



SACRAMENTO STATE

Annual Financial Review Town Hall

October 24, 2019

University Union's Hinde Auditorium

Agenda

- How did we spend the money in 2018-19?
- CSU Final 2019-20 Budget
- Campus' Final 2019-20 Budget
- Early Discussions on the 2020-21 Budget
- Sac State Reserves
- California State Audit – CSU Reserves
- California State Audit - Parking
- Update on Construction Projects



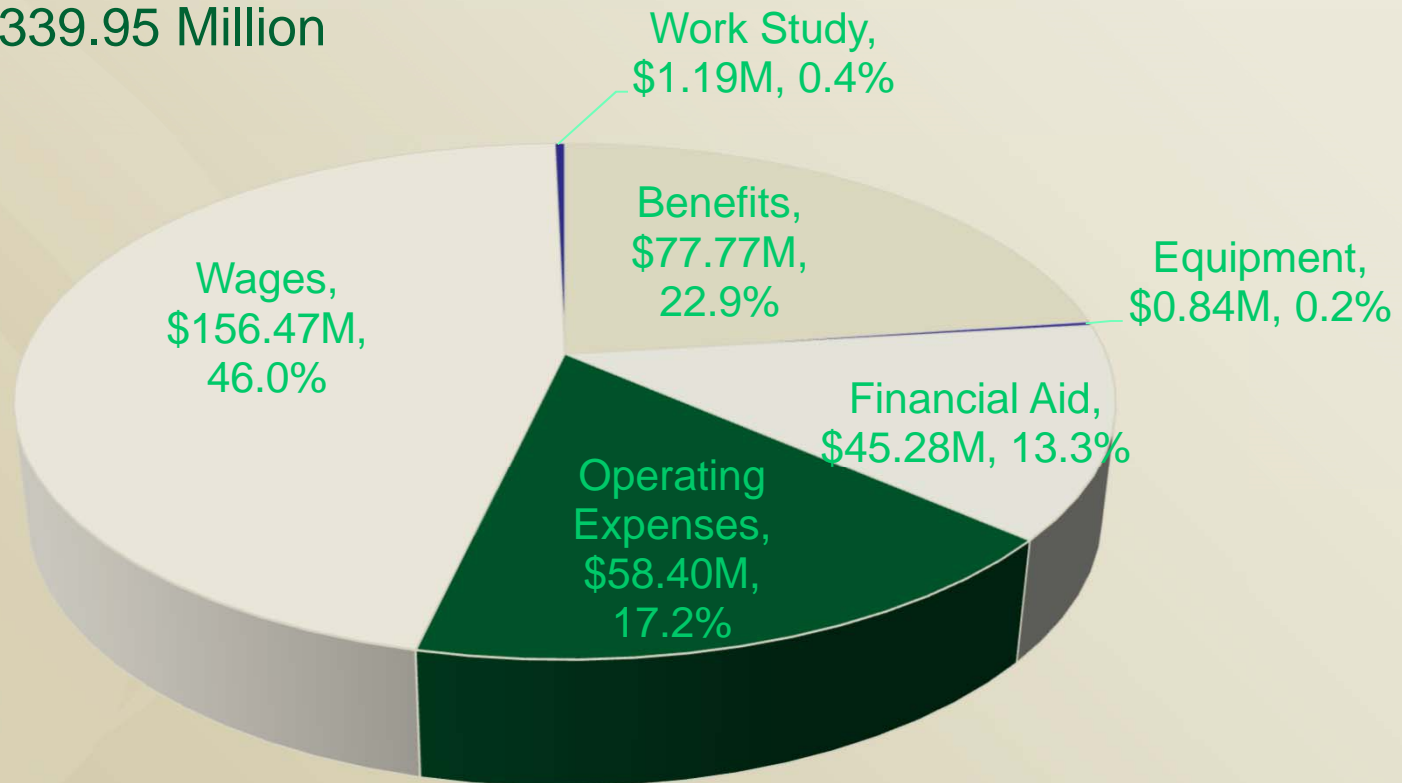
How Did We Spend the Money in 2018-19?



SACRAMENTO STATE
Redefine the Possible

How did we spend the money in 2018-19?

General Operating Fund – 2018/19 Actual Expenses *
Total = \$339.95 Million



* Includes Education Insights



SACRAMENTO STATE
Redefine the Possible

CSU Final 2019-20 Budget



SACRAMENTO STATE
Redefine the Possible

CSU Final 2019-20 Budget

CSU's requested increase
(Nov 2018)

Total Increase

\$554.3M

CSU Final 2019-20 Budget

CSU's requested increase (Nov 2018)

Grad Initiative 2025	\$75.0M
Compensation	\$147.8M
Enrollment Growth (5%)	\$206.1M
Facilities and Infrastructure Needs	\$80.0M
<u>Mandatory Costs</u>	<u>\$45.4M</u>
Total Increase	\$554.3M



CSU Final 2019-20 Budget

Governor's Budget Proposal (May 2019 Revise)

State funds (ongoing)	\$300M
Deferred Maintenance (<u>one-time</u>)	\$262M

CSU Final 2019-20 Budget

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

Senate and Assembly
additional \$53M in ongoing funding



CSU Final 2019-20 Budget

State's Final 2019-20 Budget (Jun 2019)

State funds	\$332.8M
Tuition from Enrollment Growth	<u>\$46.2M</u>
Total Increase	\$379.0M

(the total is \$175.3M less than the CSU request)

CSU Final 2019-20 Budget

What Didn't Get Funded?

	Requested	Funded
Graduation Initiative 2025	\$75.0M	\$45.0M
Compensation	\$147.8M	\$147.8M
Enrollment Growth	\$206.1M	\$131.2M
Facilities and Infrastructure Needs	\$80.0M	-
Mandatory Costs	\$45.4M	\$45.2M
Rapid Rehousing	-	\$6.5M
Project Rebound	-	\$3.3M
Total	\$554.3M	\$379.0M



CSU Final 2019-20 Budget

One-Time Funding

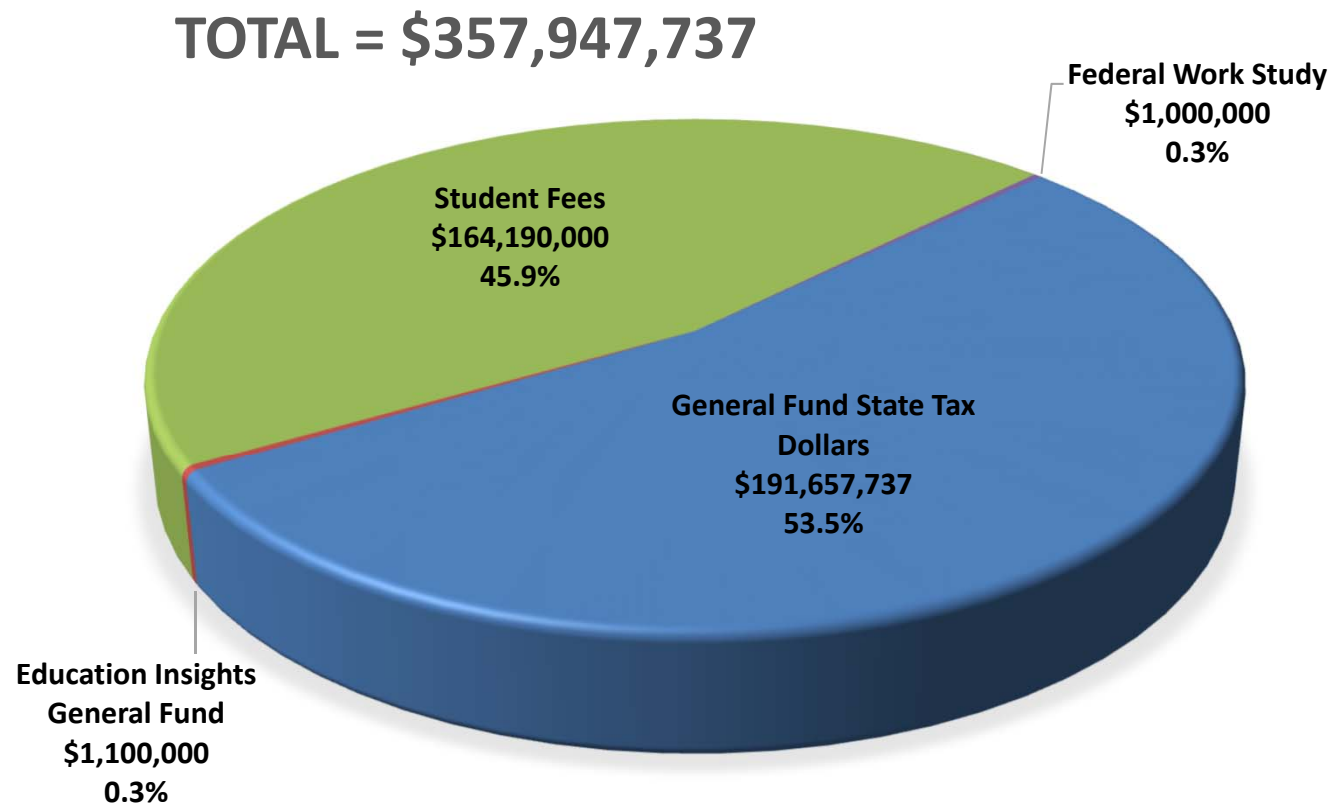
	Requested	Funded
Deferred Maintenance Backlog	\$250.0M	\$239.0M
Basic Needs Partnerships	\$15.0M	\$15.0M
Graduation Initiative 2025	-	\$30.0M
Other Programs	-	\$28.7M
Total	\$265.0M	\$312.7M

Campus' Final 2019-20 Budget



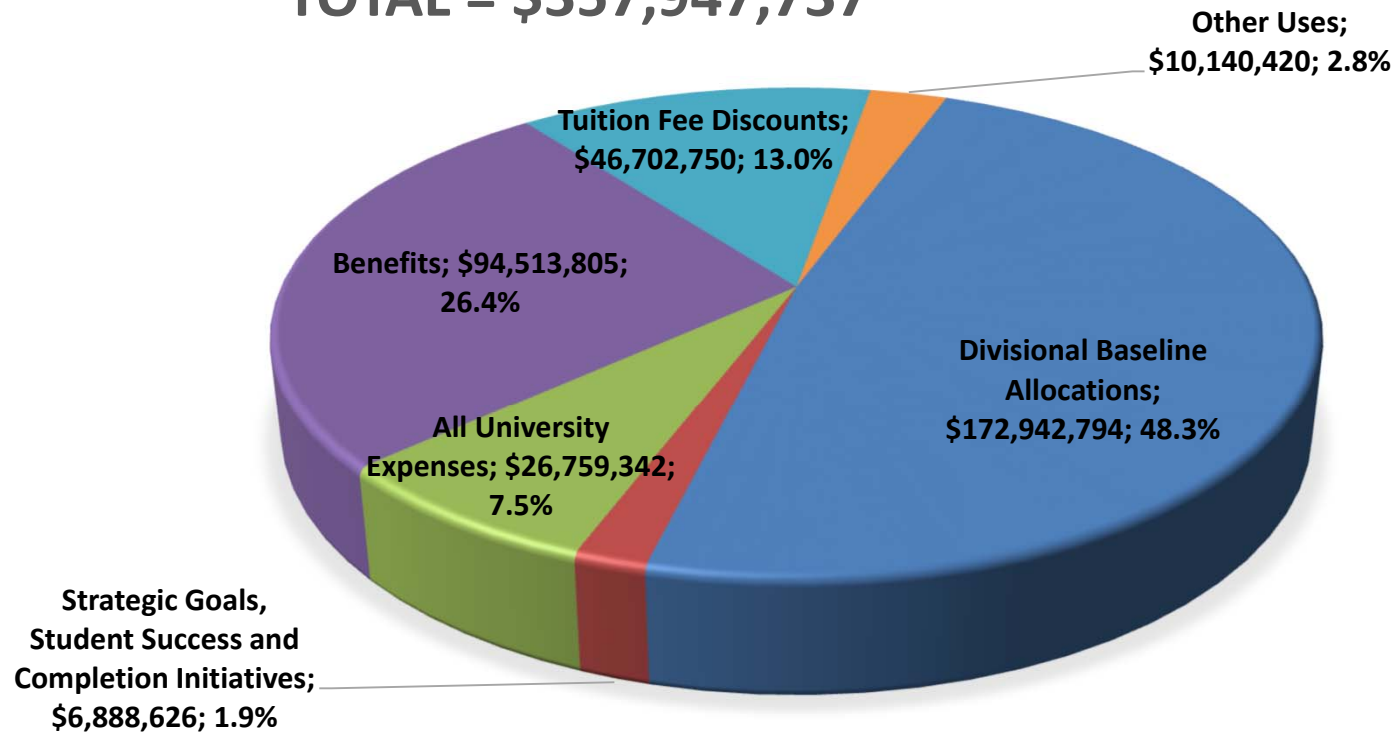
SACRAMENTO STATE
Redefine the Possible

General Operating Fund – 2019/20 Sources

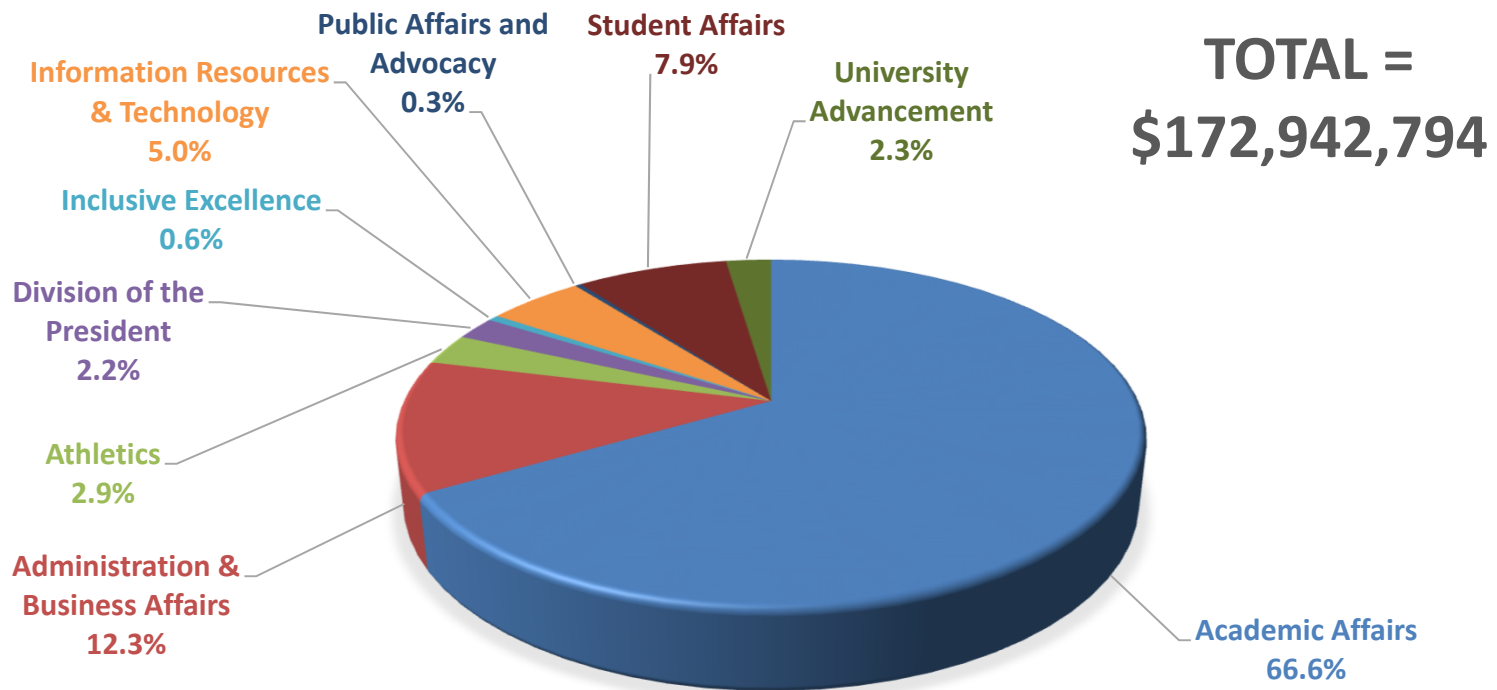


General Operating Fund – 2019/20 Uses

TOTAL = \$357,947,737



General Operating Fund – 2019/20 Divisional Budgets



Major Changes in Sac State's Budget

2018-19 vs 2019-20

SOURCES		USES	
State Funding Increase	\$21,712,700	Divisional Increases	\$10,925,714
Student Fee Revenue Increase	1,330,000	Graduation Initiative 2025	2,732,000
Prior Year Unallocated GI2025	243,000	Mandatory Costs	9,627,986
Total Sources: \$23,285,700		Total Uses: \$23,285,700	

Note: Does NOT include one-time monies for Grad Initiatives 2025 and deferred maintenance

Major Differences in Sac State's Budget

\$9.6M Mandatory Costs Increases

This is comprised of:

- \$1.1M Compensation (current contracts)
- \$6.4M Benefits increases (retirement and health)
- \$1.2M All University Expenses Increases
- \$0.5M State University Grants adjustment
- \$0.5M Central Baseline Reserve



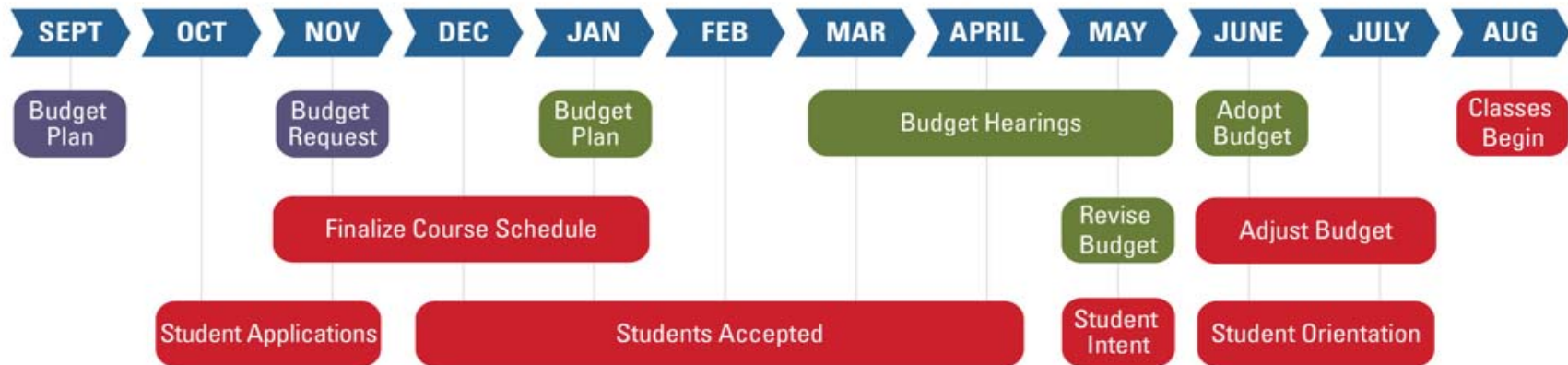
Early Discussions on the 2020-21 Budget



SACRAMENTO STATE
Redefine the Possible

Early Discussions on the 2020-21 CSU Budget

BUDGET TIMELINE



- STATE
- TRUSTEES
- CHANCELLOR/SYSTEM/CAMPUSES

Early Discussions on the 2020-21 CSU Budget

Recent Growth in the CSU Operating Budget

Fiscal Year	Total Operating Budget	% Growth
2015-16	\$ 5,680,022,000	6.2%
2016-17	\$ 6,065,892,000	6.8%
2017-18	\$ 6,435,660,000	6.1%
2018-19	\$ 6,721,056,000	4.4%
2019-20	\$ 7,146,814,000	6.3%

Early Discussions on the 2020-21 CSU Budget

Preliminary Expenditure Plan

Grad Initiative 2025	\$105M
FTES Growth	\$172 - 215M
Facilities/Infrastructure	\$50 - 80M
Employee Salaries	\$160M
Mandatory Costs	\$20M



3 Prong Strategy to Address Facilities Needs

Strategy #1: Request \$50 to \$80 million in ongoing state funding (listed on previous slide)

Strategy #2: Support advocacy efforts for an education facilities general obligation bond, which will be on the March 2020 primary election ballot.

Strategy #3: Request between \$250 to \$500 million in one-time funds



General Obligation Bond Update

- Public Preschool, K-12, and College Health and Safety Bond Act of 2020
- Overall \$15B
 - \$9B for preschool and K-12 projects
 - \$2B for community colleges
 - \$2B for UC projects (previously \$4B)
 - \$2B for CSU projects (previously \$4B)
- CPDC suggested bond funded project size \$70 - \$80M



Update on Construction Projects



SACRAMENTO STATE
Redefine the Possible

Welcome Center



The WELL Expansion



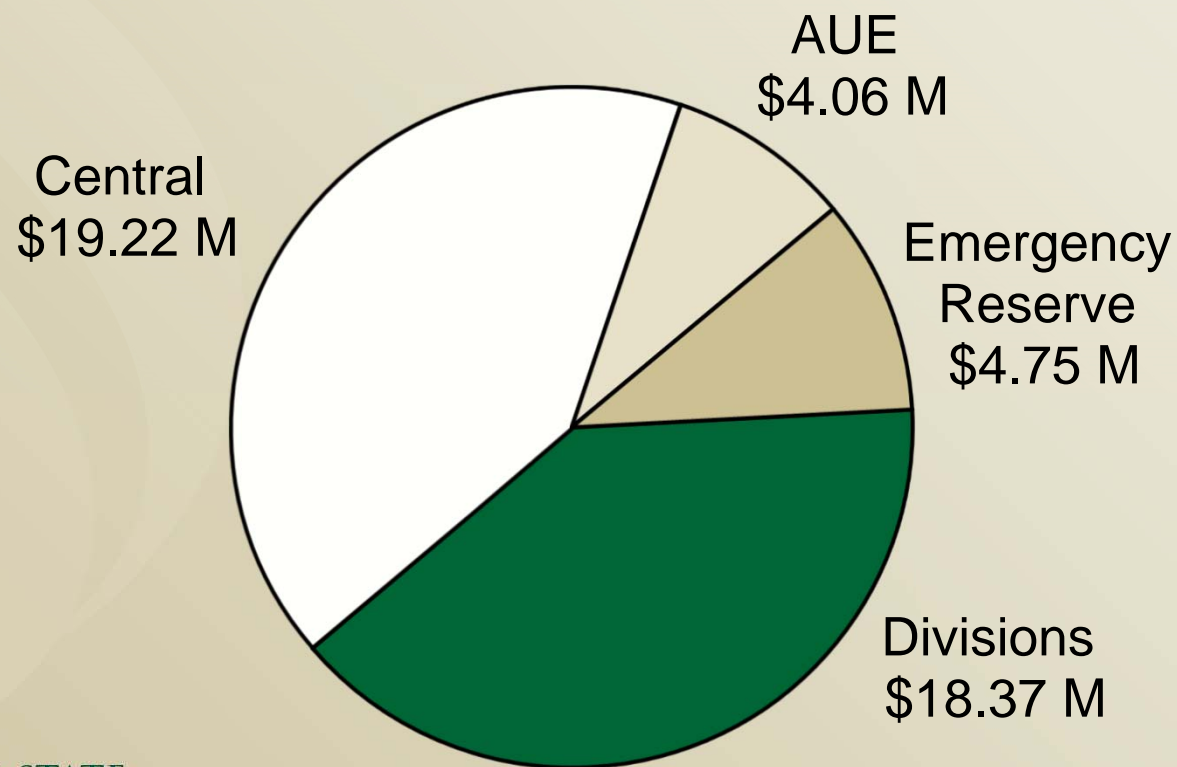
Sac State Campus Reserves



SACRAMENTO STATE
Redefine the Possible

Operating Fund Reserves at Year-End

MDS01

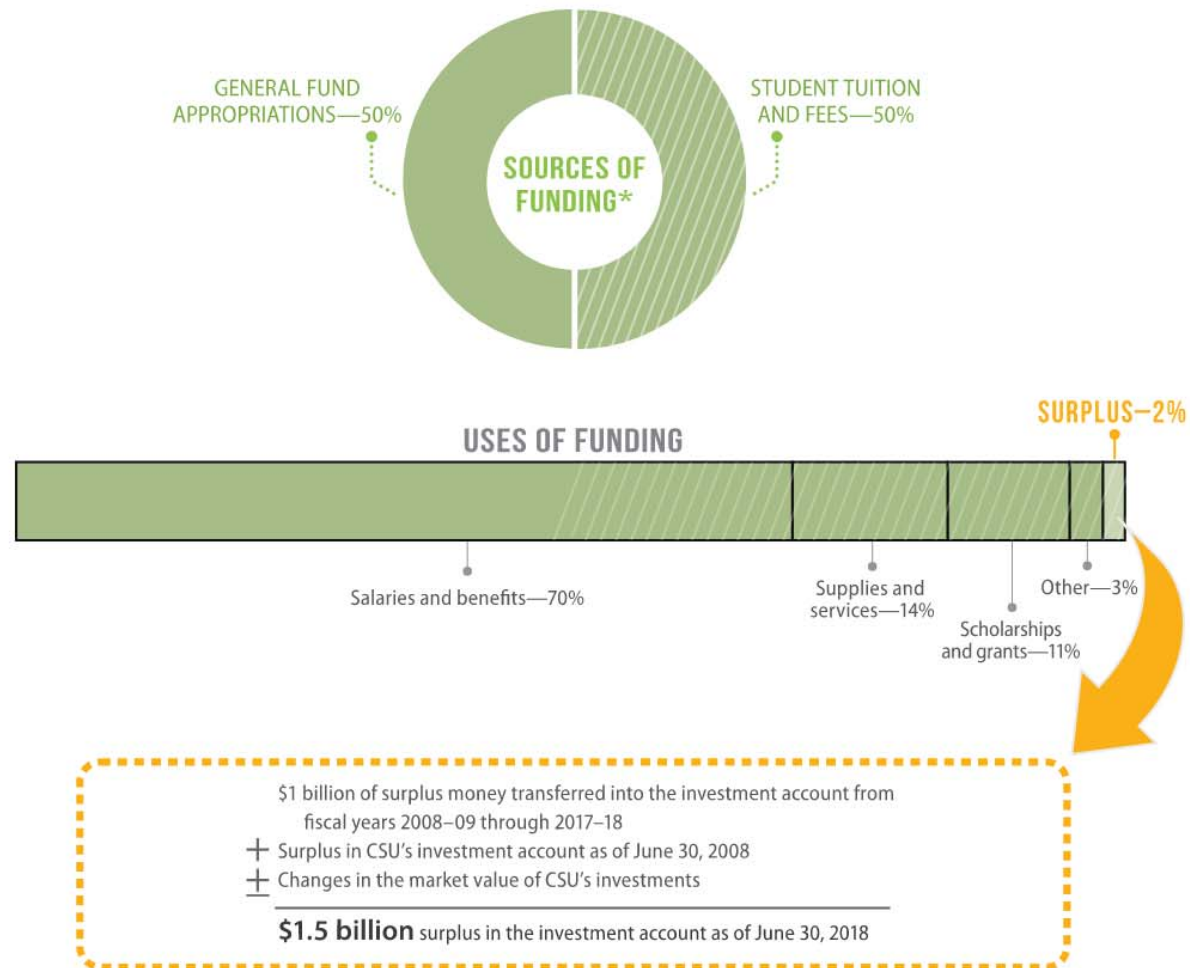


California State Audit



SACRAMENTO STATE
Redefine the Possible

CSU Audit



Source: Analysis of CSU's account data.

* A minority of CSU's funding—about 5 percent—came from sources other than the State's General Fund appropriations or student tuition and fees, such as federal grants and investment earnings.

State Audit

University Transportation & Parking Service

Tony Lucas





SACRAMENTO
STATE

State Audit

University Transportation and Parking
Services

Oct 24, 2019

Redefine the Possible™

Audit Findings

- The Chancellor's Office Has Failed to Ensure That Campuses Consistently Plan for Alternatives to Costly Parking Facilities

The four campuses we reviewed have built costly parking facilities that have had minimal impact on campus parking capacity while committing the campuses to significant long-term debt payments. Although the campuses have raised student permit prices, student parking availability remains limited at some campuses.

The Chancellor's Office has not ensured that campuses consistently implement alternate transportation strategies that could reduce demand for parking and improve access to campuses.

The four campuses we reviewed have built costly parking facilities that have had minimal impact on campus parking capacity while committing the campuses to significant long-term debt payments. Although the campuses have raised student permit prices, student parking availability remains limited at some campuses.

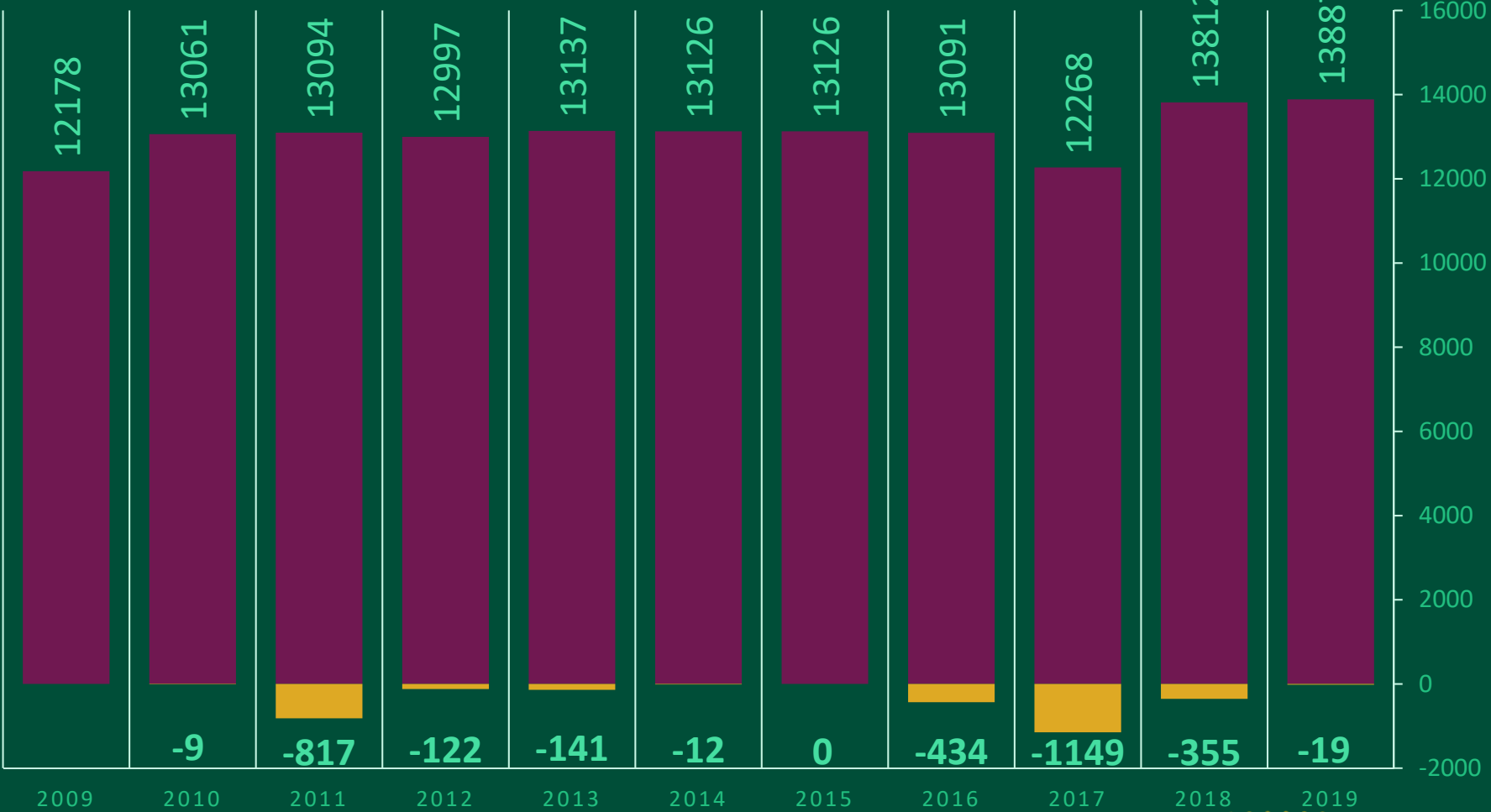
- The Chancellor's Office should update its policy by October 2019 to require campuses to submit the following information when requesting to build a new parking facility:
 - The total annual cost to implement each alternate transportation strategy compared to the annual cost of constructing, operating, and maintaining a new parking facility.
 - The cost per student served by those strategies compared to the cost per student of constructing, operating, and maintaining a new parking facility.
 - The number of students served by each of those strategies compared to the number of students served by the new facility.
 - Information, including participation data, on how the campuses have implemented alternate transportation strategies during the last three years.

The Chancellor's Office has not ensured that campuses consistently implement alternate transportation strategies that could reduce demand for parking and improve access to campuses.

- To ensure that campuses' alternate transportation committees are consistent systemwide, the Chancellor's Office should adopt systemwide policies, by October 2019, to detail the following
 - The frequency of required meetings. The policy should require meetings at least biennially.
 - The composition of committee members. The policy should require that the committees include student representatives.
 - The committees' responsibilities. These responsibilities should include the assessment of alternate transportation programs based on participation data and recommendations in the campuses' transportation studies.

PARKING INVENTORY AT SACRAMENTO STATE

Inventory Lost Spaces



“Other Areas Reviewed” Observations

- The Campuses Appropriately Spent Parking Fines and Forfeitures Revenue
- The Campus Parking Programs Do Not Impose Quotas for Parking Violations
- CSU Appropriately Disbursed Earnings From Parking Revenue Investments

Questions

- Tony Lucas
- tlucas@csus.edu
- X85241

Reference Materials

- Budget Office Website
 - <https://www.csus.edu/administration-business-affairs/budget-planning/>
- Annual Report
 - <https://www.csus.edu/administration-business-affairs/budget-planning/planning-oversight.html>
- General Operating Fund Timelines
 - https://www.csus.edu/administration-business-affairs/budget-planning/_internal/_documents/budget-timeline.pdf



Reference Materials

- 2019/20 UBAC Budget Recommendation
 - <https://www.csus.edu/administration-business-affairs/budget-planning/internal/documents/ubac-memo-to-president-2019-20-budget-recommendation.pdf>
- 2019/20 President's Final Budget
(President's September 17, 2019 Sac Send Message)
 - <https://www.csus.edu/administration-business-affairs/budget-planning/internal/documents/presidents-update-september-17-2019.pdf>



Contact Information

Rose McAuliffe

- mcauliffe@csus.edu

Norman Kwong

- kwongn.csus.edu

Diana Lynch

- d.lynch@csus.edu

Tony Lucas – Sr. Director – University Support Services

- tlucas@csus.edu



Questions?

