



SACRAMENTO STATE

## Annual Financial Review Town Hall

October 27, 2020

# Agenda

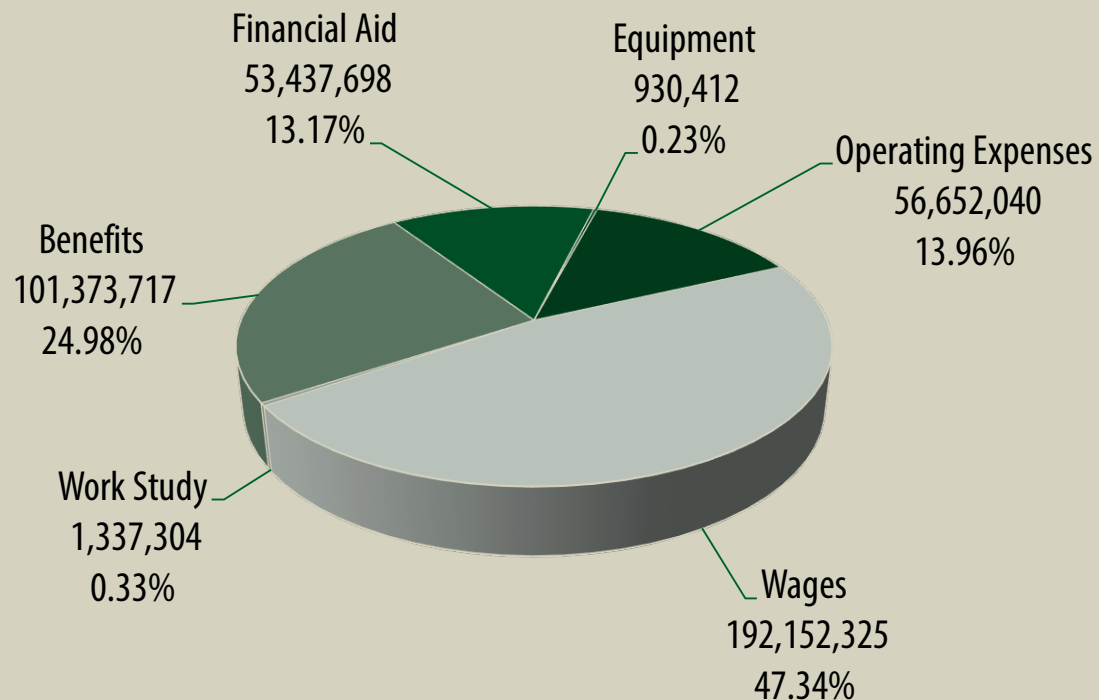
- Introduction
- How did we spend the money in 2019-20 – Diana Lynch/Budget Office
- CSU Final 2020-21 Budget – Norman Kwong/Budget Office
- Sac State Campus' Final 2020-21 Budget – Rose McAuliffe
- Early Discussions on the 2021-22 Budget – Rose McAuliffe
- Federal Funding – Nathan Dietrich, AVP Public Affairs & Advocacy
- CARES Funding – Mehdi Tazi, Sr. Director Accounting
- Construction Projects – Justin Reginato, PhD. - AVP of Facilities Management and Capital Projects
- Questions?



# How Did We Spend the Money in 2019-20?

# How did we spend the money in 2019-20?

**TOTAL OPERATING FUND EXPENSES = \$406M**



# CSU SYSTEM 2020-21 Budget



# CSU SYSTEM 2020-21 Budget

## CSU's requested increase (Nov 2019)

State Funds (ongoing)	\$563.8M
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<u>Tuition (Enrollment Growth)</u>	<u>84.5M</u>
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Total Increase	\$648.3M
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One-Time Funding	\$500.0M
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# CSU SYSTEM 2020-21 Budget

The \$648.3M would have paid for:

- \$105M for 4<sup>th</sup> year of GI 2025
- \$15M for basic needs partnerships
- \$177.4M for salary increases
- \$248.6M for 5% enrollment growth
- \$75M for critical infrastructure
- \$27.3M for mandatory cost increases





# CSU SYSTEM 2020-21 Budget

## Governor's Initial Budget Proposal (January 2020)

State funds (ongoing)	\$199M
Summer Fin Aid programs (one-time)	\$24M
Expand PaCE programs (one-time)	\$6M



# CSU SYSTEM 2020-21 Budget

## Governor's May Revision Proposal

- \$199M increase is repealed
- \$398M reduction in state funding (ongoing)
- The \$398M could be restored on a one-time basis, if federal assistance received



# CSU 2020-21 Budget

## State Legislature's Proposal (June 15, 2020)

- \$199M increase is restored
- If federal aid is NOT received
  - \$199M increase is repealed
  - \$202M reduction in state funding (ongoing)

# CSU SYSTEM 2020-21 Budget

## CSU Final Budget Agreement (June 22, 2020)

- \$299.1M reduction in state funding (ongoing)
- Reduction could be restored on a one-time basis, if federal aid received by Oct 15<sup>th</sup>.
- \$9M one-time increase in fin aid programs

# Sac State Campus' Final 2020-21 Budget

**Rose McAuliffe**

Associate Vice President

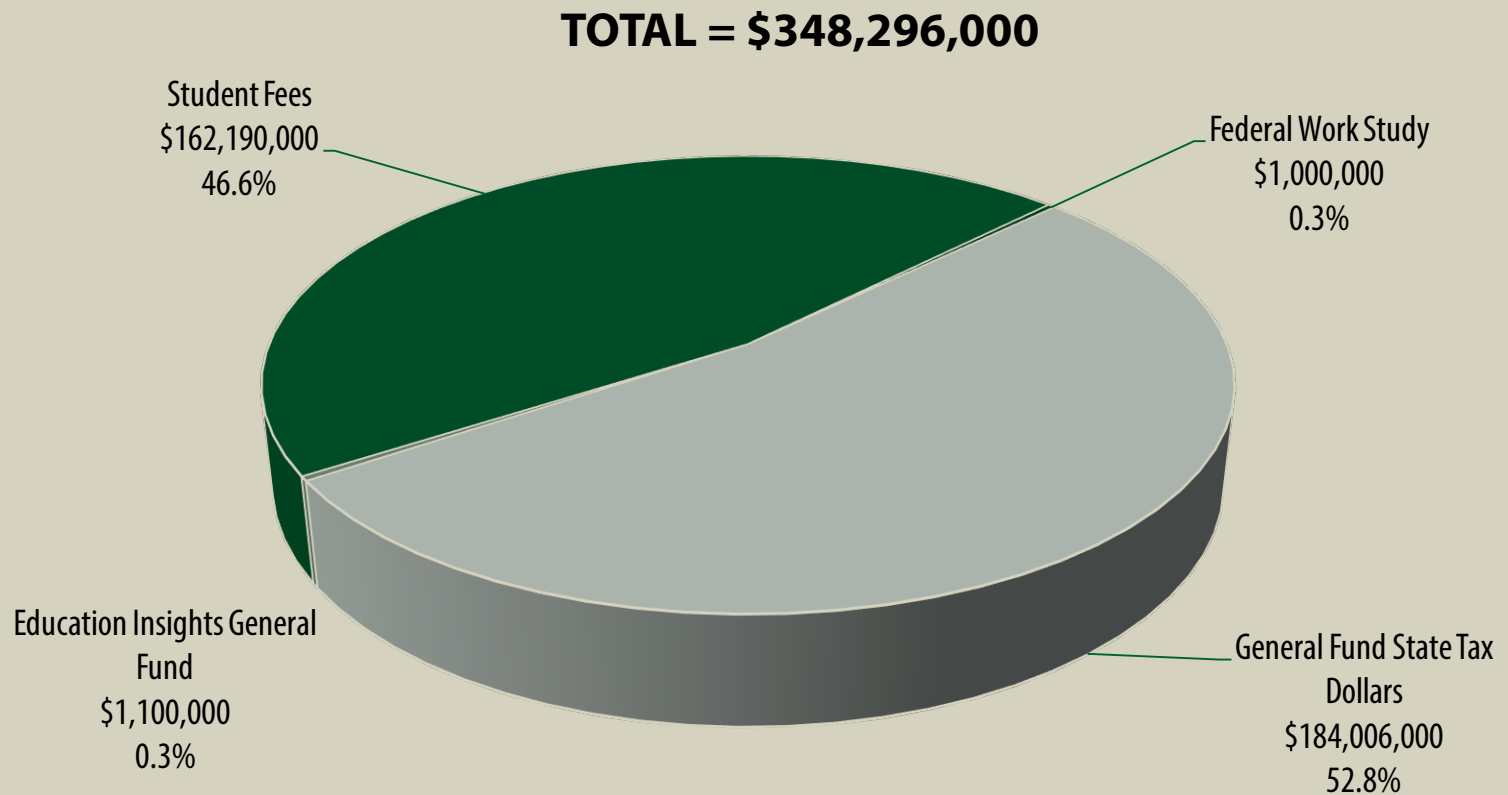
Budget Planning & Administration



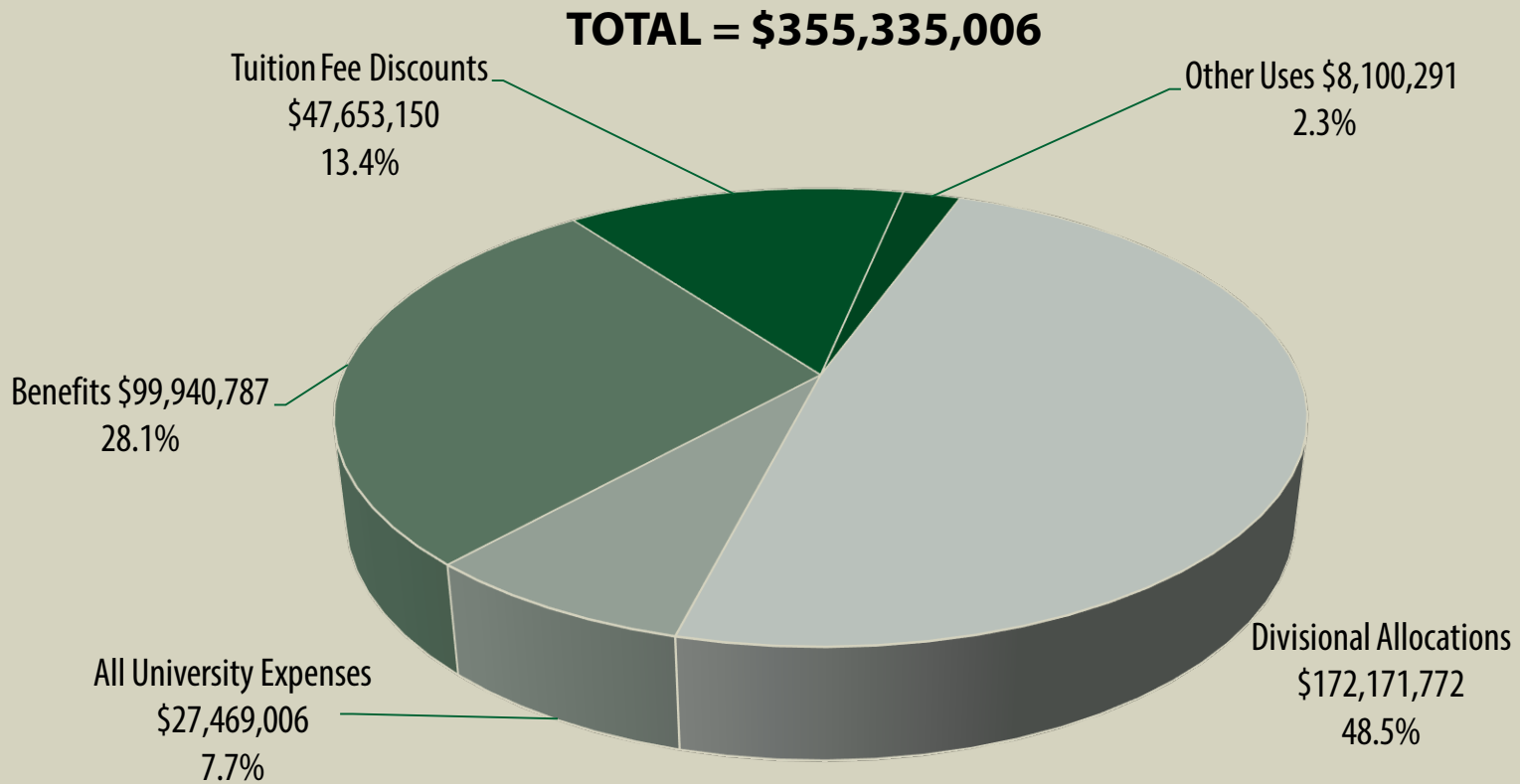
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*Redefine the Possible*

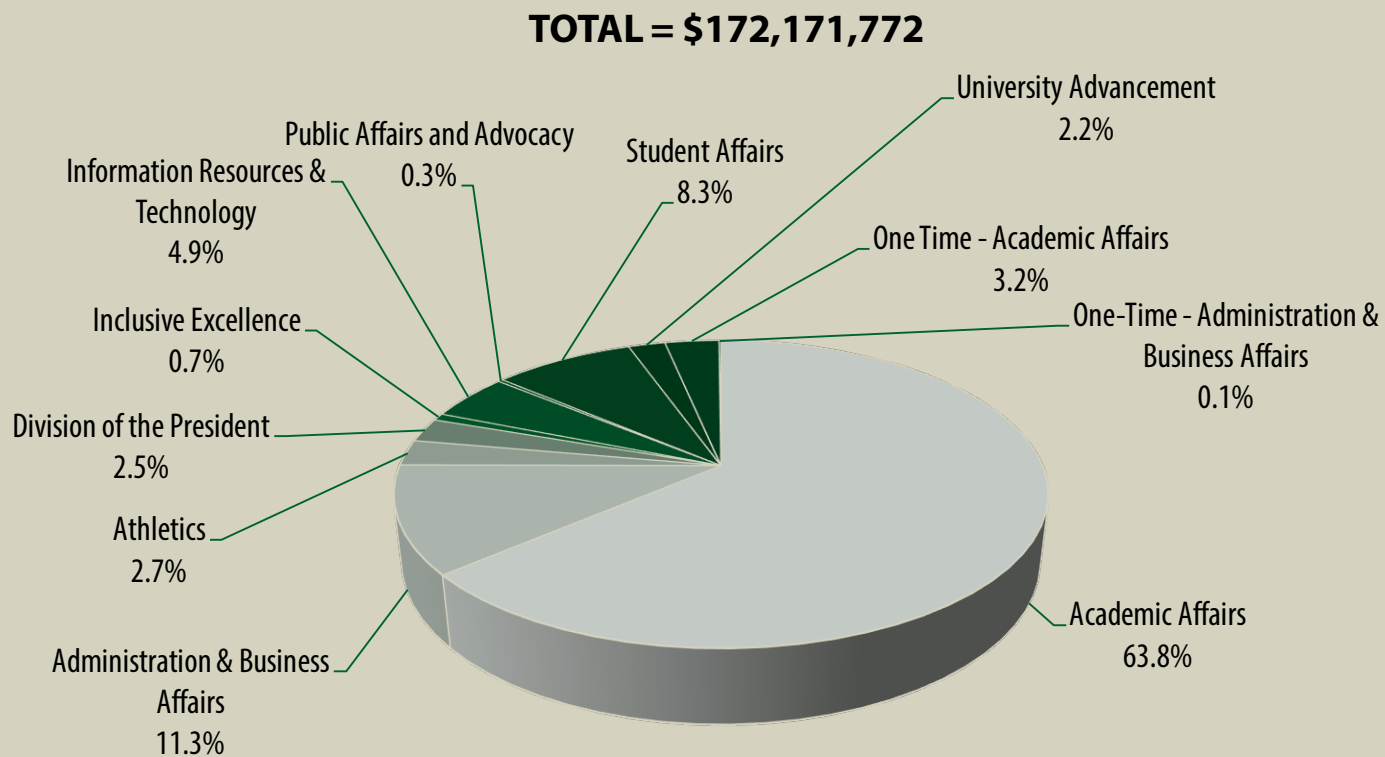
# General Operating Fund – 2020-21 Sources



# General Operating Fund – 2020-21 Uses



# General Operating Fund – 2020-21 Divisional Baseline Budgets





# Major Changes in Sac State's Budget

2019-20 vs 2020-21			
SOURCES/REVENUE		USES/EXPENSES	
State Funding Decrease	-\$10,728,137	10% Reduction to Divisions	-\$17,294,279
Student Fee Revenue Decrease	-2,000,000	baseline reserves eliminated	-1,081,063
SUG Adjustments	950,400	SUG Adjustments	950,400
Retirement Funding	2,126,000	Retirement Expenses	2,126,000
		Other Changes to Divisions	\$3,934,631
		Other Mandatory Costs	3,300,982
		Compensation Pool	-959,066
		AUE Increases	709,664
		One Time Funding - AA	5,500,000
One Time Reserves	7,039,006	One Time Funding - ABA	200,000
<b>Total Sources:</b>	<b>-\$2,612,731</b>	<b>Total Uses:</b>	<b>-\$2,612,731</b>

# Early Discussions on the 2021-22 Budget

# Early Discussions on the 2021-22 CSU System Budget

## CSU System BOT Request

Grad Initiative 2025	\$150.0M
Mandatory Costs	\$47.5M
Facilities/Infrastructure	\$10.0M
<u>Restore 10% of Reduction</u>	<u>\$30.0M</u>
Total Increase Requested	\$237.5M

# Recent Funding of the CSU

Fiscal Year	State General Fund	% Change	Gross Tuition & Fees	% Change	Total Operating Fund Budget	% Change
2017-2018	\$3,474,230,000	-	\$3,275,294,300	-	\$6,749,524,300	-
2018-2019	\$3,772,707,000	8.6%	\$3,277,627,000	0.1%	\$7,050,334,000	4.5%
2019-2020	\$4,021,849,000	6.6%	\$3,155,887,000	-3.7%	\$7,177,736,000	1.8%
2020-2021	\$3,722,806,000	-7.4%	\$3,140,097,000	-0.5%	\$6,862,903,000	-4.4%

*Presented to CSU Board of Trustees during Sept. 2020 meeting*

# Federal Update

Nathan Dietrich

Associate Vice President  
Public Affairs & Advocacy



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*Redefine the Possible*

# Federal Update

- CARES Act passed in April, included **\$26.7 billion** for higher education nationwide.
- Sacramento State received:
  - \$17.8 million for student emergency aid
  - \$17.8 million for University expenses
  - \$2.6 million as a Minority Serving Institution
- National higher education community is now seeking **\$120 billion** for colleges and universities



# Federal Update

- Since April there has been a lot of talk and negotiations, but still no second relief bill, now “likely” after the election
  - House Democrats – passed the HEROS Act in May (\$3 trillion total), included **\$37 billion** for higher education
    - Now pushing a \$2 trillion relief bill, still includes at least \$37 billion for higher education
  - Senate Republicans – seeking smaller \$500 billion package, including **\$29 billion** for higher education
  - Trump Administration – seeking a bill of roughly \$1.5 trillion(?)





# CARES Funding

Coronavirus Aid, Relief, and Economic Security Act

Mehdi H. Tazi

Senior Director, Accounting Services

# Awards Categories

Three buckets of money CSU, Sacramento was awarded from the Federal Government:

- CARES I – Emergency Grant for Students
- CARES II – Institutional
- CARES III – Minority Serving Institution (MSI)



# Awards Amounts

- CARES I – Emergency Grant for Students – \$17.8 M
- CARES II – Institutional – \$17.8 M
- CARES III – Minority Serving Institution (MSI) – \$2.6 M



# Awards Deadlines

- CARES I – Emergency Grant for Students – April 23<sup>rd</sup>, 2021
- CARES II – Institutional – May 4<sup>th</sup>, 2021
- CARES III – Minority Serving Institution (MSI) – June 7<sup>th</sup>, 2021

# Distribution of CARES Funds

- Divisions will receive the appropriate CARES funding through the Cabinet approval, and with the consultation with both Budget and Accounting departments.
- The focus on receiving the funding is on the expense, not the revenue, and the emphasis is only on the change (additional costs incurred because of the pandemic).
- The distribution is done on a reimbursement basis.
- The distribution is also dependent on the costs related to the disruption of instruction, and moving to a virtual mode.



# CARES Audit

- The University has a responsibility and an accountability to meet the CARES Act Requirements.
- The University is expected to be audited by the State and Federal Governments.



# CARES Reporting

- Quarterly Reporting to the Department of Education to be publicly posted on our website – First reporting is due on October 30<sup>th</sup>, 2020 covering the period from the date of the first HEERF grant award through September 30<sup>th</sup>, 2020.
- Website: [HEERF Emergency Grants](#)  
HEERF: Higher Education Emergency Relief Fund

## Total HEERF/CARES Grant disbursed to date

HEERF/CARES Grant Funds	As of date
\$17,385,586.50	May 27, 2020
\$17,706,732.30	July 10, 2020
\$17,830,907.30	August 20, 2020
\$17,865,252.13	October 5, 2020





# Update on Construction Capital Projects

Justin Reginato, PhD

Associate Vice President



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# Hornet Beach – Sand Volleyball Facility

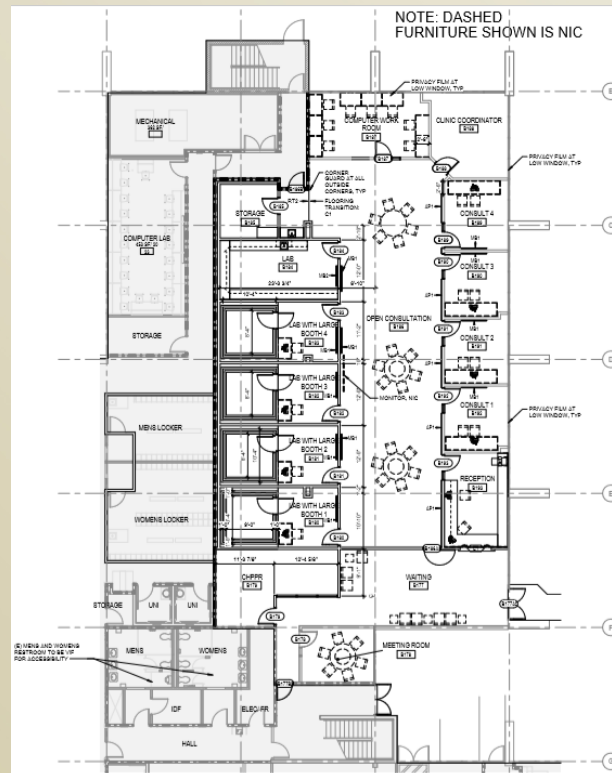


Project Cost:  
**\$876,517**

Completion Date:  
**May 2020**

Funding Source:  
**Campus funds**

# Audiology Lab



Project Cost:  
**\$1,909,840**

Completion Date:  
**September 2021**

Funding Source:  
**Campus funds**

# Library Lighting Retrofit



Project Cost:  
**\$2,434,000**

Completion Date:  
**December 2020**

Funding Source:  
**Deferred  
maintenance**



# ADA Pathway Improvements



Project Cost:  
**\$500,000**

Completion Date:  
**November 2020**

Funding Source:  
**Critical  
infrastructure**

# Art Sculpture Lab

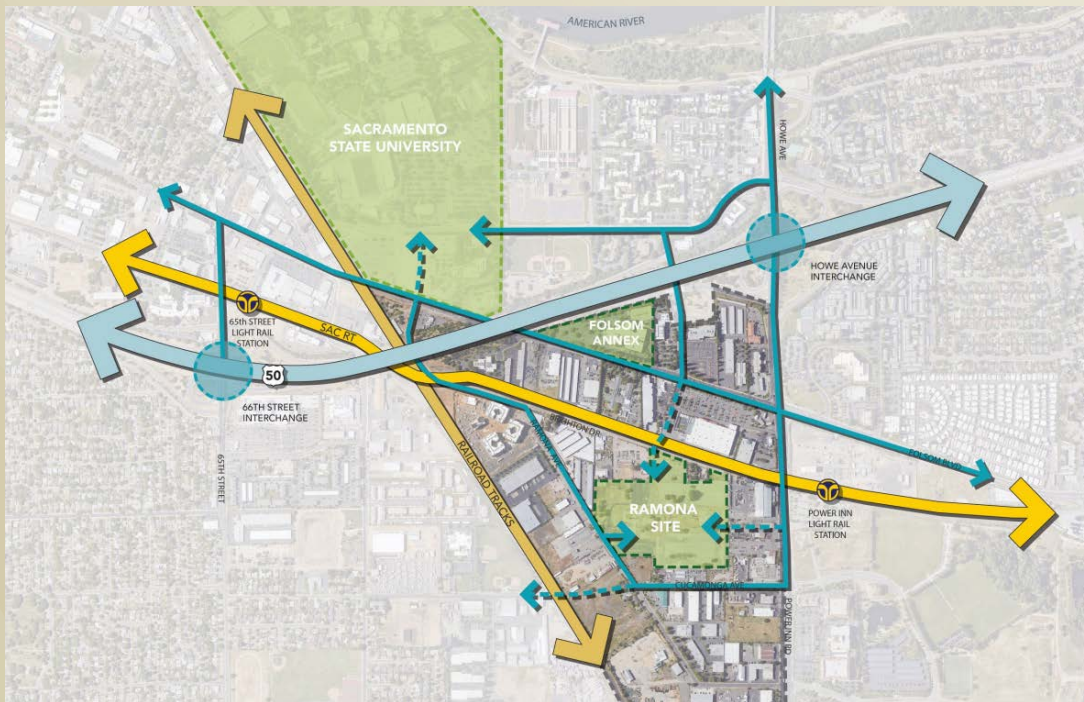


Design Cost:  
**\$1,000,000**

Completion Date:  
**TBD**

Funding Source:  
**Critical  
infrastructure**

# Ramona Master Plan & EIR



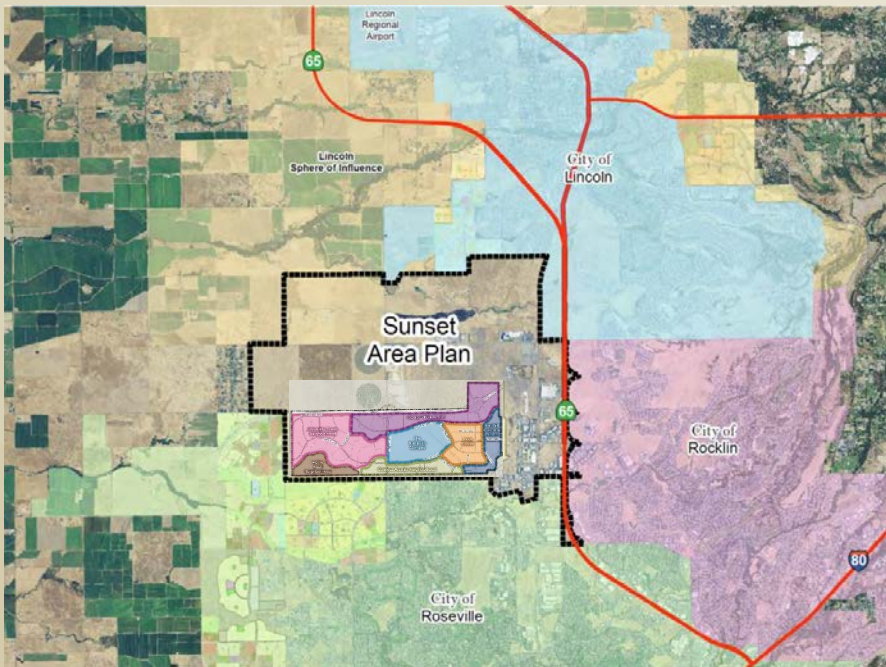
Project Cost:  
**\$889,835**

Completion Date:  
**End of 2021**

Funding Source:  
**Facilities planning funds**



# Placer Ranch Master Plan & EIR



Project Cost:  
**\$2,590,370**

Completion Date:  
**Mid 2022**

Funding Source:  
**Facilities planning funds**

# WELL Expansion



Project Cost:  
**\$40,880,000**

Completion Date:  
**August 2021**

Funding Source:  
**Bond serviced by  
student fees**



# WELL Expansion



# Hornet Commons



Project Cost:  
**\$163,000,000**

Completion Date:  
**June 2021**

Funding Source:  
**P3 (UEI + Greystar)**



# Hornet Commons



# 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>

# Contact Information

## **Budget Office:**

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## **Public Affairs & Advocacy:**

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## **For CARES Funding questions:**

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# Questions?

