

# PRESIDENT'S BUDGET COMMUNICATION

## FY 2021-22

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### PRESIDENT'S UPDATE

#### 2021 Sacramento State budget update

**March 25, 2021** - In February, we received the positive news from Gov. Gavin Newsom that he is proposing to restore the \$299 million cut from the CSU system last year. We estimate that Sacramento State will receive approximately \$10.87 million more than we received in 2020-2021. Unfortunately, because of increased costs, especially mandatory costs, to balance our budget last year, each division was cut 10% for a total of \$17.3 million institutionally, so our budget will not yet be fully restored.

These cuts have been painful. I am committed to shared governance and to working closely with the University Budget Advisory Council (UBAC), but we are still living in dynamic and unprecedented times. In consultation with UBAC and the President's Cabinet, I am recommending a hybrid approach for the 2021-2022 budget.

Over the past year, all of us have worked hard to "do less with less," but now that we have new funding, we must take a more targeted approach. We need to dedicate to the divisions the entire anticipated \$10.87 million, which we will round up to \$11 million using other sources. These funds are recurring funds, and decisions should be made at a more local level, rather than top down, on where the dollars should be reinvested and what positions should be filled. We also need to be strategic and innovative. We cannot lose the momentum that we have with the Graduation Initiative, Inclusive Excellence, the Comprehensive Campaign, and the Anchor University Initiative, and we must stay safe and healthy. We have made too much progress to stop now. Hence, I am asking UBAC to make recommendations to allocate \$6.87 million in recurring general operating dollars (the original amount that the governor first proposed) to fund the five imperatives that have been our guides for the last six years: student success, diversity and inclusion, philanthropy, safety, and community engagement.

Overall, our sources of revenue will be \$368,850,137. Our actual expenses will be \$371,719,079. To make up the deficit and to have a balanced budget, we will need to borrow \$2,868,942 from our reserves. To put that number in perspective, last year we borrowed \$5.5 million one-time money to pay for lecturers to provide extra sections as part of the Graduation Initiative. This year, approximately \$2 million recurring dollars will be permanently allocated to Academic Affairs, and we will only need \$3.5 million one-time funding for lecturers. In next year's budget, we hope to make all lecturer funding recurring dollars.

Each division will be allowed to set its own priorities on how to allocate its share of the \$11 million restoration. But because the money is recurring and because we have been doing less with less, I am asking that special emphasis be placed on hiring personnel. Many of these hires may be replacements, but they may be new positions as well. Sacramento State has evolved significantly over the past year, and there is a need for new hires to meet new strategies in this new world. These hires will still have to be approved – that hasn't changed. I do hope that many of the divisions' priorities also align with the five imperatives, but the decision will be left to the divisions.

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The \$11 million will be restored to the divisions based on 10% cuts that totaled \$17.3 million in 2020-2021 (the dollar amounts have been rounded for the sake of simplicity):

Academic Affairs	66%	(\$7.26M)
ABA	12%	(\$1.32M)
Student Affairs	8%	(\$880K)
IRT	5%	(\$550K)
University Advancement	2.5%	(\$275K)
Athletics	3%	(\$330K)
President's Office	2%	(\$220K)
Inclusive Excellence	1%	(110K)
Public Affairs	5%	(55K)

This past year has been the most difficult year most of us have experienced, especially in our work in academia. None of us want to see another year like this one in our lifetime. But Sacramento State got through it. The Hornet Family is still transforming lives. We are still here delivering a high-quality, excellent education to our students. There have been many sacrifices, and the pandemic has taken a significant toll. I know that the Hornet Family is exhausted, but we are enduring. And we will continue to support each other. The restorations in the budget and the ongoing success of the vaccines give us reason for hope, and I hope we can all allow ourselves to feel a small bit of optimism again. Stay strong, and I look forward to seeing many of you in the fall.

Sincerely,



**Robert S. Nelsen**

President, Sacramento State

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