



SACRAMENTO
STATE

2024-25 Annual Budget Town Hall

Jennifer Harris, Associate Vice President
Budget Planning and Administration

Dr. Carlos Nevarez, Interim Provost
Division of Academic Affairs

Redefine the Possible™

Agenda

President Luke Wood

- Revenue Generating Strategies

Jennifer Harris, AVP

- Budget Foundation – Funds & Terms
- Budget Building Process, including PBAC's Role & Recommendations
- Sac State's 2024-25 General Operating Fund Budget
- Prior Year 2023-24 General Operating Fund Expenses
- 2025-26 Fiscal Outlook
- CSU's Proposed Budget for 2025-26

Dr. Carlos Nevarez, Interim Provost

- Academic Affairs' 2024-25 Budget

Q&A

Potential Revenue Generation Options

Short term strategies (1-2 years)

- International and out of state recruitment: goal of 1,000 additional students
- Enrollment growth of resident students

Medium Term Strategies (2-4 years)

- VP for Research
- Athletic Conferences

Long Term Strategies (3-5 years)

- Local tax measure
- Regional campus differential fees
- Residential living and learning expansion

Land Acknowledgement

Sacramento State acknowledges, with respect, the land our campus is on today was, and continues to be, the homelands of the Indigenous people of this area, the Nisenan, specifically the Nissim-Pawenan, and Miwok. The larger Sacramento area and its rivers serve as a gathering place for many local tribes from the surrounding valley and foothills including the Southern Maidu, Puhtwihn and Wintun.

Sacramento State recognizes these lands and riverways as unceded traditional territories of these Native peoples. We further recognize these California Native nations and respect their sovereignty. By offering this land acknowledgement, we affirm the University's commitment to build relationships and foster a university environment of success to better serve Native nations and communities.

Budget Foundation

Funds & Terms

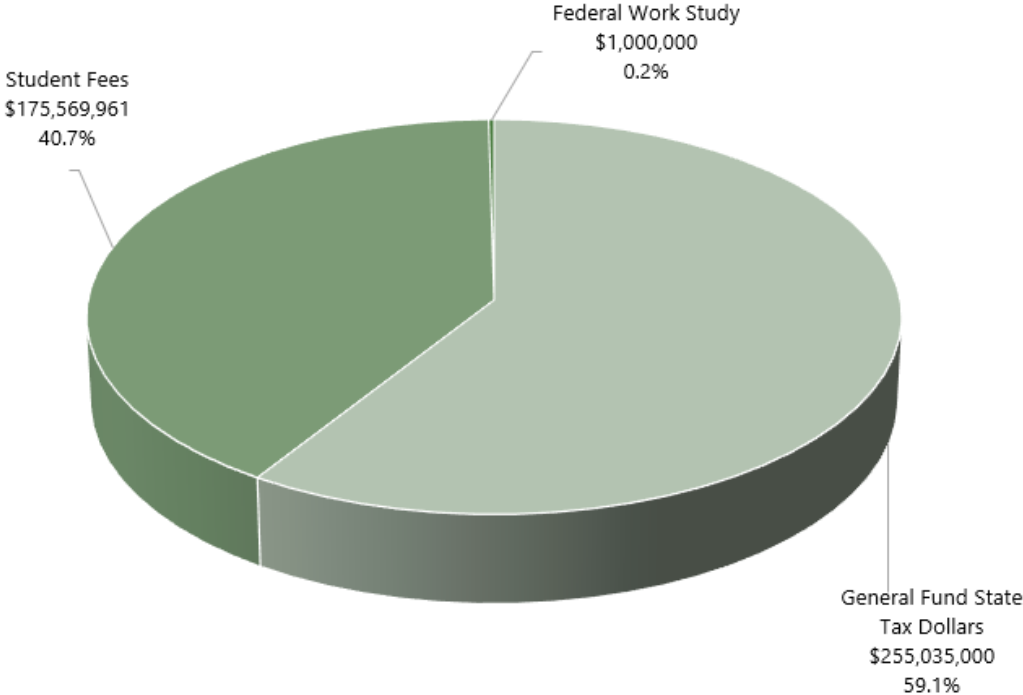
Redefine the Possible™

General Operating Fund

- Student tuition
- State allocation
 - General allocation
 - Restricted allocations
- Used to cover salaries and benefits for faculty and staff, to provide tuition grants (financial aid), and to fund operational costs such as equipment, utilities, and insurance.

2024-25 General Operating Fund Sources

\$431,604,961

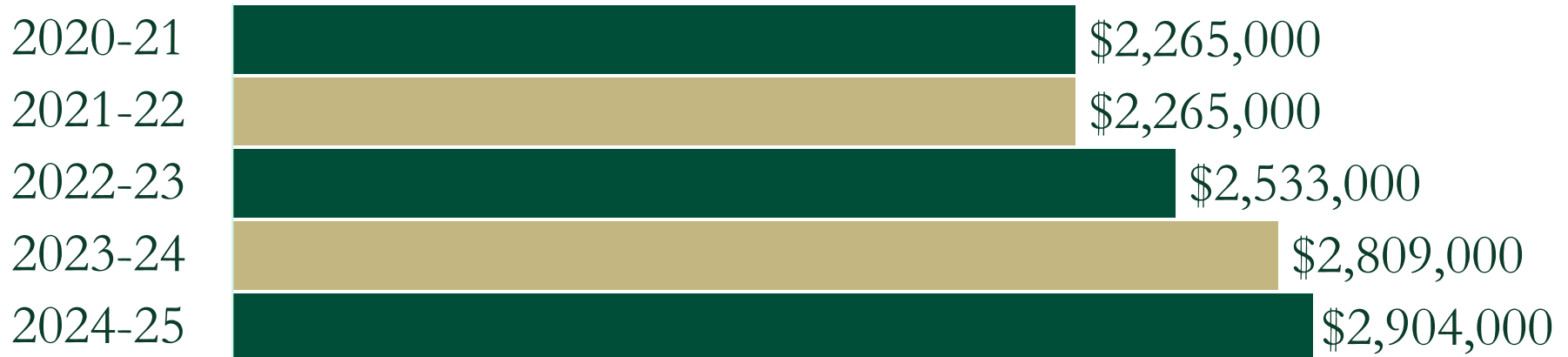


Lottery Funds



- Must be used to supplement instruction
- Cannot be used for construction, research, faculty salaries, bonuses, or stipends

Lottery Allocations



Fees

- Mandatory fees may only be used for the purpose of that fee; i.e. Health Facility Fee
- Self Support fees (Parking, Housing, and CCE) may only be used to support those programs; they receive no general operating funds
- Admin Fees may only be used for the designated purpose; i.e. transcript fees cover the costs to prepare and mail transcripts



		GRADE HOURS	HEB	CTP
Term Total	UBA: 4,000	3,000	2,000	1,000
Cumulative Total	UBA: 2,000	60,000	97,500	21,000
Fall 2006	Undergraduate	GRADE HOURS	HEB	CTP
	Residency			
0000	100	1,000	1,000	1,000
0000	400	2,000	2,000	2,000
0000	500	1,000	1,000	1,000
0000	200	2,000	2,000	2,000
0000	100	1,000	1,000	1,000
Term Total	UBA: 2,000	10,000	10,000	10,000
Cumulative Total	UBA: 2,000	70,000	107,500	31,000
Winter 2007	Undergraduate	GRADE HOURS	HEB	CTP
	Residency			

Philanthropic Contributions, Gifts, and Endowments



- Restricted as directed by donor (i.e. for specific scholarships, equipment, or construction projects)
- Generally cannot be used at the discretion of the university

Incremental Budgeting

- A process that uses the current budget as the base, which is then adjusted by incremental amounts.
- A division's baseline budget refers to its "base" amount of allocated operational funds.
- Each year, campus makes incremental adjustments (+/-) to divisions' baseline budgets, thus revising the base for the next fiscal year.
- The Provost/Vice Presidents have full discretion on the allocation and use of their division's baseline budget.

Carryforward

- Divisions' budgeted funds that are unspent at the end of the year.
- Historically, divisions have been permitted to keep and carryforward unspent funds up to 6% of their total sources of funds.
- Funds remaining in excess of 6% are swept to Reserves.

Example:

Total Budget	Total Expenses	Balance Remaining	% of Total Budget	Max Carryforward	Sweep to Reserves
\$10,000,000	\$7,500,000	\$2,500,000	0.25	\$600,000	\$1,900,000

(.06 * \$10,000,000)

Campus Reserves

- Unspent and uncommitted general operating funds set aside for unplanned or emergency needs.
- Reserves should be used for one-time purposes rather than ongoing cost commitments.
- The amount of general operating funds saved in campus reserves does not equal the year-end fund balance.
- Year-end fund balance includes amounts designated for commitments, including contractually obligated agreements and division carryforwards.

Fiscal Year

- A fiscal year is the 12-month period used for budgeting and financial reporting.
- Sac State's fiscal year runs July 1 through June 30.

Calendar Year vs. Fiscal Year

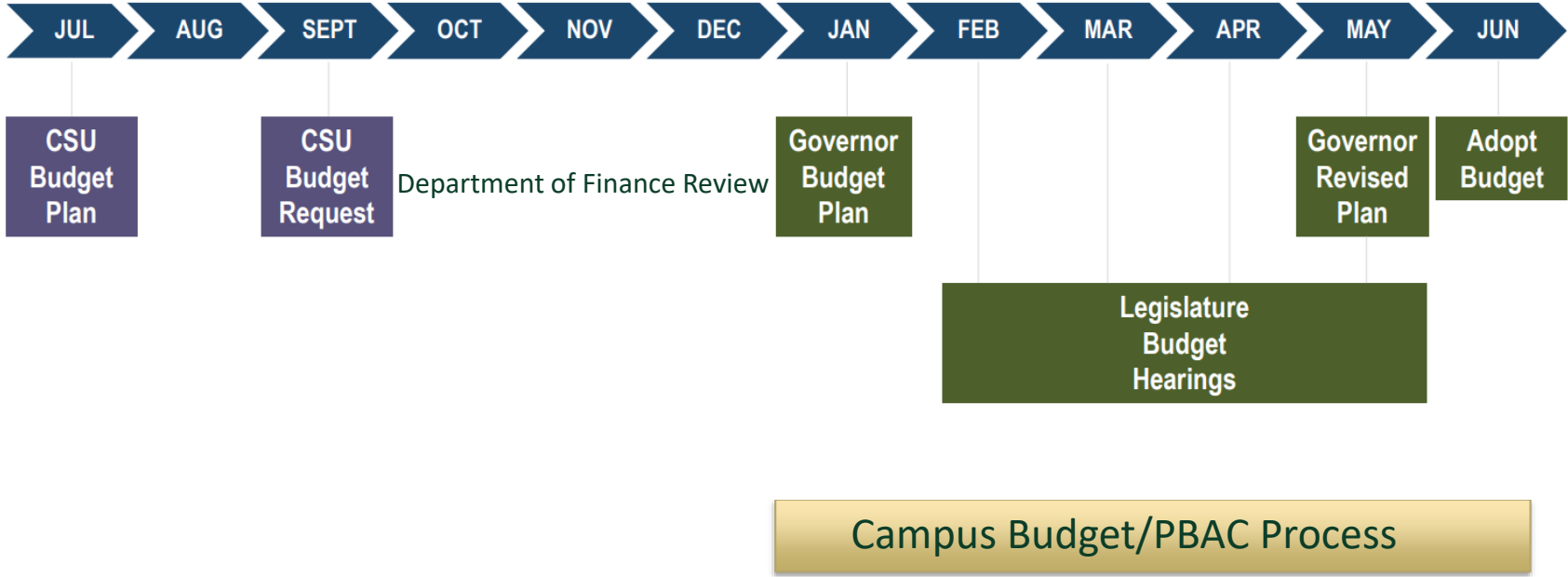
Calendar Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec						
Fiscal Year							Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun

- We are currently in fiscal year 2024-25.

Budget Building Process



CSU Budget Timeline



President's Budget Advisory Committee (PBAC)

- Advisory committee to the President
- Facilitates development of the general operating fund budget
- Reviews and analyzes general operating fund budget requests and reductions
- Provides recommendations to the President regarding budget allocations
- Reviews and provides recommendations on the use of Lottery funds.

PBAC Composition

Faculty Members (4)

- 1 Dept. Chair recommended by the Chairs to the Provost and appointed by the President (two-year term);
- 3 faculty members recommended by the Faculty Senate (staggered three-year terms)

Administration/Staff Members (4)

- Selected from the university staff and administration appointed by the President (one-year terms)
- Includes one chair, appointed by the President

Students (2)

- 2 students recommended by the President of Associated Students Inc. (one-year terms)

AVP for Budget Planning & Administration

Permanent member

Ex-Officio Support Staff (2)

Budget Office analysts

PBAC Information

csus.edu/administration-business-affairs/budget-planning/

Administration & Business Affairs > Budget Planning & Administration > President's Budget Advisory Committee

President's Budget Advisory Committee

About PBAC

The President's Budget Advisory Committee (PBAC) was established by the campus president to serve as the main advisory group on budgetary matters for the General Operating Fund.

[PBAC Budget 101](#)

[Committee Members](#)

[PBAC Composition & Charge](#)

For information on the General Operating Fund Budget Call, go to the following link:

[General Operating Fund Budget](#)

Budget Development

2024-25 Budget Development

[Feb. 2, 2024 meeting notes PDF](#)

[Feb 23, 2024 meeting notes PDF](#)

[Feb 29, 2024 meeting notes PDF](#)

[March 25, 2024 Budget Call Memo PDF](#)

[May 23, 2024 meeting notes PDF](#)

[May 24, 2024 am meeting notes PDF](#)

[May 24, 2024 pm meeting notes PDF](#)

[June 16, 2024 PBAC Recommendations to President PDF](#)

[June 16, 2024 AUEs attachment PDF](#)

Campus Budget/PBAC Process

Dec/Jan
PBAC
Committee
formed

Feb
President
meets with
PBAC
PBAC reviews
estimates and
makes reco on
Budget Call

March
Budget Call
memo released

April/May
VPs present to
Cabinet and
PBAC

May/June
PBAC
deliberates and
makes reco to
President

June/July
President
communicates
budget to
campus

However.....



PBAC's Budget Call Recommendations

Scenario: Initial projection of \$12 million deficit driven by compensation, benefit, and inflationary cost increases

➤ PBAC recommended:

1. Do not use campus reserves to cover the deficit.
2. Do not reduce divisions' carryforward.
3. Request divisions to propose reductions between 4% and 6% of their base budgets, including compensation and benefits.
4. Request divisions to develop permanent strategies to reduce costs and increase enrollment and revenue.
5. Request divisions to provide information on prior year reductions.

President's Budget Call

1. Do not use campus reserves to cover the deficit. ✓
2. Do not reduce divisions' carryforward. ✓
3. Request divisions to propose reductions between 4% and 6% of their base budgets, including compensation and benefits.
4. Request divisions to develop permanent strategies to reduce costs and increase enrollment and revenue. ✓
5. Request divisions to provide information on prior year reductions. ✓

President's Budget Call

2024-25 Reduction Targets

Division	4.2% of Total Sources
Academic Affairs	\$ 9,606,964
Administration and Business Affairs	2,134,136
Information Resources & Technology	825,649
Student Affairs	1,312,887
University Advancement	302,906
Division of the President*	1,317,457
Total Reduction Target	\$ 15,500,000

*Includes Office of the President, Athletics, Inclusive Excellence, and Enrollment Management

Division Presentations

- Organizational structure
- Sources and amount of funds
- Plans for carryforward
- Reductions implemented in 2023-24
- Strategies to achieve reduction targets in 2024-25



AUE Requests

- All University Expenses (AUEs) – expenses that support the entire campus and that are generally beyond our control; i.e. utilities, insurance, IT systems, licenses, space rental
- AUEs are not part of divisions' baseline budgets
- Total funds requested: \$35.3 million (increase of \$2.7 million over the prior year)



GAS



ELECTRICITY



Lottery Fund Requests

- Lottery funds available: \$2.9 million
- Lottery funds requested: \$6.2 million

PBAC's Budget Recommendations

1. Request divisions to collaborate to identify and implement strategies to reduce costs;
2. Request divisions to prepare zero-based budgets to level set needs;
3. Request AA/ABA collaborate to close classroom buildings during the summer;
4. Request IRT to conduct a review of systems, software, and contracts;
5. Request the Division of the President to review memberships and subscriptions and continue only those that align with campus values and objectives;

PBAC's Budget Recommendations (con't)

6. Hold AUE expenses to \$34.9 million;
7. Prioritize and allocate Lottery funds for sign language interpreters, classroom technology (IT), and library periodicals and subscriptions;
8. Allocate remaining GI 2025 funds for re-enrollment and re-engagement activities previously funded by Lottery;
9. Pull back and place in Reserves one-time funds allocated in 2021-22 and 2022-23 if projects not begun;
10. Begin the budget development process earlier in the fiscal year;
11. Consult the Committee if the deficit is larger than estimated.

President's Response

- President Wood accepted all recommendations



Final Budget Changed

Deficit increased another \$8 million

- Final Budget Act cut the CSU system \$75 million; Sac State's share estimated at \$4.2 million;
- Enrollment-driven tuition revenue decreased by \$2 million;
- Updated medical benefit rates increased benefit costs by \$2 million.

PBAC's Add'l Recommendations

1. Utilize \$6 million (out of \$15 million) in funds saved for the future construction of a new engineering building;
2. Utilize funds pulled back from prior year one-time allocations;
3. Reduce the amount of year-end surplus funds that divisions may carryforward and sweep the difference.
4. Begin planning for 2025-26 reductions immediately.
5. Act on previous recommendations.

President's Response

President Wood:

- Accepted all recommendations;
- Announced a consultative process to reduce assigned time*;
- Announced intent to propose fee increases.

*Assigned time is a portion of a faculty member's workload that is not teaching.

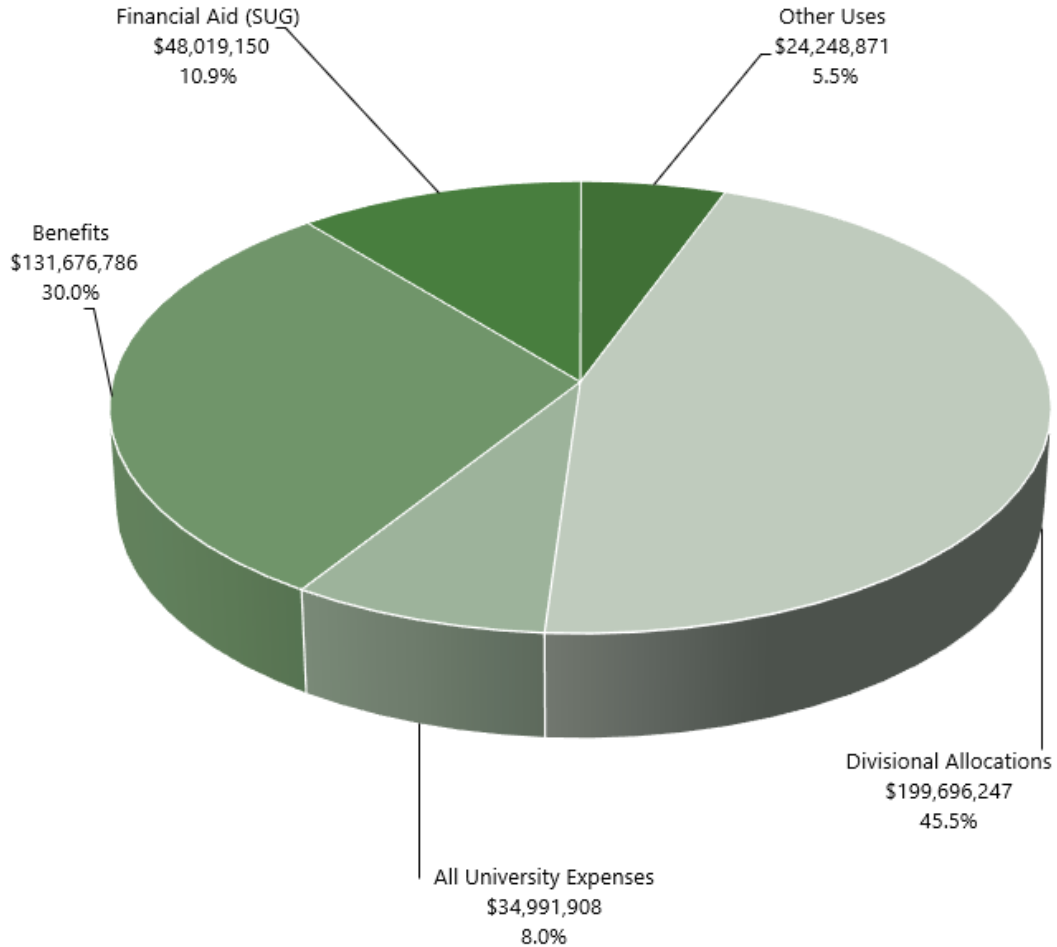
Sac State's 2024-25 General Operating Fund Budget

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2024-25 General Operating Fund Budget

	Current Year 2024-25	Prior Year 2023-24	+/-
Sources:			
General Fund Allocation	\$ 255,035,000	\$ 243,257,000	\$ 11,778,000
Student Tuition	\$ 175,569,961	\$ 169,711,000	\$ 5,858,961
Federal Work Study	\$ 1,000,000	\$ 1,000,000	\$ -
Total Sources	\$ 431,604,961	\$ 413,968,000	\$ 17,636,961
Uses:			
Division Allocations	\$ 199,696,247	\$ 201,700,278	\$ (2,004,031)
Benefits Pool	\$ 131,676,786	\$ 111,916,437	\$ 19,760,349
Financial Aid	\$ 48,019,150	\$ 46,965,150	\$ 1,054,000
All University Expenses (AUE)	\$ 34,991,908	\$ 32,571,176	\$ 2,420,732
Other Uses	\$ 24,248,871	\$ 23,496,372	\$ 752,499
Total Uses	\$ 438,632,962	\$ 416,649,413	\$ 21,983,549
Budgeted Shortfall:	\$ (7,028,001)	\$ (2,681,413)	

Operating Fund Uses \$438,632,962

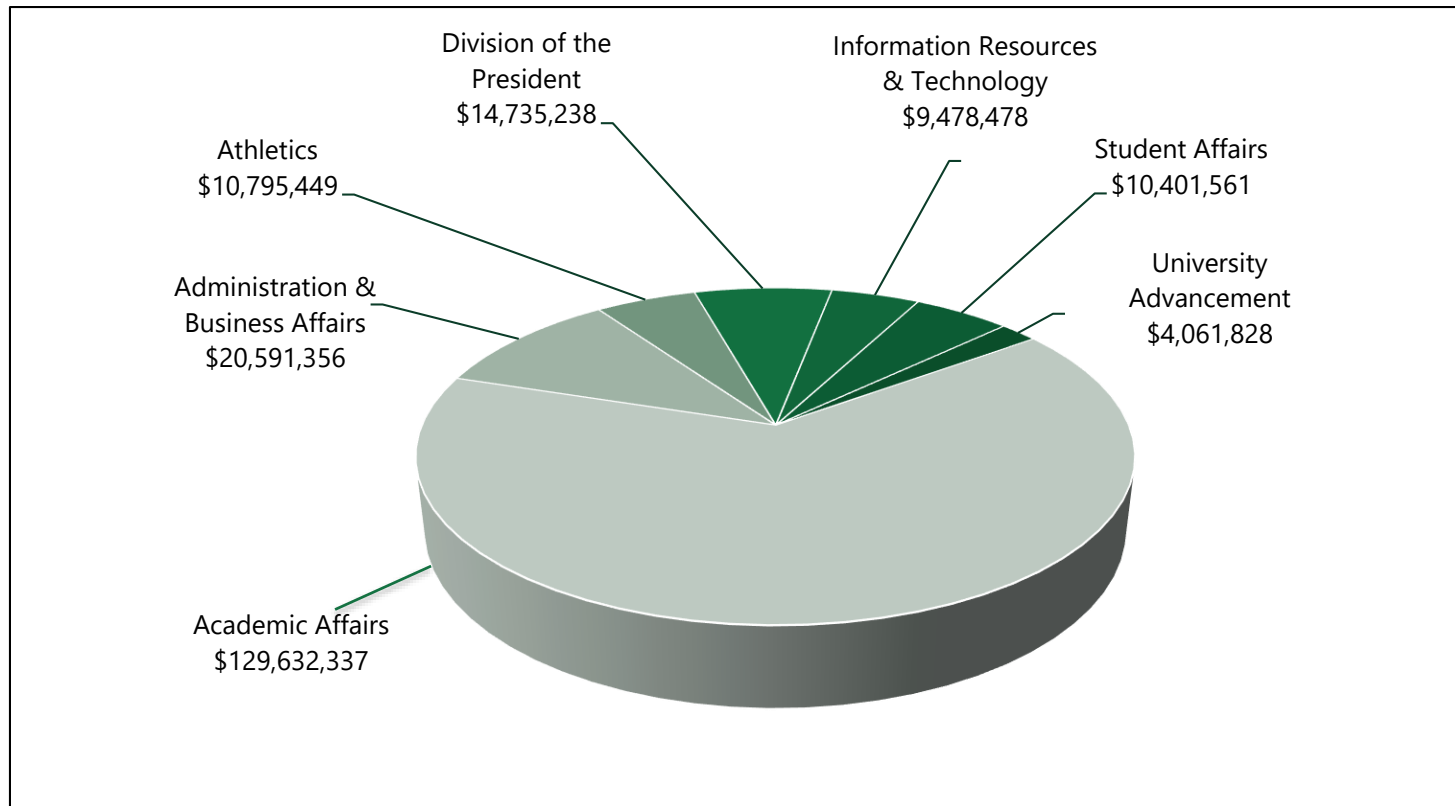


Other Uses:

- Ed Insights
- Basic Needs
- Mental Health
- Foster Youth
- Project Rebound
- Center for CA Studies
- Comp Pool
- Federal Work Study

Division Baseline Allocations

\$199,696,247



2024-25 Operating Fund Budget

Budget Planning & Administration
Division Of Administration & Business Affairs

Administration & Business Affairs > Budget Planning & Administration

About Budget Planning & Administration

Budget Planning & Administration (BPA) supports the campus by estimating and allocating the fiscal resources needed by divisions and programs working to achieve student success and implement imperatives. In collaboration with the President's Budget Advisory Committee, BPA facilitates a transparent budget development process that considers and makes funding recommendations for the upcoming fiscal year. More specifically, the BPA team analyzes historical and anticipated expenditures, prepares various expense and funding scenarios, and documents budget decisions. BPA also allocates funds in alignment with the approved budget and as received by the Chancellor's Office, monitors expenses and fund balances throughout the year, and effectuates fund transfers as needed

Budget Information

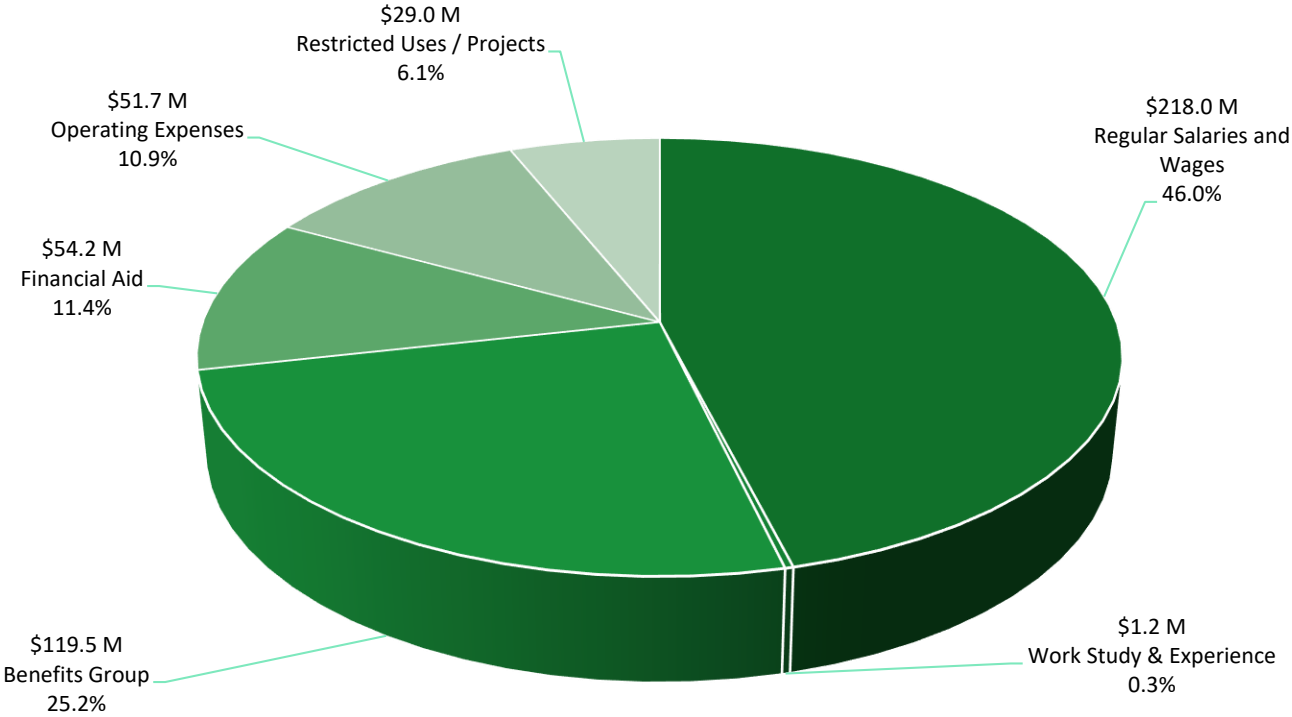
- Annual Reports
- Category IV & V Fees
- General Operating Fund Budget
- President's Budget Advisory Committee (PBAC)
- BPA Forms
- Budget Dashboard**
 - 2024-25 Operating Fund Budget - Allocation Summary PDF

<https://www.csus.edu/administration-business-affairs/budget-planning/>

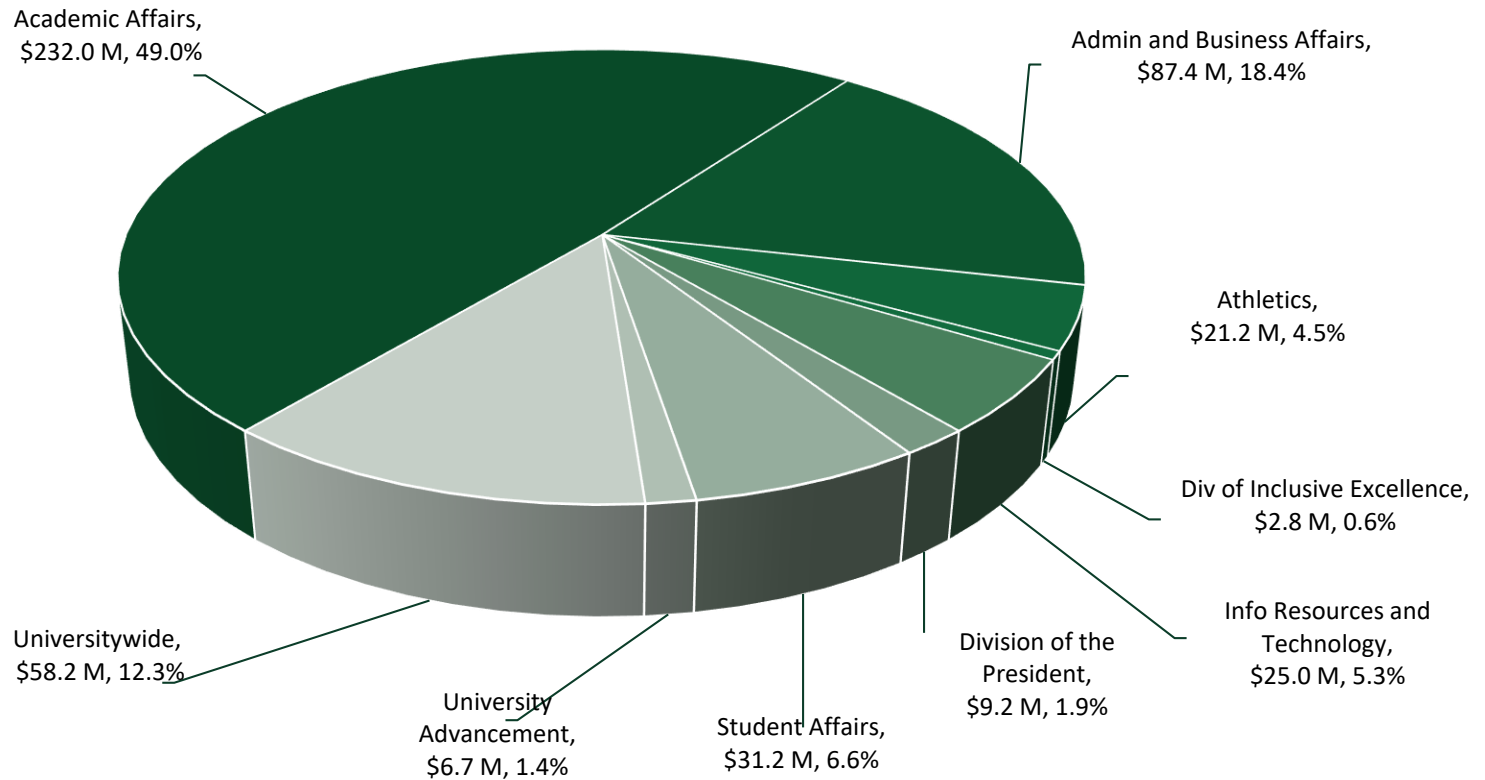
2023-24

General Operating Fund Expenses

2023-24 General Operating Expenses \$473,652,629 (by category)



2023-24 General Operating Fund Expenses \$473,652,629 (by Division)



2025-26 Fiscal Outlook

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2025-26

Fiscal Outlook

Potential \$32-\$34 million deficit driven by:

- \$397 million cut to the CSU system
 - \$22.2 million for Sac State
- Increased benefit costs
- Inflationary cost increases

2025-26

Fiscal Outlook

- Chancellor's Office: Lobby and advocate for funding
- Campus: Develop and implement cost reduction strategies

CSU's 2025-26 Proposed Budget

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2025-26

CSU Budget Goals

- Avoid cuts
- Restore Compact funding
- Identify and request the funds needed for ongoing commitments and essential priorities.

2025-26 CSU Budget Request

EXPENDITURE REQUEST (MILLIONS)	BASE	INCREASE	%
Baseline Commitments			
Financial Aid: State University Grant – Tuition Rate Increase	\$760	\$54.6	7%
Health Premiums	777	60.3	8%
Maintenance of New Facilities		7.0	
Liability and Property Insurance Premiums	115	10.0	9%
Utilities	132	31.7	24%
Essential Priorities			
Student Success / Graduation Initiative	400	20.0	5%
Beyond Completion		2.0	
Student Access and Enrollment		56.1	
Financial Aid: State University Grant – Enrollment Increase		8.0	
Faculty and Staff Compensation Pool	5,819	295.8	5%
Title IX and NAGPRA Compliance Programs	40	10.5	26%
Student Basic Needs and Mental Health	95	5.0	5%
CSU Artificial Intelligence Initiative		7.0	
Capital Infrastructure Investments	440	25.0	6%
TOTAL	\$8,578	\$593.0	6.9%

**\$163.6
million**

2025-26 CSU Budget Request

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Capital Infrastructure Investments	440	25.0	6%
TOTAL	\$8,578	\$593.0	6.9%

**\$429.4
million**

CSU Budget

The California State University budget represents our commitment to providing a high-quality education to all students, ensuring access and affordability through [Graduation Initiative 2025](#) and additional programs aimed at student success. The Systemwide Budget Office develops and administers the budget for the 23 campuses and the Office of the Chancellor, where it sets systemwide tuition and fees and provides strategic financial planning that guides the CSU's operations.



Operating Budget Request

Each year, the CSU submits an operating budget plan for the following academic year to the state Legislature.

[2025-26 Operating Budget Plan](#)

[Past Operating Budget Requests »](#)

<https://www.calstate.edu/cs-system/about-the-csu/budget>

Up Next:
Dr. Carlos Nevarez, Interim Provost



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2024-25 Academic Affairs Budget

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Academic Affairs

2024-25 Central Baseline Allocation – Operating Fund Sources ¹

- 23-24 Baseline
\$126,085,651
- 24-25 Permanent Baseline Allocation – GI 2025
\$4,724,287
- 24-25 Baseline Allocation – Comp Increases
\$8,694,522
- Continuing Costs for Research Funding (Class 2986A) \$1,100,000
- 2024-25 Baseline Reduction (\$9,606,964)
- 2024-25 Baseline Allocation Adjustments (+/-)
(\$1,365,159)

Total

\$129,632,337

Sources:
1. 2024-25 AA Budget Detail

Academic Affairs

2024-25 Central One-Time Sources^{1,2}

- 23-24 Division Carryforward
\$9,481,099
- 23-24 Carryforward Swept by University
(\$2,210,464)
- 23-24 Benefits Pool
(\$223,827)
- 23-24 Program Center/Colleges Pass-through Carryforward (\$6,381,914)
- 24-25 Miscellaneous Central One-Time Sources \$7,099,954

Total **\$7,764,848**

1. 2024-25 FDW Allocation Report
2. 2024-25 AA Internal Budget Documents

Academic Affairs

2024-25 Academic Affairs Sources – Projected^{1,2,3}

- 24-25 Central Baseline Allocation
\$129,632,337
- 24-25 Central One-Time
\$7,764,848

Total **\$137,397,185**

Sources:

1. 2024-25 AA Budget Detail
2. 2024-25 FDW Allocation Report
3. 2024-25 AA Internal Budget Documents

Academic Affairs

2024-25 Central Uses - Projected¹

- Continuing Costs for Research Funding (Class 2986A)
\$1,100,000
- 24-25 Moving, Relocation & Start-up
\$771,900
- 24-25 Personnel
\$140,324,082
- Operating Expense Allocation
\$7,473,718
 - OE with 15% cut (\$1m savings)
\$5,526,716
 - Historically Lottery with 15% cut
\$988,501
 - Strategic Imperative
\$958,501

Sources:
1. 2024-25 AA Internal Budget Documents

Total

\$149,669,700

Academic Affairs

2024-25 Sources & Uses - Projected¹

Sources:
1. 2024-25 AA Internal Budget Documents

Academic Affairs

2024-25 Central Uses –Revisions¹

• Operational Changes	(\$2,502,162)
• Personnel Pauses	(\$5,541,248)
• Program Pauses	(\$974,571)
• Reduced Discretionary	(\$298,333)
Total	(\$9,316,314)

Sources:

1. 2024-25 AA Internal Budget Documents

Academic Affairs

2024-25 Sources & Uses – Revised Projections^{1,2,3}

• Sources	\$137,397,185
• Uses	\$140,353,386
— Projected Uses	\$149,669,700
— Reductions	(\$9,316,314)

Total (\$2,956,201)

Source:
1. 2024-25 AA Budget Detail
2. 2024-25 FDW Allocation Report
3. 2024-25 AA Internal Budget Documents

Academic Affairs

Moving Forward¹

- Evaluate low utilized programs and degrees for potential consolidation.
- Employ cost-reduction strategies and enrollment balancing.
- Consolidation of program offices and operations into service centers.
- Maintain a focus on Sac State priorities and protect the quality of education.

Sources:
1. 2024-25 Annual Budget Documents

Faculty Retirement Savings.

Academic Affairs

- Cost-Reduction Strategies (Worst-Case Scenario):
 - Reduced Hiring and Elimination of Positions
 - Defer Capital/Maintenance Projects
 - Reduce Part-Time Faculty/Lecturers
 - Reduce Faculty Release Time
 - Restructure Departments
 - Voluntary Separation/Retirement Programs

Academic Affairs

Continued Growth¹

- **Enrollment Growth:**

- **Total headcount** increased by **2.3%**, bringing us to **30,893** students.
- **Undergraduate enrollment** increased by **2.1%**, with **28,231** undergraduates.
- **Post-baccalaureate enrollment** grew by **4.3%**, totaling **2,662** students.
- **Full-time Equivalent (FTES)** increased by **2.7%**, reaching **26,577.43**.
- **Average Unit Load (AUL)** also saw a slight increase of **0.9%**, now at **12.75**.

- **Retention Growth:**

- The retention rate for first-time students in the Fall 2023 cohort is 82.2%, showing a 1.2% increase from the previous year.
- Similarly, transfer students demonstrate a strong retention rate of 89.5% from the Fall 2023 cohort, marking a 4.1% increase from the prior year.

Sources:

1. Institutional Research, Data and Analytics

Academic Affairs

Continued Growth¹

- Graduation Rate Growth:
 - During the last three years (from 2021 to 2024) the 4-year graduation rate for first-time students increased from 25.8% to 31.3%.
- DFW Rate Decrease:
 - The Provost's College Success Program, which enhanced our students' educational journey by offering up to \$70,000 per academic college to boost outreach, recruitment, and retention efforts. Our DFW rate has been reduced by 9% from the 2021-2022 to the 2023-2024 academic year.
 - This significant improvement reflects the dedication and adaptability of our faculty in supporting student success, as well as the effectiveness of our strategic interventions.

Sources:

1. Institutional Research, Data and Analytics