



**California State University, Sacramento**  
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March 1, 2016

MEMORANDUM

TO: Interim Provost Ming-Tung “Mike” Lee  
Interim Vice President Ali Izadian  
Vice President Phil Garcia  
Vice President Christine Lovely  
Vice President Larry Gilbert  
Vice President Edward Mills  
Vice President Vince Sales  
Chief of Staff, Lisa Cardoza  
Athletics Director, William Macriss

FROM: Robert Nelsen  
President

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

SUBJECT: Campus Operating Fund Budget Call for Fiscal Year 2016/17

This is an annual request for the completion of the 2016/17 Campus Operating Fund budget from each division, which includes budget assumptions and scenarios recommended from 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 your division’s responses and submit all necessary documents to the University Budget Office by **Monday, April 4, 2016**. For assistance in completing the budget requests, please contact Stacy Hayano, Interim Chief Financial Officer.

**Governor’s Proposed Budget**

The Governor’s proposed 2016/17 budget includes an ongoing increase of \$140.4 million in the California State University’s (CSU) General Fund. This amount is comprised of the initial \$125.4 million set forth in the governor’s multi-year funding plan implemented in 2013/14 plus \$15 million from the Middle Class Scholarship program. The funding can be used for any CSU operational purposes and includes the expectation that tuition rates will not change from the prior year levels. The \$140.4 million will fall short of the trustees’ support budget request by \$101.3 million.

**The Effect of the Governor’s Proposed Budget on Sacramento State**

For the new fiscal year, the campus’ enrollment target for resident students is 22,745 Full-time Equivalent Students (FTEs), which is an increase of 200 FTEs (approximately .9%) from the previous fiscal year. When combining the projected increases from enrollment growth along with rising mandatory costs, compensation increases, and academic permanent funding for the increased FTEs, it

results in a slight deficit. Since these initial forecasts contain various assumptions, some changes will occur.

### **Budget Call**

As we start to plan for the highly anticipated and much needed Science II building, the campus will need to earmark the existing central one-time reserves towards this project. Of the existing \$19 million in reserves, \$20 million is required for the campus' contribution towards the project plus funding for contingencies. Over the next fiscal year, we hope to gain some additional one-time funds generated from enrolling additional students above the campus target to help fill the gap and provide a very small reserve. This reprioritization of reserves for the Science II building will require the campus to hold off on campus-wide one-time projects. Additionally, for the upcoming 2016/17 fiscal year, division heads must address a 1% reduction scenario when developing their budget plans. Plans should focus on the "Finish in Four" campaign, diversity efforts including the establishment of a centralized diversity office, and campus safety. Due to the limited resources at hand, divisions should be innovative, work collaboratively, and think strategically on how to use existing resources to meet these campus-wide initiatives while addressing the deficit. Interdisciplinary communication and planning is critical in order to affect change and achieve success.

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

### **Budget Planning Assumptions and Scenarios**

In concurrence with the University Budget Advisory Committee recommendation, the 2016/17 Annual Budget Call requests division heads to address the 1% reduction scenario.

The planning assumptions details are as follows:

- For the 1% reduction in budget, place changes or shifts in your staffing levels or operating expenditures for this scenario.
- You will need to look at how to use your carry forward balances strategically or depend upon other funding sources.
- At this time, the campus does not have any central reserves for one-time projects. If you want to list divisional projects that require future funding (either internally within the division or via other sources) for informational purposes only, please use the One-time Projects List.
- The budget assumes no additional tuition increases to students.
- The state funded **resident student enrollment** target is 22,745 FTEs with the expectation that our campus will reach this enrollment target. **Non-resident student** enrollment will not grow significantly, as the focus is on resident enrollment. Divisions must plan to serve the enrolled resident and non-resident student populations.
- Mandatory costs for campus obligations such as health and dental benefits remain constant.
- Increases in All University Expenses come from the same available funds as noted in the 1% reduction scenarios. As these requests increase, the deficit will grow.
- The campus initiatives are the primary guiding force for planning and allocating the 2016/17 resources and for identifying baseline budget changes.

- 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 the resources below:
  - 2016/17 Operating Fund Budget Scenario
  - 2016/17 All University Expenditure Line Items
  - 2016/17 One-time Projects List (Informational Item only)
  - 2015/16 Unspent Carry Forward Funds
  - Special funding sources such as Lottery, Miscellaneous Course Fees, charges for services and other similar sources of funding

As divisions complete the documents, they must document measures for success.

The budget call request requires entering data into the EXCEL and Word forms. The call instructions and forms are attached. Stacy Hayano, the Interim Chief Financial Officer, 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 you with 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 budget that will provide successful outcomes and positive experiences for our students.

#### Attachments

- c. University Budget Advisory Committee  
Budget Planning & Administration

## What is required for the FY 2016/17 budget call submission?

	Report or form name	Why it's useful
<b>REQUIRED</b>	<b>Scenario Worksheets</b>	Details prior year data vs. projected year data
	<b>Carry Forward Plans</b>	Projects the division's carry forward balance and provides details of the division's carry forward plans.
	<b>Baseline Augmentations or Reductions Implemented</b>	Details the colleges/program centers and departmental baseline augmentations or reductions by expenditure category and FTE
	<b>Impacts to Divisions</b>	Provides additional feedback regarding budget priorities.  Note: The tab for short-term strategic funding requests has been eliminated. The majority of short-term funds are expected to be dedicated towards the upcoming Science II building, along with current strategic initiatives (e.g. four year graduation rates).
	<b>All University Expenses (AUE) (for those divisions that manage AUE)</b>	Provides budget requests to cover expenses that affect the entire university.
	<b>Division Narratives</b>	Provide a rationale for your budget request as it relates to the following items: <ul style="list-style-type: none"> <li>• Based on the scenario, indicate how your division will utilize existing resources to promote and make progress on the three initiatives ("Finish in Four," Diversity Center, and campus safety)</li> <li>• What "little darlings" are you considering to discontinue in order to pursue and fund the strategic initiatives?</li> <li>• What interdisciplinary discussions have you held to eliminate duplication of efforts? What were the results of your discussions?</li> <li>• If enrollment increases beyond the target, how will it impact your division and what will you do to support the growth?</li> </ul>
<b>APPLICABLE</b>	<b>One Time Project List</b>	This form is for informational purposes only.  The majority of one-time funds are expected to be dedicated towards the upcoming Science II building, along with current strategic initiatives (e.g. four year graduation rates).

## 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 “2015-16 Projected Budget Info” with the appropriate budget data which will provide you with an estimated Carry Forward amount for 2015-16 fiscal year. Do not include budget amounts for All University Expenses. Review your Scenario 1 adjustment total to adjust your targeted amounts for Expense Details by Program Ctr page(s).
- Uses (Expenditures) section – Do NOT complete this section, it will automatically populate as you enter information into the “detail” page.
- 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 2015-16 Current Year” totals for both FTE (salary categories) and \$ amounts by category. 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 Adjustments column, enter the changes for both \$ and FTE amounts. The sum of your changes by department and category must equal the total amount for each scenario. Given our current assumptions, divisions must submit a scenario that achieve a 1% reduction for 2016-17. The scenario amount is 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 2015-16.
- Enter NY (New Year) Budget Requested amount for the 2016-17 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:

- “2015-16 Baseline Changes Implemented” - List your program center and departmental baseline changes by expenditure category and position FTE.
- “Division Carry Forward Expenditure Plan” – Project your 2015-16 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

## Annual Budget Call – Data Input Instructions

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
  - <https://csyou.calstate.edu/Policies/icsuam/FinalPDF/Section%202000%20PDF/Section2000.pdf>
- “One-Time Projects List” – This form is for informational purposes only. Since most of the campus' central reserves are designated for the Science II building and current strategic initiatives (e.g. four year graduation rates), divisions may list any one-time projects that are either internally funded by the division or funded by other sources.
- “Impacts to Divisions Scenarios” – To gain additional feedback on divisional effects for the 2016-17 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% reduction 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.

## 2016/17 Annual Budget Call - Budget Planning Scenarios

### Divisional Categories

	<b>2015-16 Initial Baseline</b>
Academic Affairs	\$95,466,950
Administration & Business Affairs	\$15,775,901
Student Affairs	\$11,720,455
Information Resources & Technology	\$7,226,664
University Advancement	\$3,411,462
Athletics	\$3,120,665
Human Resources	\$2,042,946
President's Office	\$1,104,418
Public Affairs & Advocacy	\$1,513,055
	<b>\$141,382,516</b>

### Scenario #1

Scenario #1 Percentage	Scenario #1 Amount
-1.00%	(954,670)
-1.00%	(157,759)
-1.00%	(117,205)
-1.00%	(72,267)
-1.00%	(34,115)
-1.00%	(31,207)
-1.00%	(20,429)
-1.00%	(11,044)
-1.00%	(15,131)
	<b>(1,413,825)</b>

Impact to Divisions

<b>2016/17 Annual Budget Call - Scenario #1:</b>				
<b>Division:</b>				
<b>% Change:</b>	-1.00%			
<b>Change Amt:</b>	(see Divisional Changes tab)			
<b># of REDUCED positions or other needs (supplies, equipment, etc.)</b>	<b>Indicate either Vacant (V) or Filled (F)</b>	<b>\$ amount due to changes</b>	<b>Rank your priority of reductions</b>	<b>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.)</b>
Total Reductions:		-		
<b># of ADDITIONAL positions or other needs (supplies, equipment, etc.)</b>	<b>Indicate either Vacant (V) or Filled (F)</b>	<b>\$ amount due to changes</b>	<b>Rank your priority of additions</b>	<b>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.)</b>
Total Additions:		-		
<b>Total Changes:</b>		-	(This amount should equal the "Change Amount" for the scenario)	



**Division of XYZ**  
Annual Budget Call Summary  
for 2016-17

	2014-15 Actual		2015-16 Projected		2016-17 Scenario 1 Adjustments		Comments (Optional)
<b>Prior Year Carry Forward Balance</b>	<b>\$84,589</b>		<b>\$246,527</b>				
<b>Sources (Budget)</b>	<b>Budget Info</b>		<b>Budget Info</b>		<b>Budget Info</b>		
Initial Allocations		\$1,900,000		\$1,950,000		(\$19,500)	
Prior Year Encumbrance Allocations		\$60,000		\$50,000			
One-Time Allocations from Univ Reserves		\$100,000		\$25,000			
Centrally Funded Compensation Increases		\$50,000		\$60,000			
CO Cash Posting Orders		\$0		\$0			
Release Time		\$0		\$0			
Miscellaneous Budget Transfers		(\$10,000)		(\$15,000)			
Revenue from Various Sources		\$30,000		\$35,000			
<b>Total Sources (Budget)</b>	<b>\$2,130,000</b>		<b>\$2,105,000</b>		<b>(\$19,500)</b>		
<b>Effective Percentage Adjustment:</b>					<b>-1.00%</b>		
<b>Expenses</b>	<b>FTE</b>	<b>Expenses</b>	<b>FTE</b>	<b>Expenses</b>	<b>FTE</b>	<b>Expenses</b>	
Program Center A	18.00	\$1,208,833	19.25	\$1,289,000	-0.25	(\$19,500)	
Program Center B	8.34	\$505,943	8.50	\$476,000	0.00	\$0	
Program Center C	0.70	\$156,819	1.00	\$160,000	0.00	\$0	
<b>Total Expenses</b>	<b>27.05</b>	<b>\$1,871,595</b>	<b>28.75</b>	<b>\$1,925,000</b>	<b>-0.25</b>	<b>(\$19,500)</b>	
Prior Year Carry Forward Balance		\$84,589		\$246,527			
Current Year Sources (Budget)		\$2,130,000		\$2,105,000		(\$19,500)	
Expenses		(\$1,871,595)		(\$1,925,000)		\$19,500	
Year-End Encumbrances		(\$96,467)					
<b>Budget Balance Available</b>	<b>\$246,527</b>		<b>\$426,527</b>		<b>\$0</b>		

\*2015-16 initial budget information pre-filled by BPA per allocation memos to divisions

**Division of XYZ**  
Annual Budget Call  
for 2016-17

filled out by BPA

filled out by the division

Program Center>Department>Exp Type	Actual Expenses 2014-15 Prior Year		Projected Expenses 2015-16 Current Year		Scenario 1 Adjustments 2016-17 Next Year		Comments (optional)
	FTE	\$	FTE	\$	FTE	\$	
Program Center A	18.00	\$1,208,833	19.25	\$1,289,000	-0.25	-\$19,500	
Department 1	17.00	\$1,023,360	18.25	\$1,095,000	-0.25	-\$19,500	
MPP Salaries	2.00	\$193,728	2.25	\$225,000			
Faculty Salaries	10.00	\$487,000	11.00	\$520,000			
Staff Salaries	5.00	\$273,000	5.00	\$275,000	-0.25	-\$10,000	
Student Asst Salaries		\$34,150		\$35,000			
Operating Expenses	0.00	\$35,482		\$40,000		-\$9,500	
Department 2	0.00	\$132,772	0.00	\$134,000	0.00	\$0	
MPP Salaries							
Faculty Salaries							
Staff Salaries							
Student Asst Salaries		\$5,508		\$6,000			
Operating Expenses	0.00	\$127,264		\$128,000			
Department 3	1.00	\$52,701	1.00	\$60,000	0.00	\$0	
MPP Salaries							
Faculty Salaries							
Staff Salaries	1.00	\$47,000	1.00	\$50,000			
Student Asst Salaries							
Operating Expenses	0.00	\$5,701		\$10,000			
Program Center B	8.34	\$505,943	8.50	\$476,000	0.00	\$0	
Department 4	4.00	\$195,011	3.50	\$166,000	0.00	\$0	
MPP Salaries	1.00	\$70,000	1.00	\$65,000			
Faculty Salaries							
Staff Salaries	3.00	\$125,000	2.50	\$100,000			
Student Asst Salaries		-\$120					
Operating Expenses	0.00	\$131		\$1,000			
Department 5	4.34	\$310,932	5.00	\$310,000	0.00	\$0	
MPP Salaries	1.00	\$89,000	1.00	\$95,000			
Faculty Salaries	0.00	\$35,000	1.00	\$40,000			
Staff Salaries	3.34	\$141,494	3.00	\$125,000			
Student Asst Salaries							
Operating Expenses	0.00	\$45,438		\$50,000			
Program Center C	0.70	\$156,819	1.00	\$160,000	0.00	\$0	
Department 6	0.70	\$156,819	1.00	\$160,000	0.00	\$0	
MPP Salaries							
Faculty Salaries							
Staff Salaries	0.70	\$40,765	1.00	\$45,000			
Student Asst Salaries		\$65,688		\$65,000			
Operating Expenses	0.00	\$50,365		\$50,000			
<b>Grand Total</b>	<b>27.05</b>	<b>\$1,871,595</b>	<b>28.75</b>	<b>\$1,925,000</b>	<b>-0.25</b>	<b>-\$19,500</b>	

**All University Expense (AUE) Request**

All University Expenses	Class	CY Budget 2015/16	CY Projected Expenses 2015/16	NY Budget Requested 2016/17	Difference	AUE Description	Description Updated (Y/N)	Comments*
<b>Add Division Name</b>								
Add AUE Name		-			-		N	
Add AUE Name		-			-		N	
Add AUE Name		-			-		N	
<b>Total All University Expenses</b>		-			-			
* If requesting an increase, please provide an explanation								
<b>AUE Class must be used on all AUE transactions; including budgets and actuals</b>								

## One-Time Project List (Informational Purposes Only)

### For Major Projects over \$50K

Division Name: \_\_\_\_\_

Since the majority of existing central campus reserves are earmarked for the Science II building, the university will not be able to distribute one-time project funds. Therefore, if divisions want to list future one-time projects that are self-funded from their internal funds or through other funding sources, they can be listed on this sheet for informational purposes only.

							<i>Identify \$ Amount in Fiscal Year</i>		
<i>Prioritize your requests</i>	<i>Categorize your request (safety/risk, student related, infrastructure, maintenance, university-wide, technology, etc.)</i>	<i>Is this a collaborative request? If so, indicate divisions involved.</i>	<i>Identify Divisional Funding Source (e.g. Operating Fund, Lottery, Trust, etc.)</i>	<i>Expenditure Description (Typically \$50,000 or more)</i>	<i>Classify Expenses as One-time (1-time) or Intermittent (Int)</i>	<i>Continuation of prior year request?</i>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>TOTAL:</b>							\$0.00	\$0.00	\$0.00

**2015-16 Baseline Changes Implemented**

Division Name: \_\_\_\_\_

By Program Center/College/Department, list any reductions or augmentations that occurred for 2015-16  
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:	
2014/15 Ending Carry Forward Balance:	
Plus Projected 2015/16 Total Budget:	
Less Projected 2015/16 Total Expenditures:	
Equals Projected 2015/16 Budget Balance Available:	

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: <http://www.csus.edu/umannual/admin/UniversityReservesandAllocationofCarry-ForwardFunds.htm>

Identify how your division's 2015/16 projected carry forward funds will be expended in the 2016/17 fiscal year. List both the short-term and long-term expenditure plans and describe the relationship between divisional deficits and carry forward funds with regard to strategies for the future while striving to achieve division/strategic objectives. In addition to the above please address the following questions in your narrative:

1. Explain how your division got to the carry forward balance that it's currently holding?
2. In reviewing your historical carry forward balances, please explain why it has changed over the years (e.g. grow over time)?
3. What is your ideal carry forward amount (% of baseline or \$\$ amount)?
4. What is your plan to spend down your carry forward funds (short term and long term (over 3 years) assuming the current budget status)?
5. What is your plan to build a carry forward to meet your needs.