



# PRESIDENT'S UPDATE



## To All Members of the Campus Community:

In late July, Gov. Gavin Newsom released his 2019-20 budget. Overall, the California State University system will see an ongoing increase of almost \$333 million in its General Fund.

For 2019-20, the CSU system received approximately:

- \$332.8 million in permanent General Fund appropriation
  - \$45 million for graduation initiatives (requested \$75 million)
  - \$147.8 million for compensation increase
  - \$85 million for enrollment growth (2.7%)
  - \$45.2 million for mandatory cost increases (benefits)
  - \$9.8 million for other costs
    - \$6.5 million for emergency housing (still being held centrally)
    - \$3.3 million for Project Rebound (still being held centrally)

The CSU system budget office projects a net increase of \$46.2 million from tuition due to enrollment growth for a total increase of \$379 million in ongoing funds. Additionally, the CSU system received \$68 million in one-time funding for the Graduation Initiative, year 2 enrollment, and enrollment for the Mathematics and Science Teacher Initiative. We are very pleased that the CSU system budget fully funds the much-deserved raises that faculty and staff are receiving as well as the cost of benefits. Funding the benefits for CSU employees is a huge win — since 2014, the retirement benefits for new employees beyond the 2013-14 salary levels were not funded, and we had to allocate the funds locally from our own ongoing budgets

On Aug. 12, [following the advice of the University Budget Advisory Committee \(UBAC\)](#), the President's Cabinet finalized Sacramento State's budget. Thanks to the legislative support, Sacramento State is not preparing for a deficit in 2019-20. The campus's 2019-20 budget is projected to be \$356,947,737 (including state appropriations and anticipated student fee revenue), an increase of roughly \$23 million from 2018-19. The budget will support a 2.7 percent increase in FTEs, or 23,771 resident FTEs and 543 non-resident FTEs for a total of 24,314 FTES. A total of \$9.35 million of the budget was allocated

for the collective bargaining agreement's compensation increases, faculty promotions, and staff reclassifications, and \$3.94 million was allocated for benefits (mandatory costs). A total of \$1.1 million was allocated for the operation and maintenance of new buildings such as the Ernest E. Tschannen Science Complex, and per the recommendations of UBAC, approximately \$1.1 million was added to All University Expenses, \$3.9 million to divisional baseline increases, and \$2.7 million to the Graduation Initiative (for hiring faculty). We have added \$483,000 to the University's baseline reserves to help prepare for potential recessionary reductions in the future. Finally, \$5.5 million in one-time funding was awarded to Academic Affairs to pay for additional course sections

A summary of the University's final budget for the 2019-20 General Operating Fund is provided [here](#). The baseline allocations to each division are as follows:

- Public Affairs and Advocacy: \$528,107
- Athletics: \$4,985,094
- University Advancement: \$4,048,074
- Office of President: \$3,726,489 (including University Communications, Graduation Ceremonies, University Initiatives and Student Success, and the Office of Institutional Research, Effectiveness, and Planning)
- Office of Inclusive Excellence: \$963,642
- Student Affairs: \$13,634,354
- Information Research and Technology: \$8,644,222
- Administration and Business Affairs: \$21,213,452 (including the merging of Human Resources' budget into ABA's budget)
- Academic Affairs: \$115,199,360

Administration and Business Affairs did not request and did not receive additional funding this year beyond mandatory costs and compensation increases.

It is important to note that in the prior fiscal year (2018-19), Sacramento State transferred more than \$18 million in funding for the completion of the Ernest E. Tschannen Science Complex, which significantly reduced the level of the University's reserves. With this past year's budget, we were only able to allocate \$597,742 for ongoing reserves. As such, we will be working this year to increase the University's baseline reserves and limiting one-time funds for projects for 2019-20.

On Sept. 13, the President's Cabinet met and decided to allocate \$1 million for equity raises – \$500,000 for faculty and \$500,000 for staff. Each division will be contributing, as appropriate, to this equity pool. Once plans have been

developed, we will disseminate the information.

As always, I would like to extend my gratitude to UBAC for its attentiveness and dedication to the budget [recommendations](#), especially regarding All University Expenses. We are fortunate to have UBAC's guidance in this laborious process. Also, I am grateful for the work of the Budget Office and of Stacy Hayano, who will be retiring this year. Thank you, Stacy. I am confident that this budget will enable us to continue our progress over the next year as we meet our students' needs and provide them with an excellent education. Stingers Up!

Sincerely,

Robert S. Nelsen