

From: [President Robert S. Nelsen](#)
To: [csus-staff-everyone](#)
Subject: [SACSEND] President's Update: Thursday, August 4, 2016
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President's Update

Thursday, August 4, 2016



We have seen and will rightly continue to see increases in faculty and staff salaries on our campus, and we will continue to work together to support our students and to graduate them on time.

To All Faculty and Staff:

The Governor recently signed the 2016-17 Budget Act for the State of California. This year's budget provides the California State University system with \$154 million in additional permanent baseline funding beyond last year's CSU system budget. This additional funding is based upon targeted enrollment growth and will support mandatory costs (including employer-paid benefits and the majority of the increases in faculty and staff salaries), student success and completion initiatives, and other system-wide priorities. More specifically, this allocation supports a total resident enrollment growth of 5,194 additional full-time equivalent students (FTES). For Sacramento State, our targeted enrollment growth is 1.3 percent (292 FTES) for a total of 22,837 resident FTES.

To meet the needs of our faculty, staff, and students, our campus will need to budget resources beyond the targeted 1.3 percent enrollment growth. Hence, for 2016-17, we will be budgeting student fee revenues based on a 1.9 percent resident enrollment growth model, or 427 FTES. With this increase in enrollment, our fee revenue for 2016-17 will be \$152,355,000, which, when combined with our state appropriation of \$144,684,837, will produce a campus budget of \$297,039,837 for the coming year.

Unfortunately, even though we have budgeted student fee revenues beyond the targeted FTES, we estimate that our 2016-17 expenditures will exceed our available resources. Our total projected expenditures are \$298,499,825. Because a portion of the faculty and staff compensation increases is not fully funded by the state, all campuses had to self-fund the difference. For Sacramento State, this self-funding of salary increases has created a budget deficit of approximately \$1.46 million.

In order to achieve a balanced budget, our projected uses of funds (i.e., projected expenditures) for 2016-17 must match our projected sources of funds – the aforementioned \$297,039,837. Although we have tried to mitigate the deficit by budgeting beyond target, reductions will be necessary in order to balance the budget. Therefore, each division will be allocated 1.03 percent less than it was allocated in its 2015-16 initial baseline budget. Because we fully understand that Academic Affairs is a key factor in addressing our "Finish in Four" campaign and in providing sufficient sections for our

students, we are allocating \$1,000,160 in increased funding for student success and completion initiatives and enrollment growth in order to offset the reduction to Academic Affairs' baseline budget.

A summary of the University's final budget for the 2016-17 General Operating Fund is provided [here](#).

As for the All University Expenses (AUE), I concur with UBAC's recommendations. It is important to note that UBAC did not allocate any one-time project funds for 2016-17 from our reserves as it has done in the past. This year, our campus's central reserves are needed to help provide the funding for the Science II building (\$20 million) until donations are secured.

I greatly appreciate the work of UBAC and the Office of Budget Planning and Administration in preparing this year's budget, and I remain optimistic about our future. We have seen and will rightly continue to see increases in faculty and staff salaries on our campus, and we will continue to work together to support our students and to graduate them on time.

Sincerely,

Robert S. Nelsen



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