

BRIEF

Action Item
Agenda Item 1

October 28, 1999

COMMITTEE ON FINANCE

2000/01 Support Budget

Presentation By

Mr. Richard P. West, Executive Vice Chancellor
Business and Finance

Summary

The purpose of the item is to present the 2000/01 Support Budget for approval. There are two parts to this item. The first part addresses the usual state appropriated support budget for 2000/01 and the second part deals with the lottery revenue-funded portion of the yearly operating budget.

Recommended Action

Approval of the two proposed resolutions.

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COMMITTEE ON FINANCE

2000/01 Support Budget

2000/01 State Appropriated Support Budget

The Board of Trustees has received the chancellor's recommended state appropriated support budget document entitled, "2000/01 Support Budget." The 49-page document recommends a total General Fund appropriation of \$2,478,996,000, an increase of \$226,055,000 over the current year. With the addition of \$18,327,000 in State University Fee revenue projected as a result of increased enrollment, the total increase for state appropriations is \$244,382,000.

2000/01 Lottery Revenue Budget

The total lottery revenue available to the California State University in 2000/01 is estimated to be \$41.7 million. After providing for a \$5 million systemwide reserve for economic uncertainties and cash flow variation due to fluctuations in lottery receipts, the total available for allocation is \$36.7 million. The \$5 million reserve assists CSU campuses by providing necessary start-up funds for the beginning of the fiscal year and provides for cash-flow variations due to fluctuations in quarterly lottery receipts.

There are a few significant changes proposed with this budget, including the continued movement of funds from system designated programs to campus-based programs. To achieve greater campus lottery budget flexibility, the 2000/01 budget proposes a continuation of the movement of funds away from system designated programs to campus-based programs. In addition, there is for the first time in several years enough sustained growth in quarterly lottery receipts to recommend a modest increase in the projected yearly budgeted receipts from approximately \$27 million to \$30 million. This growth in projected receipts is also reflected in an increased projected beginning balance—from the \$6 to \$7 million range to \$10 million.

The proposed lottery budget follows:

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	1999/2000 Adopted Budget	2000/2001 Recommended Budget
<u>Sources of Funds</u>		
Beginning Balance	\$ 6,700,000	\$ 10,000,000
Receipts	27,300,000	30,000,000
Interest	1,700,000	1,700,000
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Total Revenues	\$ 35,700,000	\$ 41,700,000
Less Systemwide Reserve	(5,900,000)	(5,000,000)
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Total Available for Allocation	\$ 29,800,000	\$ 36,700,000
<u>Uses of Funds</u>		
Access and Academic Development	\$ 4,604,000	
CSU Scholarship Program for Future Scholars	660,000	
Forgivable Loan/Doctoral Incentive Program	3,525,000	\$ 3,000,000
Teacher Recruitment	1,575,000	
California Pre-Doctoral Program	573,000	472,500
CSU Summer Arts Program	1,100,000	1,100,000
Campus Based Programs	17,322,000	31,786,500
Systemwide Implementation Costs	441,000	341,000
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Total Uses of Funds	\$ 29,800,000	\$ 36,700,000

The following two resolutions are recommended for adoption:

1. State Appropriated 2000/01 Support Budget

RESOLVED, By the Board of Trustees of the California State University, that the 2000/01 Support Budget is approved as submitted by the chancellor; and be it further

RESOLVED, That the chancellor is authorized to adjust and amend this budget to reflect changes in the assumptions upon which this budget is based, and that such changes made by the chancellor be communicated promptly to the trustees; and be it further

RESOLVED, That the chancellor is authorized to comply with requests of the Department of Finance and the legislature regarding establishment of priorities within this budget; and be it further

RESOLVED, That copies of this resolution be transmitted to the California Postsecondary Education Commission, to the governor, to the director of finance and to the legislature.

2. 2000/01 Lottery Revenue Budget:

RESOLVED, By the Board of Trustees of the California State University, that the 2000/01 Lottery Revenue Budget totaling \$36.7 million be approved for implementation by the chancellor, with the authorization to make transfers between components of the Lottery Revenue Budget and to phase expenditures in accordance with receipt of lottery funds; and be it further

RESOLVED, That the chancellor is hereby granted authority to adjust the 2000/01 Lottery Revenue Budget approved by the Board of Trustees to the extent of receipt of greater or lesser lottery revenue than budgeted in 2000/01 to respond to opportunities or exigencies; and be it further

RESOLVED, That a report of Lottery Revenue Budget receipts and expenditures be made to the Board of Trustees.