

THE CALIFORNIA STATE UNIVERSITY
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Code: B 00-04
Due Date: August 15, 2000

Date: July 13, 2000
To: Chief Financial Officers
From: John R. Richards
Budget Director
Subject: 2000/01 Final Budget Allocations

The attached charts display Final Budget allocations for the 2000/01 fiscal year. A detailed description of what constitutes campus budget allocations was presented in the Governor's Budget allocation (B-00-03). The Final Budget summary describes adjustments made to the Governor's Budget allocation and final appropriation action taken by the legislature and governor.

Base Budget Adjustments

B 00-03 identified \$89.7 million in base budget adjustments for the 2000/01 fiscal year. Final Budget adjustments to the 1999/2000 base total \$91.3 million. Additional adjustments were made to reflect the entire retirement reduction associated with lower employer contribution rates in accordance with state budget instructions. Permanent allocations have been made to distribute \$50,000 CSU received in 1999/2000 for hepatitis immunizations. Additional adjustments were made to reduce funds provided for lease bond payments based on revised projections from the State Treasurer's Office. Funds have been permanently transferred from CSU Fresno to CSU Sacramento for the California Articulation Number project and from Systemwide Provisions to the CalStateTeach distance learning program and the CSUPERB biotechnology institute at CSU San Diego.

As indicated at Budget Office briefings in March and April, two additional campus budget assessments have been made to fund the CSU Critical Response Unit and CSU Financial Systems maintenance. The critical response assessment is based on campus pro-rata share of the General Fund budget and will be used to support the systemwide training program for the CSU response team. The financial systems assessment is equivalent to funds that have been paid previously as direct billings for Information Technology Services FRS service contracts.

There are no specific allocations provided in the Final Budget memorandum for campus technology related activities. Although no additional allocations are anticipated at this time, should allocations be made during the 2000/01 fiscal year campuses will be notified under separate memorandum.

2000/01 Budget Plan Increases

B 00-03 identified \$243.7 million in 2000/01 budget plan increases. Expenditure increases supported by the 2000/01 Final Budget total \$333.2 million. In addition to the allocations made in the Governor's Budget memorandum, the Final Budget includes \$10 million added by the Governor at May Revise for CSU Channel Islands, \$11.3 million in one-time funding for the Stanislaus-Stockton Center, \$2.2 million to expand CSU community service learning opportunities, \$18.9 million to increase the amount available in the CSU compensation pool for collective bargaining by one percent, \$6.5 million for training K-12 teachers on the use of technology in the classroom, \$287,000 to expand the Center for California Studies program at CSU Sacramento, \$19.9 million to reduce fees for all summer session matriculated students in for-credit extension courses, \$5.2 million for renovation required as a result of the CSU Hayward library fire last May, \$4 million in one-time appropriations to support the St. Vibiana's Cathedral renovation in association with CSU Los Angeles, \$10 million in one-time funds to support CSU academic programs important to California's workforce, \$1 million in one-time support for a CalTeach documentary to assist teacher recruitment activities, and \$250,000 for a legislative proposal at CSU San Bernardino.

The Final Budget allocations also provide total campus allocation of the 2000/01 State University Grant (SUG) pool. A number of campuses had sizable balances of State University Grant funds carried-over from 1999/2000, and the 2000/01 state budget includes over 22,000 additional Cal Grants that are to be awarded this summer to students enrolling in the fall. Campuses are advised that in an effort to ensure that all available State University Grant funds are expended during 2000/01, financial aid officers will be asked to prepare a status report on the SUG program this Fall in order to conduct a mid-year reallocation of funds for the Winter term.

Questions concerning the SUG allocations or Fall review should be directed to Mary Robinson at (562) 951-4737.

Funds provided for extension course fee reductions and CSU academic programs that benefit California's strategic workforce are being held as Systemwide Provisions until final allocation decisions have been made. Campuses will be notified in a separate memorandum if additional funds are to be allocated during the 2000/01 fiscal year.

Budget Code Memo B 00-04

July 13, 2000

Page 3

2000/01 Final Budget Submissions

Campus Final Budget submissions are due in the Budget Office no later than August 15, 2000. Campuses will be able to access their FIRMS data files on July 14, 2000. The campus Final Budget instructions were provided at the Financial Officers Association meeting in April 2000 for review. An updated copy of campus Final Budget instructions are now posted on the CSU Budget Office web-page <http://www.calstate.edu/budget>

Questions concerning 2000/01 campus budget submission should be directed to Chris Canfield or Mark Lopez, (562) 951-4560.

2000/01 Lottery Budget Allocations

As approved by the Board of Trustees at their October 1999 meeting, the 2000/01 lottery budget is \$36,700,000. Allocations will be made to the campuses for their first quarter lottery distribution for campus-based programs. The total campus-based program amount is \$29,610,000. Of this amount, 35% will be distributed to the campuses as the first quarter allocation (\$10,363,500).

The campuses are reminded that the significant increase to the campus-based budgets is due to the fact three systemwide programs (Access & Academic Development, CSU Scholarship for Future Scholars, and the Teacher Recruitment project) are now included as part of the campus-based budgets. It is hoped this consolidation will give campuses more flexibility and control while maintaining the CSU's efforts to increase outreach and teacher recruitment.

Questions regarding the lottery program may be directed to Sharon Okashima at (562) 951-4562.

Attachments