New Students
 - June 07 – Student Financials
 - August 07 – Transfer Credit – Continuing Students
 - October 07 – Major Advising

Common Management System Project Timelines

- ◆ **Human Resources Phase II Implementation**
 - **September 07-February 08:**
 - ◆ **Recruitment Solutions**
 - ◆ **Benefits Administration**
 - ◆ **Absence Management**
- ◆ **CSU SCO 21st Century Project (Payroll)**
 - **November 09**
- ◆ **Finance 9.0 Upgrade**
 - **December 09**

Common Management System

FY 2005-06		Projections FY 2006-07		Projections FY 2007-08	
Revised CMS Base 2005-06	\$ 2,824,952	CMS Base 2006-07	\$ 2,824,952	CMS Base 2007-08	\$ 2,824,952.00
Benefits Pool Allocation	\$ 301,657	Projected 2006-07 Budget	\$ 6,496,824	Projected 2007-08 Budget	\$2,039,074
One time Budget Adjustments	\$ (13,092)				
Total Budget Needed	\$ 5,453,517				
New Funds Required	\$ 2,340,000	New Funds Required	\$ 3,671,872	New Funds Required	\$ (785,878)
2005-06 General Fund Expenses		*Projected 2006-07 Budget		*Projected 2007-08 Budget	
Mandatory Costs		Mandatory Costs	\$ 349,048	Mandatory Costs	\$ 349,048
CMS Project	\$ 875,038	CMS Project	\$ 603,408	CMS Project	\$ 503,402
Finance	\$ 203,695	Finance	\$ 889,062	Finance	\$ -
Human Resources	\$ 1,002,284	Human Resources	\$ -	Human Resources	\$ 637,224
Student Administration	\$ 3,372,500	Student Administration	\$ 4,655,306	Student Administration	\$ 549,400
Total	\$ 5,453,517	Total	\$ 6,496,824	Total	\$ 2,039,074

Campus Budget Issues

- ◆ Cover full cost of negotiated salary increases
- ◆ Mandatory costs (health benefits, salary increases, energy costs, new space)
- ◆ Ongoing long-term costs such as deferred maintenance, technology refresh, informational security, library resources
- ◆ 22 Point Graduation Initiatives
- ◆ Math/Science Teachers program
- ◆ Educational Doctoral program
- ◆ MSN Graduate Nursing program