



California State University, Sacramento  
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May 4, 2020

## MEMORANDUM

TO: Provost Steve Perez  
Vice President Jonathan Bowman  
Vice President Phil Garcia  
Vice President Lisa Cardoza  
Vice President Mark Hendricks (Interim)  
Vice President Edward Mills  
Vice President Diana Tate Vermeire  
Chief of Staff, Cely Smart  
Director of Athletics, Mark Orr

FROM: Robert S. Nelsen  
President

**SUBJECT: Campus Operating Fund Budget Call for Fiscal Year 2020/21 - REVISED**

I am hereby requesting that each division complete the 2020/21 Campus Operating Fund Budget Call 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 **Friday, May 29, 2020**. For assistance in completing the budget requests, please contact Rose McAuliffe, Associate Vice President.

### **Governor's Proposed Budget**

The Governor's proposed 2020/21 budget originally included an ongoing increase of \$199 million in the California State University's (CSU) General Fund for basic mandatory compensation and benefit needs. However, we have since then received communication that these funds are currently not guaranteed.

The Board of Trustees requested an increase for the 2020/21 fiscal year budget totaling approximately \$563.8M, which included funding for the Graduation Initiative (\$105M),

5.0% resident enrollment growth (\$164.1M), employee compensation and mandatory costs (\$204.7M), and academic facilities and infrastructure needs (\$90M).

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

For the new fiscal year, the campus' enrollment target for resident students will remain constant of Full-time Equivalent Students (FTES) at 24,314 FTES. There are currently many unknowns surrounding the campus budget allocations. Thus, the budget call will focus on one scenario. 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**

For the 2020/21 fiscal year, the campus is preparing for a deficit. Therefore, we are asking the divisions to prepare for one budget reduction scenario:

- a 10.0% budget reduction, which is a decrease to division's budgets of **-\$17,294,279**

As the campus prepares for the new budget, some considerations include increasing the university's baseline reserves and limiting one-time funds for projects.

When developing budget plans, divisions should consider operational efficiencies and what cost-effective measures can be implemented to reduce the impact to program areas. Please also consider in your decision-making, how we will continue to progress in reducing time to degree and maintaining our commitment to diversity, inclusion, and equity.

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 2020/21 Annual Budget Call requests division heads to address the one budget reduction scenario (-10.0%).

The planning assumptions details are as follows:

- The campus imperatives as well as safety and health serve as general guidelines for planning and allocating the 2020/21 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 significant expense changes 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.
- At this time, there is low 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.
- 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 "instructions" form.
- Divisions must develop a balanced budget and operate within available resources as noted in the documents below:
  - 2020/21 Operating Fund Budget Scenario Spreadsheet
  - 2020/21 Impact to Divisions Scenario
  - 2019/20 Unspent Carry Forward Funds
  - 2020/21 All University Expenditure Line Items
  - 2020/21 One-time Projects List (Informational Item only) 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. Rose McAuliffe, the 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.

#### Attachments

cc: University Budget Advisory Committee  
Budget, Planning & Administration