

Date: June 30, 2025

To: Dr. Luke Wood, President, California State University, Sacramento

From: Greg Shaw, Chair, University Budget Advisory Committee

Re: Memo for the 2025-26 Budget Allocations

The University Budget Advisory Committee (UBAC) extends its appreciation to the Sacramento State leadership team for the informative budget submissions. The committee also thanks division budget teams for their work compiling and preparing information on current year reductions, future reductions, and for assisting Vice Presidents prepare budget scenarios.

Through the Budget Call, divisions were given a reduction target by the President to meet a \$37M cut from their general fund baseline:

2025-26 Division Targets		
Divisions	2024-25 Baseline Allocation	Presidential Target Cuts
Academic Affairs	\$ 129,632,337	\$ (24,000,000)
Administration and Business Affairs	\$ 20,591,356	\$ (4,700,000)
Information Resources & Technology	\$ 9,478,478	\$ (2,400,000)
Student Affairs	\$ 10,401,561	\$ (2,300,000)
University Advancement	\$ 4,061,828	\$ (1,200,000)
Division of the President	\$ 25,530,687	\$ (2,400,000)
	\$ 199,696,247	\$ (37,000,000)

UBAC was notified that the Academic Affairs baseline cut of \$24M was split into an \$18M reduction in 2025-26 and a \$6M reduction in 2026-27.

Following Budget Call submissions, UBAC met to discuss the current projected 2025-26 budget and to note recommendations for the following items:

- Funding restoration priorities
- An updated 2025-26 All University Expense (AUE) budget
- An updated 2025-26 Lottery Fund budget allocations and continued use of the current Lottery Fund allocation project split moving forward

Funding Restoration Priorities

After reviewing the submissions, the committee noted many strategic areas experiencing reductions. If the final state budget is more favorable from the May Revise to the CSU, the committee recommended the following strategic areas be considered for restored funding:

1. Instruction related costs to include funding additional sections, enrollment, outreach, and periodicals.
2. Technology related costs for equipment, software, educational journal subscriptions, and hardware.
3. Safety related costs that would include campus tree trimming, facility emergencies, lighting, Community Service Officers, and compliance related tasks.

4. Unfunded mandates and new program costs to include the Black Honors College and Native American College.
5. Development related costs to support University Advancement and philanthropy efforts.

2025-26 All University Expenses (AUE) Budget

Total initial requests for All University Expenses (AUEs) were approximately \$35.2 million dollars this year and increased by \$246,135. Following a detailed review of each request, UBAC recommended an increase of only \$81,135 to the AUE budget. This recommendation included:

1. The reassignment of two expense items (VISA/Mastercard processing fees and physical security costs) which were previously shifted to the divisional budget of Administration & Business Affairs, back to the AUE category,
2. A new AUE for central Placer Ranch legal fees,
3. Modifications to AUEs for immigration processing, agent-based recruitment for international students, legal complaint investigations, and music license agreements, and
4. The elimination of the MODO marketplace software AUE.

In addition to recommending an updated 2025-26 AUE budget, UBAC further recommended that Budget Planning & Administration (BPA) conduct a comprehensive review of all AUEs, as well as other university-wide costs that may not currently be captured. BPA was also asked to explore and make recommendations to UBAC to redefine the definition of what constitutes an AUE so that the University is able to establish consistent criteria for expenses that fall under this category moving forward.

2025-26 Lottery Fund Budget Allocations

In 2024–25, BPA implemented a redesigned model for allocating campus lottery funds, as directed by the President. This revised approach was developed to reduce administrative complexity, minimize audit risk, and ensure that expenditures are consistent with lottery policy. The new model streamlines both the initial allocation and ongoing monitoring by restricting the use of lottery funds to specific categories including library periodicals and subscriptions, classroom technology and upgrades, and American Sign Language (ASL) interpretation services.

UBAC recommended:

1. Continued use of this allocation project split moving forward, and
2. Should there be any changes to the allocation amount moving forward, UBAC recommends amending the allocations to these three projects in a pro-rated fashion.