



**SACRAMENTO STATE**

## **Annual Financial Review Town Hall**

**November 5, 2018**

**University Union's Hinde Auditorium**

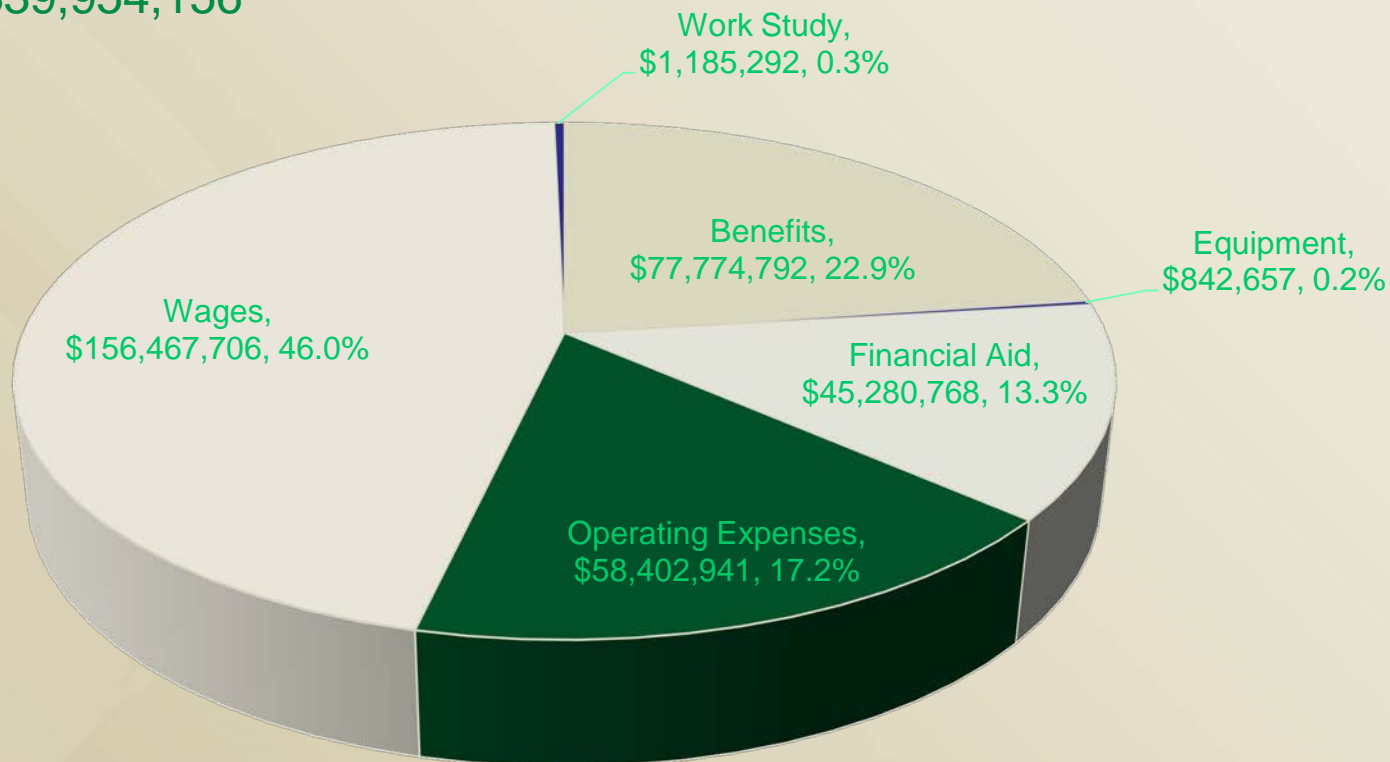
# Agenda

- How did we spend the money in 2017-18?
- CSU Final 2018-19 Budget
- Campus' Final 2018-19 Budget
- Early Discussions on the 2019-20 Budget
- Compensation Increases
- Funding for University Facilities
- Update on Construction Projects
- Reference Materials



# How did we spend the money in 2017-18?

General Operating Fund – 2017/18 Actual Expenses \*  
Total = \$339,954,156



\* Includes Education Insights



# CSU Final 2018-19 Budget

## CSU's requested increase (Nov 2017)

State funds	\$263.0M
<u>Net Tuition (enrollment growth)</u>	<u>19.9M</u>
Total Increase	\$282.9M

# CSU Final 2018-19 Budget

## CSU's requested increase (Nov 2017)

Grad Initiative 2025	\$75.0M
Compensation	\$122.1M
Enrollment Growth: 3,641 FTE	\$39.9M
Facilities and Infrastructure Needs	\$15.0M
<u>Mandatory Costs</u>	<u>\$30.9M</u>
Total Increase	\$282.9M



# CSU Final 2018-19 Budget

## Governor's Initial Budget Proposal (Jan 2018)

State funds (ongoing)	\$92.1M
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Deferred Maintenance ( <b>one-time</b> )	\$100M
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(ongoing is \$190.8M less than the CSU request,  
equating to a 3% or 1.5% increase)



# CSU Final 2018-19 Budget

## Governor's May Revise (May 2018)

State funds (ongoing)	\$92.1M
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Deferred Maintenance ( <b>one-time</b> )	\$100M
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(ongoing is \$190.8M less than the CSU request, equating to a 3% or 1.5% increase)



# CSU Final 2018-19 Budget

## State Legislature Proposals (compared to the Governor's May Revise)

### Senate and Assembly

-additional \$225.4M in ongoing funding

-also adopted a variety of one-time augmentations.





# CSU Final 2018-19 Budget

## State's Final 2018-19 Budget (Jun 2018)

State funds (ongoing) \$197.2M

(ongoing is \$85.7M less than the CSU request)



# CSU Final 2018-19 Budget

## What Didn't Get Funded?

	Requested	Funded
Graduation Initiative 2025	\$75.0M	\$75.0M
Compensation	\$122.1M	\$106.6M
Enrollment Growth (3,641 FTES)	\$39.9M	\$0.0M
Facilities and Infrastructure Needs	\$15.0M	\$0.0M
Mandatory Costs	\$30.9M	\$15.6M
Total	\$282.9M	\$197.2M



# CSU Final 2018-19 Budget

## One-Time Funding

- \$120M over four years for enrollment
- \$35M for deferred maintenance

# CSU Final 2018-19 Budget

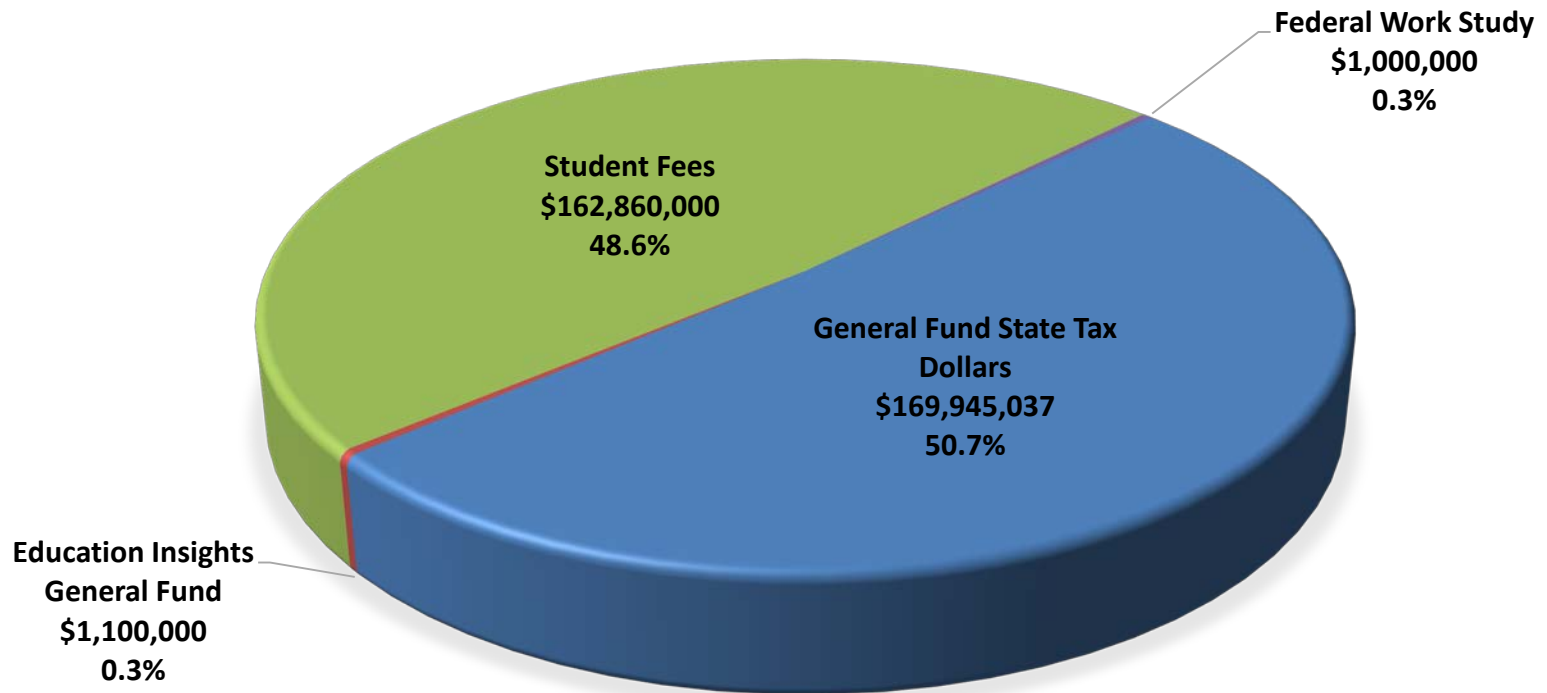
## Other Budget Plan Omissions

- \$5.9M for CSU's share of retirement costs
- Phased increase of minimum wage to \$15 per hour

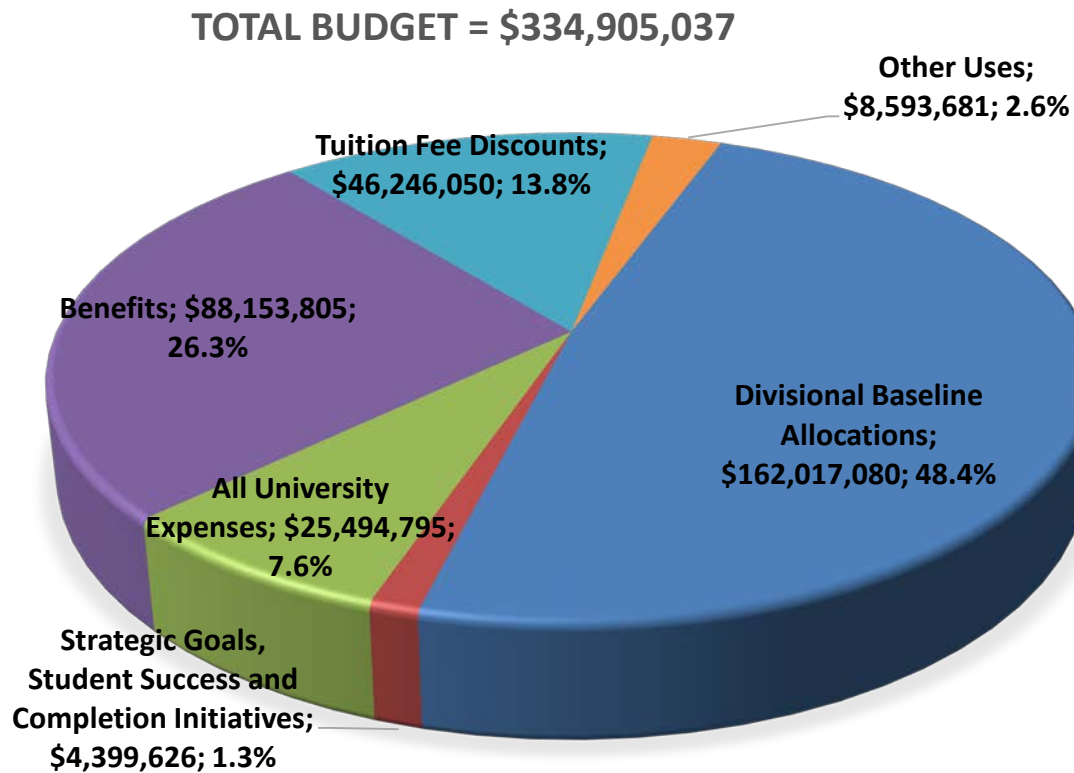


# General Operating Fund – 2018/19 Sources

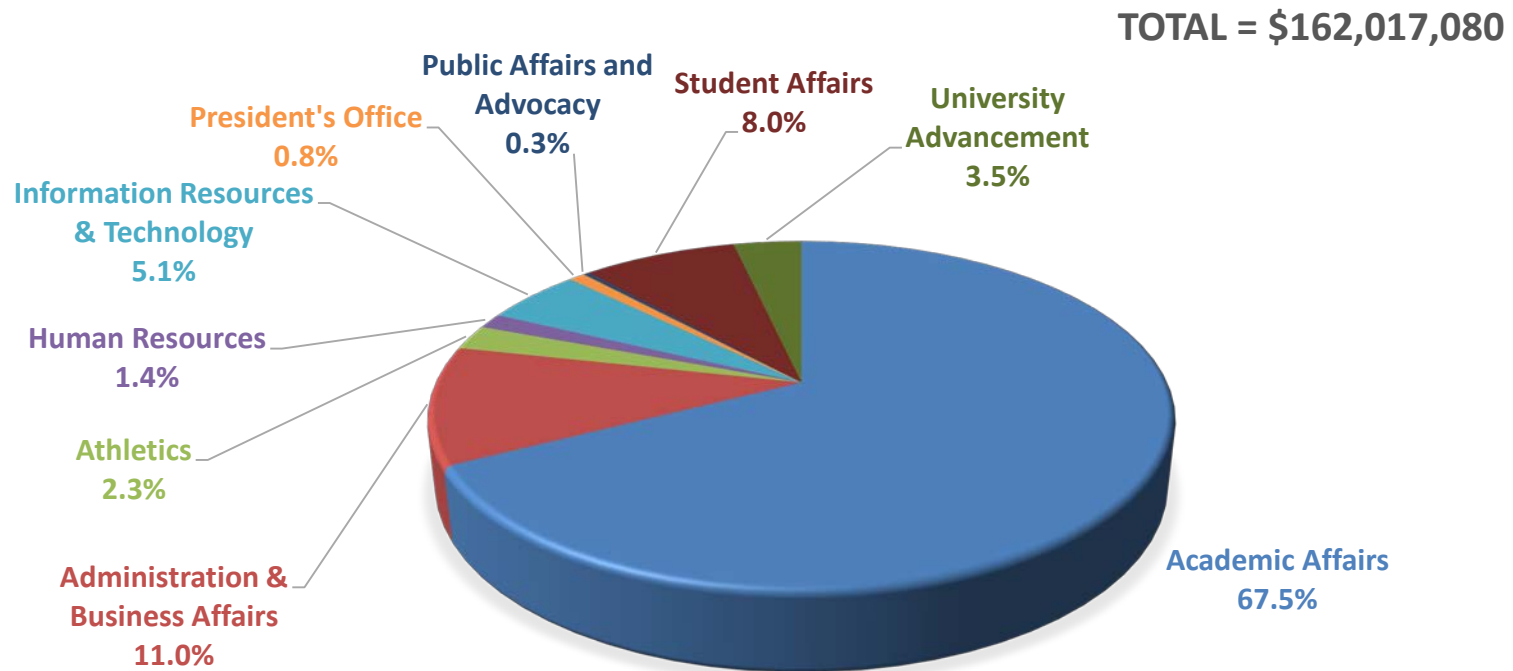
TOTAL BUDGET = \$334,905,037



# General Operating Fund – 2018/19 Uses



# General Operating Fund – 2018/19 Divisional Budgets



# MAJOR CHANGES IN SAC STATE'S BUDGET

## 2017-18 vs 2018-19

### SOURCES

State Funding Increase	14,103,200
Tuition Fee Revenue Increase	1,000,000
Baseline Reserves	1,850,532

Total Sources: **\$16,953,732**

### USES

Mandatory Costs (Prior Year)	4,477,000
Mandatory Costs (Current Year)	9,384,186
Graduation Initiatives 2025	2,092,546
Benefits for additional faculty	1,000,000

Total Uses: **\$16,953,732**

Note: Does NOT include one-time monies for additional enrollment and deferred maintenance



# MAJOR DIFFERENCES IN SAC STATE BUDGET

## \$4.5M in Prior Year Mandatory Costs

This is comprised of:

- \$2.7M Compensation (prior year contracts)
- \$1.2M Prior Year Compensation Shortfall
- \$0.6M Prior Year Benefits Pool Shortfall

# MAJOR DIFFERENCES IN SAC STATE BUDGET

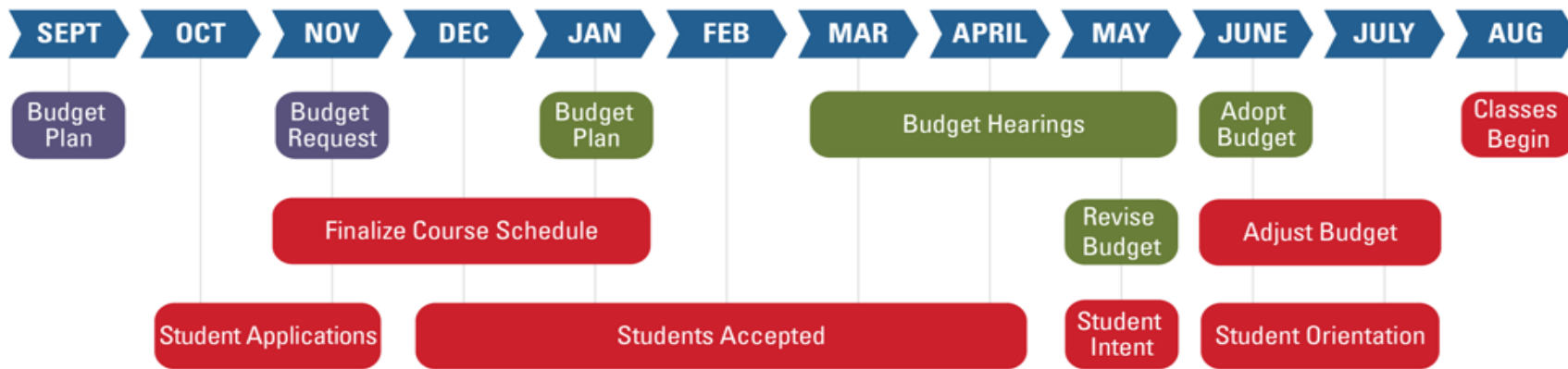
## \$9.4M in Current Year Mandatory Costs

This is comprised of:

- \$5.9M Compensation (current contracts)
- \$2.8M Benefits increases (retirement and health)
- \$1.4M All University Expenses Increases
- -\$1.2M State University Grants adjustment
- \$0.6M Other

# Early Discussions on the 2019-20 CSU Budget

## BUDGET TIMELINE



- STATE
- TRUSTEES
- CHANCELLOR/SYSTEM/CAMPUSES

# Early Discussions on the 2019-20 CSU Budget

<b>Fiscal Year</b>	<b>Governor's Budget</b>	<b>CSU Request</b>	<b>Final State Budget</b>	<b>Tuition Increase</b>	<b>Unfunded</b>
2013-2014	\$125.1	\$371.9	\$125.1		\$246.8
2014-2015	142.2	237.6	142.2		95.4
2015-2016	119.5	216.6	216.5		0.1
2016-2017	139.4	241.7	154.0		87.7
2017-2018	157.2	324.9	177.2	\$79.1	68.6
2018-2019	92.1	263.0	197.2		65.8
2019-2020	-----To Be Determined-----				
<b>Total</b>	<b>\$775.5</b>	<b>\$1,655.7</b>	<b>\$1,012.2</b>	<b>\$79.1</b>	<b>\$564.4</b>

(in millions, excludes all one-time funding)

# Early Discussions on the 2019-20 CSU Budget

- New governor in January 2019
- Value of a multi-year compact
- The rainy day fund is full

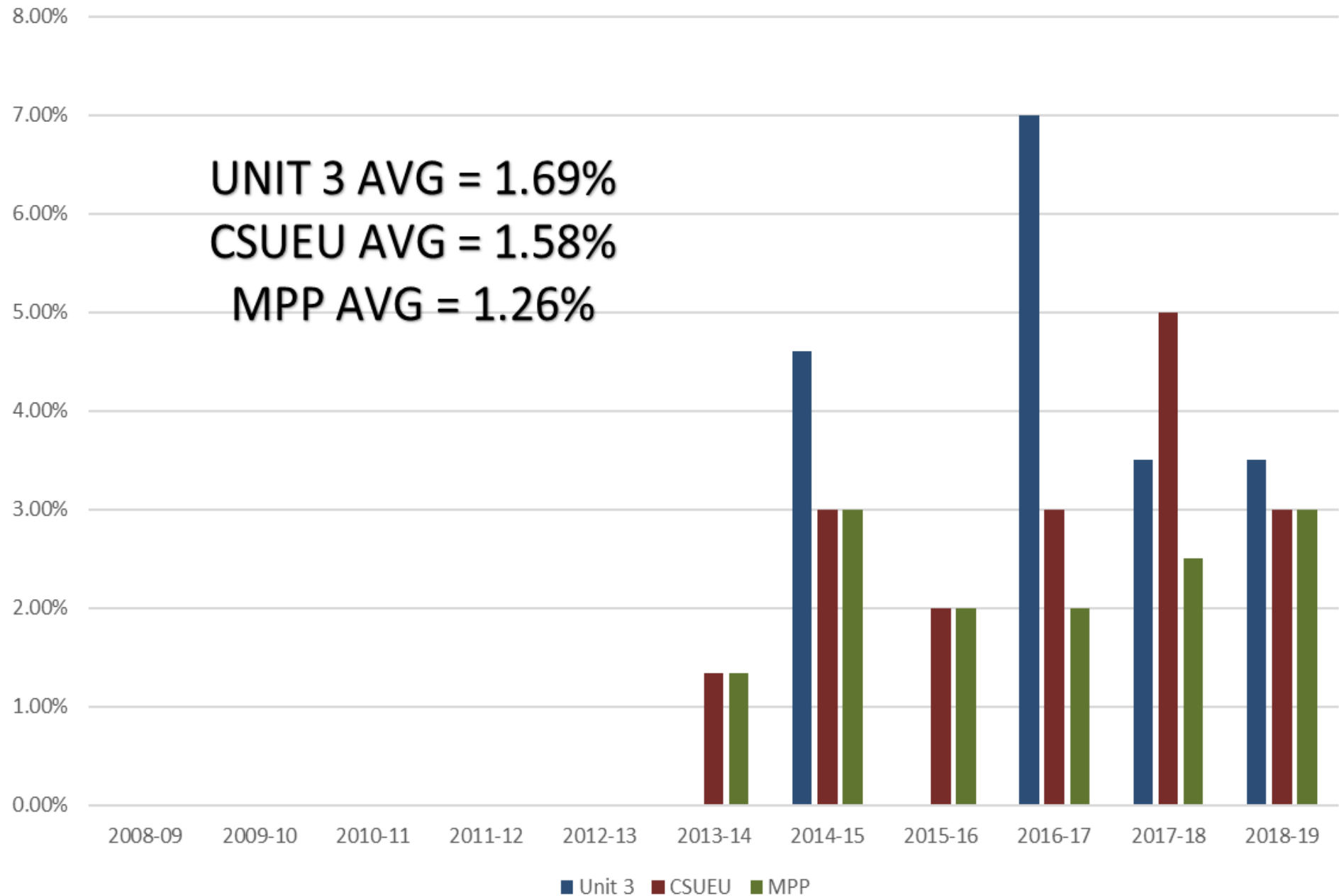
# Early Discussions on the 2019-20 CSU Budget

## Preliminary Expenditure Plan

Grad Initiative 2025	\$75M
FTES Growth	\$123M to \$205M
Facilities/Infrastructure	\$50M
Employee Salaries	\$160M
Mandatory Costs	\$38M

# Compensation Increases

**UNIT 3 AVG = 1.69%**  
**CSUEU AVG = 1.58%**  
**MPP AVG = 1.26%**



# Funding for University Facilities Maintenance and Construction





# Funding for University Facilities - Maintenance and Construction

## Old way:

### Operating Fund

- Recurring Maintenance
- Deferred Maintenance
- Capital Improvement
- All in MDS01

# Funding for University Facilities - Maintenance and Construction

## New way:

### Operating Fund

- Recurring Maintenance
- MDS01

### Non-Recurring Maintenance & Repair (NRMR)

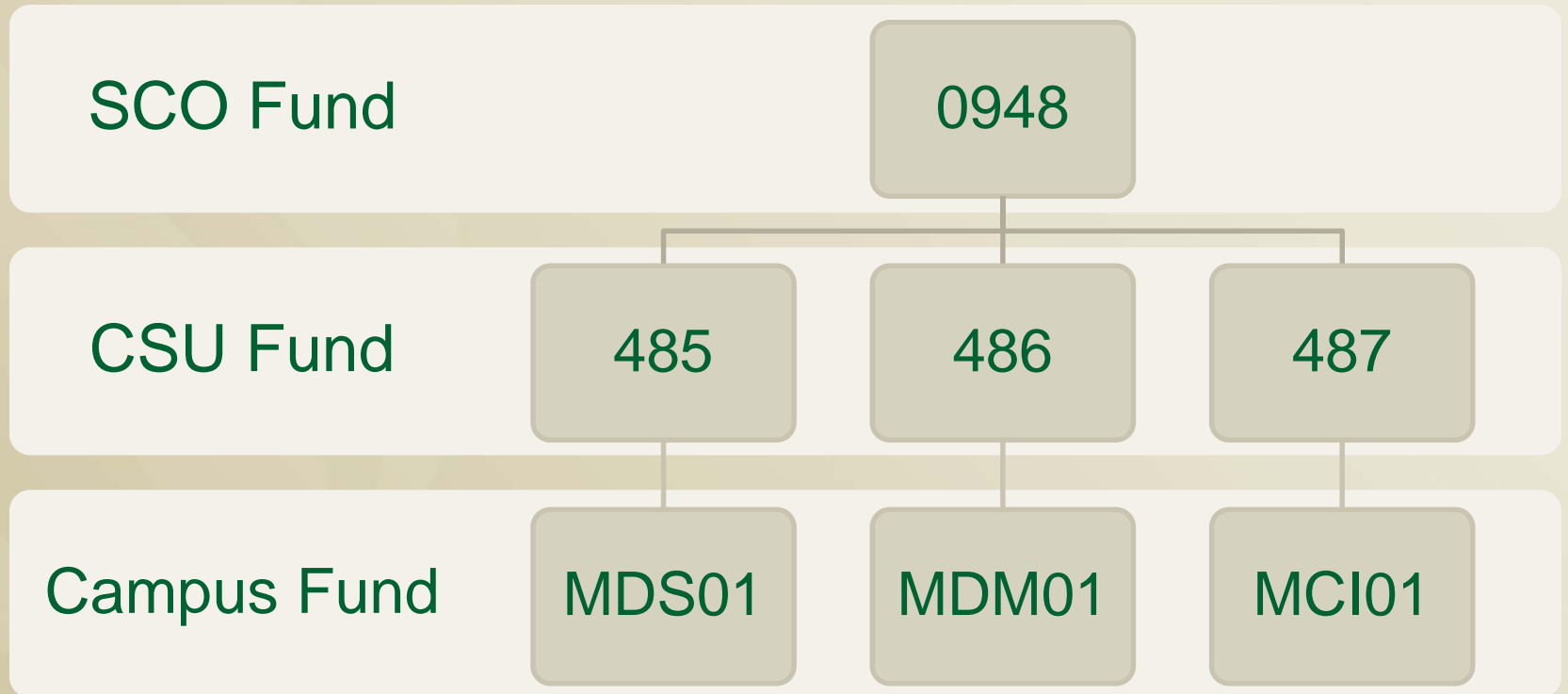
- Deferred Maintenance
- MDM01

### Capital Improvement (CIMP)

- New construction or renovations
- MCI01

# Funding for University Facilities - Maintenance and Construction

## Fund Hierarchy



# Funding for University Facilities - Maintenance and Construction

## Four main types of CSU Funds

1. Operating – CSU 485
2. Non-Recurring Maintenance and Repair (NRMR) – CSU 486
3. Capital Improvement (CIMP) – CSU 487
4. Systemwide Revenue Bonds (SRB) – CSU 230
  - Proceeds from the bond program
  - Can be used for either NRMR or CIMP



# Funding for Major Construction Projects

## Current Campus Construction Projects

# Funding for Major Construction Projects



**SACRAMENTO STATE**  
*Redefine the Possible*

# Funding for Major Construction Projects

## Parking Structure 5 Facts

1,750	Number of Parking Spaces
May-17	Construction Starts
May-18	Structure Opened
July-18	Construction Completed
\$42.4M	Total Cost
\$21.4M	Contributed from Parking Reserves
\$19.3M	Loans
\$1.7M	Bond Issuance Costs



# Funding for Major Construction Projects

## Welcome Center Facts

October 2018      Construction Starts

Late Fall 2019      Construction Ends

\$9.7M      Total Cost

\$6.4M      Contributed from Parking Reserves

\$3.0M      Chancellor's Office Contribution

\$286K      Campus Contribution





# Funding for Major Construction Projects



# Funding for Major Construction Projects

## Union Expansion Phase I Facts

Jan-17	Construction Starts
Dec-18	Construction Ends
\$52M	Project Cost
\$4.6M	Net Financing Cost
\$10.7M	Contributed from Union Reserves
\$45.9M	Loan (Bonds)



# Funding for Major Construction Projects



# Funding for Major Construction Projects

## Science Complex Facts

June-17 Construction Starts

July-19 Construction Ends

\$91M Total Cost

\$71M CO (state) contribution

\$20M Donations\*

\*Any shortfall to be covered by reserves



# Construction Projects Summary – Where does the money come from?

	Loans/CO Contrib.*	Fee Revenue Reserves	Campus Contribution	Bond Premium	Total Cost
Parking Structure 5	\$19.3M	\$21.4	\$0	\$1.7M	\$42.4M
Welcome Center	\$3.0M	\$6.4M	\$286K	\$0	\$9.7M
Union Expansion	\$45.9M	\$10.7M	\$0	\$0	\$56.6M
Science Complex	\$71M*	\$0	\$20M	\$0	\$91M
<b>Total</b>	<b>\$139.2M</b>	<b>\$38.5M</b>	<b>\$20.3M</b>	<b>\$1.7M</b>	<b>\$199.7M</b>



# Reference Materials

- Budget Office Website
  - <http://www.csus.edu/aba/budget/>
- Annual Report
  - <http://www.csus.edu/aba/budget/annual-reports.html>
- General Operating Fund Timelines
  - <http://www.csus.edu/aba/budget/Documents/Budget-Process/Budget-Timeline.pdf>



# Reference Materials

- 2018/19 UBAC Budget Recommendation
  - [https://www.csus.edu/aba/budget/Documents/UBAC/2018-19/ubac\\_memo\\_to\\_president\\_2018-19\\_budget\\_recommendation.pdf](https://www.csus.edu/aba/budget/Documents/UBAC/2018-19/ubac_memo_to_president_2018-19_budget_recommendation.pdf)
- 2018/19 President's Final Budget  
(President's August 21, 2018 Sac Send Message)  
[https://www.csus.edu/aba/budget/Documents/Operating-Fund/2018-19/presidents\\_update\\_20180821.pdf](https://www.csus.edu/aba/budget/Documents/Operating-Fund/2018-19/presidents_update_20180821.pdf)



# Contact Information

Gina Curry

- [curryg@csus.edu](mailto:curryg@csus.edu)

Lauren (Garrett) Schwall

- [leg67@csus.edu](mailto:leg67@csus.edu)

Norman Kwong

- [kwongn.csus.edu](mailto:kwongn.csus.edu)

Diana Lynch

- [d.lynch@csus.edu](mailto:d.lynch@csus.edu)





# Questions?

