



California State University, Sacramento
Office of the President
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March 3, 2019

MEMORANDUM

TO: Provost Steve Perez (Interim)
Vice President Jonathan Bowman
Vice President Phil Garcia
Vice President Lisa Cardoza (Interim)
Vice President Christine Miller
Vice President Edward Mills
Executive Director Diana Tate Vermeire
Executive Director Jim Dragna
Senior Associate Vice President Jeannie Wong
Chief of Staff, Cely Smart (Interim)
Director of Athletics, Mark Orr

FROM: Robert S. Nelsen
President

A handwritten signature in blue ink that reads 'Robert S. Nelsen'.

SUBJECT: Campus Operating Fund Budget Call for Fiscal Year 2019/20

I am hereby requesting that each division completes the 2019/20 Campus Operating Fund budget based upon the budget assumptions and scenarios recommended by the University Budget Advisory Committee (UBAC). These assumptions, along with an overview of the State and campus' fiscal outlook, are included. Instructions and forms for completion are included as supplemental attachments. Please use them to complete the division's responses and submit all necessary documents to the University Budget Office by **Monday, April 8, 2019**. For assistance in completing the budget requests, please contact Stacy Hayano, Senior Associate Vice President.

Governor's Proposed Budget

The Governor's proposed 2019/20 budget includes an ongoing increase of \$300 million in the California State University's (CSU) General Fund. This budget includes funding for a 2% resident enrollment growth of \$62M, Graduation Initiatives 2025 efforts for \$45M, plus compensation and benefit costs for \$193M. Additional ongoing funding includes \$7M for immigration legal services and \$250K for the Project Rebound. The Governor's budget also includes \$264M in one-time General Funds for deferred maintenance (\$250M), Basic Needs Initiatives (\$15M), and review for a potential CSU campus in the San Joaquin County (\$2M).

The Board of Trustees requested a 2019/20 fiscal year budget totaling approximately \$554M, which included funding for the Graduation Initiative (\$75M), 5% resident enrollment growth (206M), employee compensation and mandatory costs (\$193M), and academic facilities and infrastructure needs

(\$80M). Although the Governor's proposed budget is less than requested, it provides a healthy start for addressing the systemwide needs.

The Effect of the Governor's Proposed Budget on Sacramento State

For the new fiscal year, the campus' enrollment target for resident students will increase Full-time Equivalent Students (FTEs) up to 2% or 23,538 FTEs. There are currently many unknowns surrounding the campus budget allocations. The distribution method for funding enrollment will be changing in the new fiscal year. For instance, campuses receiving redirected students from impacted campuses will receive enrollment funding first. Additionally, funding will be allocated in accordance with growth in Average Unit Loads. In spite of uncertainty, the budget call will focus on two positive scenarios. As in the past, these initial forecasts will change due to adjustments with the final State budget and as the Chancellor's Office releases new information.

Budget Call

Using the Governor's January budget as the basis for this budget call, the finances are significantly improved from previous years. For the 2019/20 fiscal year, the campus is not preparing for a deficit, which is a welcomed surprise. Therefore, we are asking the divisions to prepare for two budget scenarios:

- a 1% enrollment increase (\$1,736,070), and
- a 2% enrollment increase (\$2,189,070).

It is important to note that in the prior fiscal year (2018/19), the university transferred funding for the completion of the Science Complex. This transfer significantly reduced the level of the university's reserves. As the campus prepares for the new budget, we will therefore be considering increasing the university's baseline reserves and limiting one-time funds for projects.

When developing budget plans, divisions should make decisions that will advance Sacramento State as an Anchor Institution while integrating the campus imperatives, which include 1) reducing time to degree, 2) diversity, inclusion and equity, 3) philanthropic giving, 4) community involvement and collaboration, and 5) the safety and welfare of our students, faculty and staff. Divisions should think creatively, be innovative, and act strategically in order to meet these imperatives with the increased funding. All appropriate and available divisional resources should be included to further these imperatives (an "all funds" approach).

As in the past, no General Operating Fund budget lines are exempt from review or change, including the All University Expense budget lines. In order to make optimal use of resources, it is critical that we identify one-time expenditure needs from on-going baseline costs and that we manage both strategically.

Budget Planning Assumptions and Scenarios

In concurrence with the University Budget Advisory Committee recommendation, as noted above, the 2019/20 Annual Budget Call requests division heads to address the two enrollment increase scenarios (1% and 2%).

The planning assumptions details are as follows:

- The University has committed itself to be Sacramento's Anchor Institution, leading the city and region forward socially, economically, aesthetically, and morally. Its budget will reflect that.

- Each division and every unit on campus must justify its expenditures.
- The five campus imperatives as well as safety and health serve as general guidelines for planning and allocating the 2019/20 resources and for identifying baseline budget changes.
- Determine the optimum utilization of resources available and determine how your decisions positively influence the progress towards the university's imperatives (biggest bang for the buck). Include and notate any increases within your division's departments.
- Review the other divisional sources of funds (report attached) to determine how they can be used in conjunction with the new resources. Be careful to follow the appropriate fund rules regarding uses.
- Review the division's carry forward balances and use them strategically.
- At this time, the campus has very little funding in central reserves for one-time projects. Divisions should only list critical or urgent projects for consideration. Divisions may list self-funded projects (either internally within the division or via other sources) for informational purposes.
- The projections include a resident student enrollment target up to 461 FTES (2%) with the expectation that our campus will reach this enrollment target. Non-resident student enrollment will not grow significantly because our focus will remain on resident enrollment. Still, divisions must plan to serve both the enrolled resident and non-resident student populations.
- Increases in All University Expenses (AUE) requests are anticipated which will reduce overall available funding for the divisions. AUE funding is taken off the top.
- Narratives should articulate assumptions, priorities, and strategies to address the topics noted on the "Required versus Applicable" form.
- Divisions must develop a balanced budget and operate within available resources as noted in the documents below:
 - 2019/20 Operating Fund Budget Scenario,
 - 2019/20 All University Expenditure Line Items,
 - 2019/20 One-time Projects List (Informational Item only),
 - 2018/19 Unspent Carry Forward Funds, and
 - The division's special funding sources such as Lottery, Miscellaneous Course Fees, charges for services, and other similar sources of funding (a list is included and is to be used to identify how the division will utilize them to meet the division's mission while helping students graduate in a timely fashion).

The budget call request requires entering data into the EXCEL and Word forms provided. The instructions and forms are attached. Stacy Hayano, the Senior Associate Vice President, and her staff are prepared to assist you with questions you may have about completing the budget call.

As additional information on the state, CSU, and the campus budget becomes available, I will provide updates to incorporate changes into the budget planning process. Divisions are responsible for informing their departments of the latest developments and budget updates as they unfold. I look forward to working with you and the University Budget Advisory Committee to develop a balanced budget while incorporating the anchor university concept, improving graduation rates, and making our campus inclusive for all.

Campus Operating Fund Budget Call for 2019/20

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Attachments

- c. University Budget Advisory Committee
Budget Planning & Administration

What is required for the FY 2019/20 budget call submission?

	Report or form name	Why it's useful
REQUIRED	Scenario Worksheets	Details for prior year data vs. projected year data
	Carry Forward Plans	Projects the division's carry forward balance and provides details of the division's carry forward plans.
	Baseline Changes Implemented	Details the prior fiscal year's colleges/program centers and departmental baseline augmentations or reductions implemented by expenditure category and FTE
	Impacts to Divisions	Provides additional feedback regarding budget priorities.
	All University Expenses (AUE) (for those divisions that manage AUE)	Provides budget requests to cover expenses that affect the entire university. For those divisions that do not have an AUE, the generic form is provided in case a new AUE is requested.
	Division Narratives	Provide information as it relates to the following items: <ul style="list-style-type: none"> • Realizing that Sac State is to become an anchor university, how will your division make progress on the campus imperatives (1. Reducing time to degree, 2. Diversity, Inclusivity, and Equity, 3. Philanthropic giving, 4. Community Involvement and Collaboration, 5. Campus Safety) either directly or through support with other divisions in 2019/20? • In regards to innovation, address the following topics in your narrative: <ul style="list-style-type: none"> • What ideas have you employed that are working well? • What are some of the new ideas you want to employ (e.g., things that produce results)? • Describe the safety innovations you want to establish or improve. • What opportunities have you taken to reevaluate, reorganize, or reprioritize your programs?
APPLICABLE	One Time Project List	List critical or urgent projects in priority order that are \$50,000 or more for consideration. Due to the limited pool of funds available for disbursement, divisions can self-fund projects and list them for informational purposes.

Annual Budget Call – Data Input Instructions

Instructions for keying data into the “**Scenario**” EXCEL spreadsheet for your division:

“**Summary**” Tab – Start at this page and complete the sections in “green:”

- Sources (Budget) section – complete your “2018-19 Projected Budget Info” with the appropriate budget data which will provide you with an estimated Carry Forward amount for 2018-19 fiscal year. Do not include budget amounts for All University Expenses. Review your Scenario adjustment total(s) to adjust your targeted amounts for Expense Details by Program Ctr page(s).
Optional: You may enter an amount on the row for “Revenue Transfers from Other Funds,” but must specify in the comments the funds involved. This may not be applicable to your division, and is subject to individual fund restrictions.
- Uses (Expenditures) section – This section will automatically populate as you enter information into the “detail” page.
Optional: You may enter an amount on the row for “Expenditure Transfers to Other Funds,” but must specify in the comments the funds involved. This may not be applicable to your division, and is subject to individual fund restrictions.
- Budget Balance Available section – Enter data into the “green” Year-End Encumbrance cell ONLY. The other sections will automatically populate as data is entered on the “detail” page.

Expense Details by Program Ctr Tab(s) – complete the “green” sections only

- Enter your “Projected Expenditures 2018-19 Current Year” totals for both FTE (salary Full-time Equivalent) and \$ amounts by Accounts. Include all fiscal year operating fund expenditures except benefits (unless the cost is funded by the unit(s) and not the benefit pool). Exclude costs for All University Expenses.
- Under the Scenario 1 and 2 Adjustments column, enter the changes for both \$ and FTE amounts. The sum of your changes by department and Account must equal the total amount for each scenario. Given our current assumptions, divisions must submit scenarios that achieve 1% and 2% enrollment growth for 2019-20. Scenario amounts are listed under the “Summary” tab.

Instructions for entering data into the “**AUE**” or All University Expenses spreadsheet

- Enter the CY (Current Year) Projected Expenses for 2018-19.
- Enter NY (New Year) Budget Requested amount for the 2019-20 fiscal year.
- The AUE Description column has been pre-populated. The description in this cell will be published in the Annual Report; please update any changes to the AUE description as necessary. If the cell is updated, please indicate if the AUE Description has been revised by selecting “Y” in the Description Updated column; it will default to “N”.
- For any new AUE requests, you will need to populate the cell in the “Description” column with the new AUE’s purpose.
- If requesting an increase to an AUE, please provide an explanation for the increase in the comments column.
- Comments for any of the AUEs can be entered into the “Comments” column. These comments will not be published in the Annual Report but will be viewable by UBAC.

Instructions for entering data onto other EXCEL and Word forms:

- “2018-19 Baseline Changes Implemented” - List your program center and departmental baseline changes by expenditure category and position FTE.

Annual Budget Call – Data Input Instructions

- “Division Carry Forward Expenditure Plan” – Project your 2018-19 carry forward balance by completing the table at the top of the page. Next, explain the status of your carry forward funds as well as your plan for utilizing the funds by answering the questions listed on the form. The Chancellor’s Office will be reviewing the campus carry forward fund balances. Accurate documentation of planned expenditures for carry forward funds by divisions will yield a plan that can be communicated to the Chancellor’s Office for optimal usage of campus resources.
 - Review Campus Carry Forward policy at:
 - <http://www.csus.edu/umannual/admin/adm-0159.htm>
 - Review CSU Carry Forward Funds Policy
 - <http://www.calstate.edu/icsuam/documents/Section2000.pdf>
- “One-Time Projects List” – Since a majority of the campus’ central reserves were used for the Science Complex building in the 2018-19 fiscal year, there is a very limited amount of funding for divisional one-time projects. Thus, the divisions should only list critical or urgent one-time projects that are \$50K or greater for consideration. Additionally, divisions may list projects that are either internally funded by the division or funded by other sources for informational purposes.
- “Impacts to Divisions Scenarios” – To gain additional feedback on divisional effects for the 2019-20 fiscal year. Complete the form by listing the information requested to achieve targeted scenario amounts by prioritizing your changes and by listing the impacts to the divisions; as noted on the spreadsheet for the 1% and 2% enrollment growth scenarios. You may include both reductions and additions to expenses, but the net must equal the change \$ amount for the scenario. The tab for short-term strategic funding requests has been eliminated, for reasons described in the previous bullet.
- Narrative – When writing your divisional narrative, please refer to the “Required vs Applicable” form. This form will provide you with all the topics you should address in your narrative.

2019/20 Annual Budget Call - Budget Planning Scenarios

Divisional Categories		Scenario #1 1% Enrollment Growth		Scenario #2 2% Enrollment Growth	
	2018-19 Initial Baseline	Percentage	Amount	Percentage	Amount
Academic Affairs	\$109,286,810	67.45%	1,171,047	67.45%	1,476,613
Administration & Business Affairs	\$17,788,879	10.98%	190,614	10.98%	240,352
Student Affairs	\$13,038,654	8.05%	139,714	8.05%	176,170
Information Resources & Technology	\$8,283,914	5.11%	88,765	5.11%	111,927
University Advancement	\$5,740,762	3.54%	61,514	3.54%	77,565
Athletics	\$3,757,977	2.32%	40,268	2.32%	50,775
Human Resources	\$2,260,841	1.40%	24,226	1.40%	30,547
President's Office	\$1,363,171	0.84%	14,607	0.84%	18,418
Public Affairs & Advocacy	\$496,072	0.31%	5,316	0.31%	6,703
	\$162,017,080		1,736,070		2,189,070

Impact to Divisions

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Impact to Divisions

2019/20 Annual Budget Call - Scenario #2:				
Note: You may enter both reductions and additions to expenses, but the NET of these amounts must total the scenario change amount.				
Division:				
Change Amt:		(see Divisional Changes tab)		
# of ADDITIONAL positions or other needs (supplies, equipment, etc.)	Indicate either Vacant (V) or Filled (F)	\$ amount due to changes	Rank your priority of additions	Indicate divisional impacts (e.g. how will your operations be affected or improved by these changes, reasons for changes, how will it meet the campus' goals or anticipated accountability measures, etc.)
	Total Additions:	-		
# of REDUCED positions or other needs (supplies, equipment, etc.)	Indicate either Vacant (V) or Filled (F)	\$ amount due to changes	Rank your priority of reductions	Indicate divisional impacts (e.g. how will your operations be affected or improved by these changes, reasons for changes, how will it meet the campus' goals or anticipated accountability measures, etc.)
	Total Budget Adjustments:	-		
	Total Changes:	-	(This amount should equal the "Change Amount" for the scenario)	

Division of XYZ

Annual Budget Call Summary
for 2019-20

	2017-18 Actual		2018-19 Projected		2019-20 Scenario 1 Adjustments		2019-20 Scenario 2 Adjustments		Comments (Optional)
Prior Year Carry Forward Balance	\$1,335		\$20,611						
Sources (Budget)	Budget Info		Budget Info		Budget Info		Budget Info		
Initial Allocations*	\$2,400,000		\$2,450,000		\$100,000		\$140,000		
Prior Year Encumbrance Allocations*	\$198,647		\$153,189						
One-Time Allocations from Univ Reserves	\$0								
Centrally Funded Compensation Increases	\$91,695		\$100,000						
CO Cash Posting Orders	\$34,000		\$35,000						
Release Time	\$0								
Miscellaneous Budget Transfers	\$5,703								
Revenue from Various Sources	\$580,172		\$600,000						
Revenue Transfers from Other Funds (see below)**									
Total Sources (Budget)	\$3,310,217		\$3,338,189		\$100,000		\$140,000		
	FTE	Expenses	FTE	Expenses	FTE	Expenses	FTE	Expenses	
Uses (Expenditures)	(36.58)	(\$3,137,753)	(37.58)	(\$3,194,908)	(2.00)	(\$100,000)	(3.00)	(\$140,000)	
Year-End Encumbrances	(\$153,189)		(\$100,000)						
Budget Balance Available	\$20,611		\$63,892		\$0		\$0		

*2018-19 initial budget information pre-filled by BPA per allocation memos to divisions

**You may integrate other funds (i.e. NOT just fund MDS01) into the Budget Call. If your division intends to mitigate MDS01 budget reductions by utilizing other funds, you may enter revenues to be transferred into MDS01 (only allowed in certain instances) or expenditures to be transferred out of MDS01. In either case, you are required to list the fund names in the comments column. Include a separate attachment if necessary, to explain transfers from/to multiple funds.

Instructions													
In 2018-19 columns, project your ending FTE and \$													
- Each 601XXX account must entered separately													
- For accounts 602000 to 699999, you may aggregate and input a single row for each dept ID (e.g. all expenses in 660003)													
In 2019-20 columns, only enter differences/changes compared to 2018-19 (e.g. 1 FTE and \$50,000 from an additional hire)													
You may insert rows for new dept IDs, in that case leave the PY (Actuals) columns blank, and only fill in CY and NY columns													
If you have dept IDs which you are no longer responsible for (e.g. inactivated, moved to another division), do NOT delete the rows as it will affect the PY totals. Instead, do NOT fill out the CY and NY columns.													
Ideally you would gray out the affected cells.													
						2017-18		2018-19		2019-20		2019-20	
						Actual		Projected		Scenario 1 Adj		Scenario 2 Adj	
College / Program Center	Dept ID	Dept ID Description	FIRMS Account	FIRMS Account Description	Annualized FTE	Amount	FTE	\$ Amount	FTE	\$ Amount	FTE	\$ Amount	Comments (optional)
Program Center A	12301	Department 1	601100	Academic Salaries	0.00	\$12,602	0.00	\$12,602					
			601201	Management and Supervisory	1.00	\$100,000	1.00	\$100,000					
			601300	Support Staff Salaries	10.00	\$500,000	11.00	\$550,000	2.00	\$100,000	2.00	\$100,000	
			601301	Overtime	0.00	\$187	0.00	\$187					
			601303	Student Assistant	0.40	\$10,498	0.40	\$10,498					
			606001	Travel-In State	0.00	\$4,722	0.00	\$4,722					
			617001	Services from Other Funds/Agencies	0.00	\$236	0.00	\$236					
			660002	Printing	0.00	\$120	0.00	\$120					
			660003	Supplies and Services	0.00	\$32,845	0.00	\$40,000					
			660009	Professional Development	0.00	\$1,026	0.00	\$1,026					
			690002	Prior Year Expenditure Adjustment	0.00	-\$483	0.00	-\$483					
	12302	Department 2	601100	Academic Salaries	1.00	\$50,000	1.00	\$50,000					
			601201	Management and Supervisory	7.00	\$800,000	7.00	\$800,000					
			601300	Support Staff Salaries	6.00	\$400,000	6.00	\$400,000			1.00	\$40,000	
			601301	Overtime	0.00	\$91	0.00	\$91					
			601303	Student Assistant	1.08	\$30,863	1.08	\$30,863					
			602001	Work Study-On Campus	0.10	\$3,000	0.10	\$3,000					
			604001	Telephone Usage (Operating Cost)	0.00	\$3,670	0.00	\$3,670					
			604090	Other Communications (Operating Cost)	0.00	\$2,071	0.00	\$2,071					
			606001	Travel-In State	0.00	\$16,698	0.00	\$16,698					
			606002	Travel-Out of State	0.00	\$196	0.00	\$196					
			617001	Services from Other Funds/Agencies	0.00	\$118	0.00	\$118					
			617101	Service from Between Campuses and the C	0.00	\$24,700	0.00	\$24,700					
			660001	Postage and Freight	0.00	\$5,240	0.00	\$5,240					
			660002	Printing	0.00	\$34,007	0.00	\$34,007					
			660003	Supplies and Services	0.00	\$186,545	0.00	\$186,545					
			660009	Professional Development	0.00	\$2,496	0.00	\$2,496					
			660012	Insurance Claim Deductible	0.00	\$0	0.00	\$0					
			690002	Prior Year Expenditure Adjustment	0.00	-\$1,113	0.00	-\$1,113					
	12303	Department 3	601100	Academic Salaries	1.00	\$50,000	1.00	\$50,000					
			601201	Management and Supervisory	4.00	\$500,000	4.00	\$500,000					
			601300	Support Staff Salaries	5.00	\$350,000	5.00	\$350,000					
			606001	Travel-In State	0.00	\$2,126	0.00	\$2,126					
			616003	I/T Software	0.00	\$821	0.00	\$821					
			660002	Printing	0.00	\$40	0.00	\$40					
			660003	Supplies and Services	0.00	\$13,946	0.00	\$13,946					
			660009	Professional Development	0.00	\$484	0.00	\$484					
Total					36.58	\$3,137,753	37.58	\$3,194,908	2.00	\$100,000	3.00	\$140,000	

All University Expense (AUE) Request

Attachment B

All University Expenses	Class	2018/19 Budget	2018/2019 Projected Expenses	2019/20 Proposed Budget	Proposed Difference	AUE Description	Description Updated (Y/N)	Comments
Add Division Name								
Add AUE Name							N	
Add AUE Name							N	
Add AUE Name							N	
Total All University Expenses		0	0	0	0			
* If requesting an increase, please provide an explanation								
AUE Class must be used on all AUE transactions; including budgets and actuals								

[illegible]

Division Name: _____

By Program Center/College/Department, list any reductions or augmentations that occurred for 2018-19
Show augmentations as positive amounts and reductions as negative amounts

<i>Program Center/College</i>	<i>Department</i>	<i>Expenditure Change Category (e.g. Position Classification. Equipment, Software, etc.)</i>	<i>Position FTE (positive or negative)</i>	<i>\$ Amount (positive or negative)</i>
		TOTAL BASELINE CHANGES:	0.00	\$0.00

DIVISION CARRY FORWARD EXPENDITURE PLAN

Division Name:	
2017/18 Ending Carry Forward Balance:	
Plus Projected 2018/19 Total Budget:	
Less Projected 2018/19 Total Expenditures:	
Equals Projected 2018/19 Budget Balance Available:	
6% Maximum Carry Forward Budget: (Multiply Projected 2018/19 Total Budget X 6%)	

The university has a carry forward limit on General Operating Funds that has been instituted by the Chancellor's Office. See policy on the link: <https://www.csus.edu/umannual/admin/ADM-0159.htm>

Identify how your division's 2018/19 projected carry forward funds will be expended in the 2019/20 fiscal year. Understanding that your carry forward balance is limited to 6% of your ending budget, list both the short-term and long-term expenditure plans.

1. In reviewing your historical carry forward balances, please explain why it has changed over the years (e.g., grow over time)?
2. What is your plan to spend down your carry forward funds (short term and long term (over 3 years) assuming the current budget status?
3. If applicable describe your strategy to use carry forward to temporarily bridge your deficit while striving to achieve division/strategic objectives.