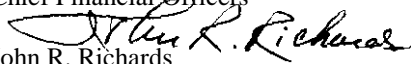


THE CALIFORNIA STATE UNIVERSITY
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John R. Richards
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Code Memorandum: B 01-03
Date of Transmittal: March 9, 2001

TO: Chief Financial Officers
FROM:  John R. Richards

Subject: 2001/02 Governor's Budget Allocations

The following allocations are provided to assist campus planning for the 2001/02 fiscal year. These allocations are based on CSU General Fund appropriations included in the governor's January budget proposal. They also reflect base budget adjustments that are required in the 2001/02 fiscal year and the most recent CSU projection of State University Fee revenue.

The 2001/02 Governor's Budget reflects the following changes in CSU funding:

2001/02 CSU Revenue Increases

CSU Higher Education Partnership Resources – General Operations	\$110,125,000
CSU Higher Education Partnership Resources – 3 Percent Enrollment Growth	55,714,000
CSU Higher Education Partnership Resources – Long-Term Need	23,387,000
CSU Higher Education Partnership Resources – Annuitant Dental Benefits	2,092,000
State Marginal Cost Funding for YRO Summer Enrollment Conversion	12,376,000
State General Fund Increase for CSU Funding Requests	7,650,000
Full-Year Cost of Governor's Academic Preparation Initiatives	36,000,000
State General Fund Adjustments for CalTeach and CPEC Eligibility Study	528,000
One-time Appropriation used for Instructional Equipment	<u>20,000,000</u>
Total General Fund Increase	\$267,872,000
CSU Projection of State University Fee Revenue Increase	<u>22,860,000</u>
Total, All Funds	\$290,732,000

The 2001/02 Governor's Budget allocations include the following base budget adjustments:

Reduction in Funds Required for PERS Retirement Contributions	\$-26,297,000
Reduction in Funds Required for Lease Bond Payments	\$-2,101,000
One-time 2000/01 Appropriations	\$-31,710,000
Campus Assessment for CSU Financial Audits (Net Change is \$0)	\$-1,000,000
CSU Adjustments for Special Campus Initiatives (Net Change is \$0)	+415,000
CSU Adjustment for State Budget Reporting (Net Change is \$0)	\$+207

If you have questions concerning 2001/02 Governor's Budget allocations, please contact Rodney Rideau or any of the Budget Office staff at (562) 951-4560.

Attachments

cc: Budget Officers
Financial Aid Officers
Enrollment Managers

**2001/02 Governor's Budget Allocations
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The 2001/02 Governor's Budget submitted to the legislature in January 2001 included a \$-60,108,000 reduction in CSU base budget General Fund support and a \$267,872,000 General Fund increase for new program and operations support at CSU. In addition, projected State University Fee revenue of \$22,860,000 associated with a 3 percent increase in FTES enrollments and converting 3,138 FTES from self-support to state-supported summer year round operations has also been used to fund budget year increases at CSU. The following information details the allocation plan for these 2001/02 fiscal year resources.

Summary of 2001/02 CSU Governor's Budget Allocations

	2001/02 Gross Budget	2001/02 Budget Year Adjustments			2001/02 CSU Budget Allocation			2001/02 Governor's Budget Allocation (Gross)
		General Fund Base Budget Adjustments	General Fund Budget Plan Increases	SUF Revenue Increase	2001/02 General Fund	CSU Projection of SUF Revenue	Other Campus Reported Fees and Income	
Bakersfield	\$59,782,889	(\$9,889)	\$3,586,000	\$542,000	\$50,813,000	\$9,752,000	\$3,336,000	\$63,901,000
Chico	140,971,496	(1,334,496)	6,126,000	436,000	109,340,000	21,746,000	15,113,000	146,199,000
Dominguez Hills	78,979,828	(748,828)	4,460,000	663,000	61,591,000	15,121,000	6,642,000	83,354,000
Fresno	162,159,715	(1,508,715)	8,107,000	734,000	133,203,000	24,116,000	12,173,000	169,492,000
Fullerton	186,357,475	(1,585,475)	15,331,000	2,677,000	144,969,000	38,268,000	19,543,000	202,780,000
Hayward	110,702,654	(1,080,654)	3,990,000	214,000	83,176,000	19,525,000	11,125,000	113,826,000
Humboldt	85,639,416	(838,416)	3,209,000	209,000	69,330,000	10,668,000	8,221,000	88,219,000
Long Beach	213,845,328	(2,212,328)	21,166,000	3,931,000	173,974,000	42,120,000	20,636,000	236,730,000
Los Angeles	152,741,555	(1,622,555)	7,549,000	650,000	115,805,000	29,464,000	14,049,000	159,318,000
Maritime Academy	17,548,996	(115,996)	1,031,000	105,000	14,494,000	933,000	3,142,000	18,569,000
Monterey Bay	44,551,596	(362,596)	4,153,000	557,000	43,417,000	4,048,000	1,434,000	48,899,000
Northridge	198,499,095	(1,623,095)	12,633,000	1,047,000	157,669,000	37,012,000	15,875,000	210,556,000
Pomona	164,808,532	(1,266,532)	8,144,000	855,000	127,995,000	27,498,000	17,048,000	172,541,000
Sacramento	177,716,717	(1,655,717)	12,866,000	2,102,000	146,175,000	33,702,000	11,152,000	191,029,000
San Bernardino	109,123,452	(1,354,452)	6,654,000	1,151,000	83,869,000	20,751,000	10,954,000	115,574,000
San Diego	263,299,872	(2,045,872)	14,584,000	2,222,000	195,804,000	43,521,000	38,735,000	278,060,000
San Francisco	194,261,692	(1,796,692)	11,414,000	1,302,000	147,608,000	36,915,000	20,658,000	205,181,000
San Jose	196,693,090	(1,882,090)	8,939,000	248,000	147,448,000	33,772,000	22,778,000	203,998,000
San Luis Obispo	173,528,666	(1,519,666)	8,808,000	387,000	133,690,000	23,930,000	23,584,000	181,204,000
San Marcos	55,034,098	(507,098)	5,296,000	648,000	49,294,000	8,263,000	2,914,000	60,471,000
Sonoma	75,503,425	(705,425)	4,108,000	570,000	53,416,000	10,150,000	15,910,000	79,476,000
Stanislaus	58,711,408	(548,408)	4,613,000	503,000	49,845,000	8,820,000	4,614,000	63,279,000
Campus Total	\$2,920,460,995	(\$26,324,995)	\$176,767,000	\$21,753,000	\$2,292,925,000	\$500,095,000	\$299,636,000	\$3,092,656,000
Chancellor's Office	82,145,701	(54,701)	3,874,000	1,050,000	75,236,000	3,097,000	8,682,000	87,015,000
International Programs	2,730,618	382	107,000	57,000	2,838,000	57,000	0	2,895,000
Channel Islands	18,618,670	(136,670)	3,187,000	0	20,456,000	0	1,213,000	21,669,000
Summer Arts	272,223	777	0	0	183,000	90,000	0	273,000
Systemwide Provisions	238,795,793	(33,592,793)	83,937,000	0	289,140,000	0	0	289,140,000
CSU Total	\$3,263,024,000	(\$60,108,000)	\$267,872,000	\$22,860,000	\$2,680,778,000	\$503,339,000	\$309,531,000	\$3,493,648,000

Budget allocations for 2001/02 are displayed as adjustments to the 2000/01 Final Budget submissions prepared in response to Budget Office memorandum B 00-04. The table above indicates changes to General Fund appropriations and State University Fee revenue only because these are the only fund sources used in the CSU budget plan for 2001/02 (see shaded column heading). Budget adjustments for other reported fees and income in 2001/02, as well as modification of the CSU State University Fee revenue projection presented in this document, should be made by the campuses; however campus adjustments will not change the level of state General Fund support identified in this memorandum.

Base Budget Adjustments

The Governor's Budget includes three General Fund reductions: a \$26,297,000 reduction to recognize the lower cost of CSU employer contributions to the PERS retirement fund, a \$2,101,000 reduction to reflect the lower state cost requirement for CSU lease bond payments, and a \$31,710,000 reduction to remove one-time funding appropriated in the 2000/01 budget. The retirement reduction has been allocated in accordance with the budgeted retirement costs campuses identified in their 2000/01 Final Budget submissions.

**2001/02 Governor's Budget Allocations
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In addition to these state budget adjustments, the table below identifies three CSU adjustments to base budgets.

2001/02 Governor's Budget Base Budget Adjustments

	2000/01 One-Time Appropriations	2000/01 Retirement Reduction	State Budget Reporting Adjustment	Special Initiatives	CSU Financial Audits Assessment	Total Governor's Budget Base Adjustments
Bakersfield		(502,600)	(289)	515,000	(22,000)	(\$9,889)
Chico		(1,285,900)	(596)		(48,000)	(1,334,496)
Dominguez Hills		(721,800)	(28)		(27,000)	(748,828)
Fresno		(1,349,700)	(15)	(100,000)	(59,000)	(1,508,715)
Fullerton		(1,524,100)	(375)		(61,000)	(1,585,475)
Hayward		(1,044,000)	346		(37,000)	(1,080,654)
Humboldt		(806,500)	(916)		(31,000)	(838,416)
Long Beach		(2,139,800)	(528)		(72,000)	(2,212,328)
Los Angeles		(1,572,200)	645		(51,000)	(1,622,555)
Maritime Academy		(110,100)	104		(6,000)	(115,996)
Monterey Bay		(345,000)	404		(18,000)	(362,596)
Northridge		(1,554,500)	(595)		(68,000)	(1,623,095)
Pomona		(1,210,900)	368		(56,000)	(1,266,532)
Sacramento		(1,594,300)	583		(62,000)	(1,655,717)
San Bernardino		(1,318,100)	(352)		(36,000)	(1,354,452)
San Diego		(1,961,200)	328		(85,000)	(2,045,872)
San Francisco		(1,732,500)	(192)		(64,000)	(1,796,692)
San Jose		(1,817,100)	10		(65,000)	(1,882,090)
San Luis Obispo		(1,461,400)	734		(59,000)	(1,519,666)
San Marcos		(485,900)	(198)		(21,000)	(507,098)
Sonoma		(682,000)	(425)		(23,000)	(705,425)
Stanislaus		(526,600)	(808)		(21,000)	(548,408)
Campus Total	\$0	(\$25,746,200)	(\$1,795)	\$415,000	(\$992,000)	(\$26,324,995)
Chancellor's Office		(421,600)	(101)		367,000	(54,701)
International Programs			382			382
Channel Islands		(129,200)	530		(8,000)	(136,670)
Summer Arts			777			777
Systemwide Provisions	(33,811,000)		207	(415,000)	633,000	(33,592,793)
CSU Total	(\$33,811,000)	(\$26,297,000)	\$0	\$0	\$0	(\$60,108,000)

State Budget Reporting Adjustment

The state funds CSU in thousands of dollars, which typically necessitates several accounting adjustments in systemwide allocations. To facilitate the state reporting requirements and to simplify the CSU budget allocation process, CSU budget allocations will be identified in thousands of dollars only. An adjustment has been made to align all campus and CSU system office budgets to the required reporting standard.

Special Initiatives

Adjustments have been made at two campuses to reflect a Chancellor's Office budget agreement and CSU budget policy regarding trustees' professors.

**2001/02 Governor's Budget Allocations
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Trustees' Audit Assessment

At their January meeting, the Board of Trustees approved campus assessments to fund two new auditor positions and the construction audit contract. The total campus assessment for CSU financial audits is \$1,000,000 and has been prorated among the campuses on the basis of their percentage share of 2000/01 General Fund appropriations.

CSU Budget Plan Increases

The CSU Budget Plan for 2001/02 identifies \$290,732,000 in expenditure increases that will finance with \$267,872,000 in new state General Fund support and \$22,860,000 in projected State University Fee revenue. The student fee revenue reflected in the allocation plan is slightly less than the amount anticipated in the amended aggregate budget plan because campus revenue estimates have been adjusted to reflect increases in mandatory fee waivers. This adjustment does not reduce campus Governor's Budget allocations or general expenditure increases identified in the CSU 2001/02 budget plan.

Mandatory Costs (\$18.9 million)

	<i>Health Benefits</i>	<i>New Space</i>	<i>Property Insurance</i>
Bakersfield	\$199,000		
Chico	588,000		
Dominguez Hills	294,000		
Fresno	624,000		
Fullerton	645,000	54,000	
Hayward	432,000	30,000	
Humboldt	384,000		
Long Beach	771,000		
Los Angeles	542,000		
Maritime Academy	52,000	12,000	
Monterey Bay	146,000	70,000	
Northridge	764,000	1,738,000	
Pomona	589,000	111,000	
Sacramento	666,000		
San Bernardino	398,000	225,000	
San Diego	993,000	23,000	
San Francisco	734,000		
San Jose	747,000	1,019,000	
San Luis Obispo	683,000	108,000	
San Marcos	209,000	843,000	
Sonoma	280,000		
Stanislaus	254,000	867,000	
Campus Total	\$10,994,000	\$5,100,000	\$0
Chancellor's Office	132,000		
International Programs			
Channel Islands	22,000		
Summer Arts			
Systemwide Provisions	2,092,000		615,000
CSU Total	\$13,240,000	\$5,100,000	\$615,000

Health Benefit rates, as provided by Government Code, rose 10 percent in January 2001. The full-year cost implication for 2001/02 is \$11.2 million, which has been allocated to campuses based on their prorated percentage share of total CSU expenditures for health benefits in 1999/2000. In addition, the Governor's Budget funds the increased cost of annuitant dental benefits (\$2.1 million) based on the number of annuitants eligible for benefits in 2001/02. These funds are managed centrally by the Chancellor's Office and paid directly to the PERS retirement system.

Campuses will open 790,745 square feet of new custodial building space in 2001/02. A total of \$5.1 million will be allocated to the 14 campuses at \$6.45 per square foot. Questions concerning custodial square footage should be directed to Sandy Jackson-Clarke at (562) 951-4295.

CSU will use \$615,000 to facilitate the purchase of property insurance to insure all CSU property, state and non-state, in the same manner as bond-financed facilities. Campus costs for insurance premiums that carry a \$100,000 deductible for each covered incident will be offset with the \$615,000 CSU appropriation. Projected premium costs for participating campuses after the \$615,000 offset are identified on Attachment A of this memorandum. If you have questions concerning the property insurance allocations, contact Brad Wells, Assistant Vice Chancellor for Financial Services, at (562) 951-4674.

**2001/02 Governor's Budget Allocations
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Long-Term Budget Need (\$23 million permanent; \$20 million one-time)

	Long-Term Need		
	<i>Technology & Equipment</i>	<i>Libraries</i>	<i>Deferred Maintenance</i>
Bakersfield		\$57,000	\$80,000
Chico		144,000	190,000
Dominguez Hills		124,000	80,000
Fresno		162,000	210,000
Fullerton		213,000	240,000
Hayward		117,000	150,000
Humboldt		78,000	120,000
Long Beach		234,000	330,000
Los Angeles		159,000	240,000
Maritime Academy		9,000	40,000
Monterey Bay		27,000	50,000
Northridge		216,000	240,000
Pomona		165,000	220,000
Sacramento		201,000	220,000
San Bernardino		117,000	150,000
San Diego		261,000	350,000
San Francisco		219,000	260,000
San Jose		204,000	310,000
San Luis Obispo		165,000	260,000
San Marcos		48,000	50,000
Sonoma		63,000	110,000
Stanislaus		57,000	80,000
Campus Total	\$0	\$3,040,000	\$3,980,000
Chancellor's Office		960,000	
International Programs			
Channel Islands			20,000
Summer Arts			
Systemwide Provisions	35,000,000		
CSU Total	\$35,000,000	\$4,000,000	\$4,000,000

The higher education partnership provides a one percent increase (\$23 million) in CSU General Fund appropriations to address critical, long-term need. The budget areas that have been targeted for support in 2001/02 include implementation costs associated with the Integrated Technology Strategy (ITS), acquisitions and electronic technology support for the Libraries, and continued reduction in the CSU deferred maintenance backlog.

* Technology (\$15 million)

The Chancellor's Office will administer \$10 million centrally to fund equipment costs associated with the ITS telecommunications infrastructure build out. An additional \$5 million will be used to increase network capacity on 4Cnet and CSU connectivity to CalREN-2.

* Equipment (\$20 million, one-time funds)

Campuses will receive a one-time allocation of \$20 million to fund equipment costs if the Governor's Budget is enacted. \$7.9 million of the one-time appropriation will be used to fund equipment for FEMA-financed earthquake renovations at CSU Northridge and Moss Landing and federally-funded renovation projects at CSU Monterey Bay. CSU Northridge will receive \$4.1 million to equip replacement buildings funded by FEMA as a result of the 1994 Northridge earthquake. Since the new facilities are being funded as earthquake repair projects, FEMA regulations do not permit a full complement of funding for the equipment needed to operate the instructional programs or to perform the administrative operations provided by the facilities. This funding will provide equipment to adequately serve new

instructional programs that were not in operation at the time of the earthquake.

Moss Landing will receive \$2.5 million to equip the new Moss Landing Marine Laboratories (MLML) facility. The new MLML facility was funded as an earthquake repair project and FEMA regulations do not permit funding for the full complement of equipment needed to operate the instructional programs provided by the facility.

CSU Monterey Bay will receive \$1.3 million for equipment purchases for federally-funded renovation projects, which includes \$800,000 the university would have received from the state had the 1994 CSUMB renovation projects been state-funded, and \$500,000 CSUMB would have received had the 1997 projects been state-funded.

The remaining \$12.1 million will be allocated to all other CSU campuses at \$100,000 per campus plus their prorated percentage share of total CSU instructional equipment replacement depreciation calculated for calendar year 1999. The allocation table for the \$20 million in one-time equipment funds is shown on Attachment B.

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Long-Term Budget Need (continued)

* Libraries (\$4 million)

The Chancellor's Office will increase library resources by \$1 million to support the Systemwide Electronic Core Collection, Pharos Resource Sharing and System Maintenance, and Information Access Development. A description of each of these programs is included in the CSU Support Budget Documentation book for 2001/02. Additionally, \$40,000 of this amount will be used to support the CSU Archives Project at CSU Dominguez Hills. Campuses will be allocated the remaining \$3 million to expand and update permanent collections of books, periodicals and serial subscriptions as well as acquire other non-print resources such as sound recordings. The funds have been allocated on the basis of campuses' prorated percentage share of targeted FTES for 2001/02. Campus FTES enrollment targets are identified on page 8 of this memorandum.

* Deferred Maintenance (\$4 million)

Funds are allocated to campuses in 2001/02 to continue reductions in the long-term deferred maintenance backlog. The \$4 million allocation has been distributed to campuses on the basis of their prorated percentage share of total custodial facility space. When added to the \$2.8 million allocated in 2000/01 for deferred maintenance projects, permanent campus resources provided specifically to reduce the deferred maintenance backlog totals \$6.8 million.

Compensation, Enrollment and Special Initiatives (\$228,777,000)

The Governor's Budget provides \$228,777,000 in expenditure increases for CSU compensation increases; conversion of summer self-support matriculated enrollment to state-supported, year round operations FTES; new, targeted FTES enrollment growth of 3 percent; and, special initiatives for K-12 academic preparation, enhancement of CSU strategic academic programs, investment in CSU applied research activities, and CSU Channel Islands.

	Compensation	ENROLLMENT				Special Initiatives
		Y R O Budget		3% Targeted Growth		
		Campus Enrollment	System SUG Pool	Campus Enrollment	Pooled SUG Growth	
Bakersfield	\$1,596,000			\$2,140,000		\$56,000
Chico	3,943,000			1,213,000		484,000
Dominguez Hills	2,347,000			1,962,000		316,000
Fresno	4,498,000			2,818,000		529,000
Fullerton	4,833,000	4,836,000	228,000	6,705,000		254,000
Hayward	3,202,000					273,000
Humboldt	2,479,000					357,000
Long Beach	6,032,000	8,167,000	422,000	8,381,000		760,000
Los Angeles	4,285,000			2,568,000		405,000
Maritime Academy	381,000			571,000		71,000
Monterey Bay	1,180,000			3,174,000		63,000
Northridge	5,839,000			4,636,000		247,000
Pomona	4,551,000			2,140,000		1,223,000
Sacramento	5,068,000			8,096,000		717,000
San Bernardino	3,004,000			3,780,000		131,000
San Diego	7,100,000	4,131,000	207,000	3,103,000		638,000
San Francisco	5,629,000	5,250,000	292,000			332,000
San Jose	5,758,000					1,149,000
San Luis Obispo	4,800,000			1,391,000		1,788,000
San Marcos	1,453,000			3,281,000		60,000
Sonoma	1,966,000			2,176,000		83,000
Stanislaus	1,654,000			2,140,000		64,000
Campus Total	\$81,598,000	\$22,384,000	\$1,149,000	\$60,275,000	\$0	\$10,000,000
Chancellor's Office	1,264,000			2,040,000		528,000
International Programs				164,000		
Channel Islands	145,000					3,000,000
Summer Arts						
Systemwide Provisions		(7,582,000)	62,000	(169,000)	3,382,000	50,537,000
CSU Total	\$83,007,000	\$14,802,000	\$1,211,000	\$62,310,000	\$3,382,000	\$64,065,000

**2001/02 Governor's Budget Allocations
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* Compensation (\$83 million)

The Governor's Budget provides \$81.5 million for a compensation pool equivalent to a 4 percent increase in CSU Salaries and Wages budgeted for fiscal year 2000/01. This amount also includes the cost of salary-related benefits. The full-year cost of service-based salary increases provided in 2000/01 has also been included in the compensation allocation. The allocation of 2001/02 compensation funding is based on campuses' prorated percentage share of reported Salaries and Wages General Fund expenditures in 1999/2000.

* Enrollment (\$14.8 million for YRO; \$1.2 million for YRO financial aid; \$62.3 million for 3% FTES growth)

The Governor's Budget provides General Fund (\$12.4 million) and State University Fee (\$5.4 million) revenue support to fund state-supported YRO summer enrollment conversion at 4 campuses and a 3 percent increase over CSU's 2000/01 targeted FTES enrollment level. CSU will also use \$7.6 million in systemwide base budget resources to provide full marginal cost support for the summer YRO enrollment conversion. Details concerning additional YRO conversions currently planned for 2001/02 are included on Attachment D.

Total Marginal Cost funding for 2001/02 is \$7,519 per FTES. Campuses have been allocated \$7,133 per FTES to convert 3,138 FTES currently in self-support summer extension courses to state-supported courses. These students have been identified as matriculated during the academic year at campuses that do not currently have state-supported summer terms. The remaining funds will be allocated to campuses that are converting eligible FTES in previous self-support summer courses for State University Grant (SUG) appropriations, based on student financial need, during the first year of conversion. In subsequent years, these SUG allocations will be incorporated in the systemwide pool of funds available for distribution on the basis of campuses' prorated percentage share of total SUG-eligible need. The SUG allocations for summer YRO enrollment conversion are consistent with the policy recommendation of the Financial Aid Advisory Council (FAAC).

Calculation of Year Round Operations Conversion Costs

Sources of Funds

CSU Systemwide Base Budget – General Fund	\$ 7,582,000
2001/02 Marginal Cost Supplement – General Fund	12,376,000
Estimated State University Fee Revenue	<u>5,481,000</u>
<i>Total Sources of Funds</i>	<u>\$25,439,000</u>

Allocation of Funds

FTES Marginal Cost for Enrollment (\$7,133 times 3,138 FTES)	\$23,384,000
State University Grants (\$386 per FTES allocated on the basis of student need)	1,211,000
Campuses' 2001/02 Budget Plan Expenditure Increases	<u>1,844,000</u>
<i>Total Allocation of Funds</i>	<u>\$25,439,000</u>

Campuses have also been allocated \$7,133 per FTES to increase aggregate CSU enrollment by 8,759 FTES over 2000/01 funded enrollment targets (a 3 percent increase). An additional \$386 per FTES will be used to increase the systemwide pool of funds available for SUG financial aid. The SUG pool is increased annually by one-third of the marginal cost revenue estimated for enrollment growth. The increased grant funding from 3 percent enrollment growth has not been allocated pending analysis of actual 2000/01 SUG eligibility data provided by the campuses. The FAAC has recommended that campus 2001/02 Governor's Budget financial aid planning should be based on 90 percent of projected SUG funds. Attachment C shows 2001/02 SUG allocations by campus at 90 percent of the projected pool available for new 3 percent enrollment growth. The allocation of all available SUG funds will be made in the Final Budget allocation memorandum to campuses. Questions concerning SUG allocations should be directed to Mary Robinson at (562) 951-4737.

* Special Initiatives (\$64.1 million)

The Governor's Budget includes \$64.1 million for five special initiatives: \$18.5 million to fully fund the Education technology Professional Development initiative, \$17.5 million to fully fund the Governor's Teaching Fellowships initiative, \$3 million to complete fixed cost start-up funding at CSU Channel Islands, \$10 million to fund permanent

**2001/02 Governor's Budget Allocations
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enhancement of CSU strategic academic programs, \$8 million to expand CSU's High School Collaborative - Student Academic Preparation Initiatives (CAPI) program, \$3.7 million for applied research and economic development activities, \$1 million to expand the number of state-funded tests offered through the intersegmental Diagnostic Writing Service program, and \$528,000 to replace GOALS 2000 federal funds previously available for CalTeach and to fund CSU costs associated with the California Postsecondary Education Commission's higher education eligibility study. The majority of these funds will be managed centrally; however allocation of the \$10 million included in the Governor's Budget to enhance instructional support costs for CSU strategic academic programs in agriculture, computer sciences, engineering, nursing, and certain biochemistry and biotechnology fields have been made based on the allocations campuses received in 2000/01.

Additionally, \$1.9 million in system funds are being held in reserve for increases in state-mandated fee waivers for eligible dependents of California veterans and any surviving child of a deceased law enforcement or fire suppression employee of a public agency. State-mandated waivers are funded on the basis of the incremental annual change in the total number of state-mandated waivers provided by campuses.

Enrollment and Fee Revenue

CSU budget plan enrollment targets for 2001/02 are shown on the following table. Questions related to campus YRO enrollment should be directed to Lenore Rozner at (5621) 951-4550. Questions concerning campus 3 percent enrollment growth should be directed to Marsha Hirano-Nakanishi at (562) 951-4767.

2001/02 Governor's Budget Enrollment Summary

	2000/01 Funded Base	Base YRO Budget Plan Adjustment	3 Percent Targeted Growth	2001/02 Funded Enrollment
Bakersfield	5,555		300	5,855
Chico	14,080		170	14,250
Dominguez Hills	8,075		275	8,350
Fresno	15,655		395	16,050
Fullerton	20,770	678	940	22,388
Hayward	11,475		0	11,475
Humboldt	7,450		0	7,450
Long Beach	22,825	1,145	1,175	25,145
Los Angeles	15,375		360	15,735
Maritime Academy	745		80	825
Monterey Bay	2,565		445	3,010
Northridge	20,820		650	21,470
Pomona	16,100		300	16,400
Sacramento	19,370		1,135	20,505
San Bernardino	11,485		530	12,015
San Diego	25,240	579	435	26,254
San Francisco	21,200	736	0	21,936
San Jose	19,920		0	19,920
San Luis Obispo	16,010		195	16,205
San Marcos	4,700		460	5,160
Sonoma	6,145		305	6,450
Stanislaus	5,500		300	5,800
Campus Total	291,060	3,138	8,450	302,648
CalStateTEACH	330		286	616
International Programs	535		23	558
Channel Islands				
Summer Arts	55			55
Systemwide Provisions				
CSU Total	291,980	3,138	8,759	303,877

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The CSU projection of fee revenue for YRO enrollment conversions and 3 percent aggregate growth is shown on the table below. CSU enrollment estimates are based on headcounts calculated on the basis of campuses most recent past year FTES/Headcount enrollment experience by classification and fee-paying status of students. Adjustments for state mandated waiver increases are made after the FTES-to-Headcount calculation and associated revenue increases have been determined. Campuses are authorized to change the CSU projection of revenue for planning purposes and when making their final budget submissions; however, campus adjustments to CSU revenue estimates will not affect campus General Fund allocations. Questions concerning FTES-to-Headcount conversions and CSU revenue projections should be directed to Chris Canfield at (562) 951-4558.

2001/02 Governor's Budget CSU Revenue Projections

	CSU Base SUF Revenue B 01 - 03	YRO Budget Plan Adjustment	2001/02 Targeted 3% Growth	Mandatory Waiver Increase	2001/02 CSU Revenue Target	Budget Plan Revenue
Bakersfield	\$8,584,000		\$544,000	(\$2,000)	\$9,126,000	\$542,000
Chico	21,033,000		444,000	(8,000)	21,469,000	436,000
Dominguez Hills	14,781,000		670,000	(7,000)	15,444,000	663,000
Fresno	24,174,000		777,000	(43,000)	24,908,000	734,000
Fullerton	36,133,000	1,197,000	1,499,000	(19,000)	38,810,000	2,677,000
Hayward	19,329,000		214,000		19,543,000	214,000
Humboldt	10,472,000		209,000		10,681,000	209,000
Long Beach	38,779,000	1,982,000	1,966,000	(17,000)	42,710,000	3,931,000
Los Angeles	28,691,000		650,000		29,341,000	650,000
Maritime Academy	779,000		114,000	(9,000)	884,000	105,000
Monterey Bay	3,750,000		596,000	(39,000)	4,307,000	557,000
Northridge	36,712,000		1,064,000	(17,000)	37,759,000	1,047,000
Pomona	26,728,000		888,000	(33,000)	27,583,000	855,000
Sacramento	31,635,000		2,127,000	(25,000)	33,737,000	2,102,000
San Bernardino	19,507,000		1,151,000		20,658,000	1,151,000
San Diego	41,111,000	994,000	1,228,000		43,333,000	2,222,000
San Francisco	36,312,000	1,308,000	14,000	(20,000)	37,614,000	1,302,000
San Jose	34,493,000		248,000		34,741,000	248,000
San Luis Obispo	24,192,000		387,000		24,579,000	387,000
San Marcos	8,129,000		764,000	(116,000)	8,777,000	648,000
Sonoma	9,611,000		570,000		10,181,000	570,000
Stanislaus	7,609,000		503,000		8,112,000	503,000
Campus Total	\$482,544,000	\$5,481,000	\$16,627,000	(\$355,000)	\$504,297,000	\$21,753,000
Chancellor's Office	497,000		1,050,000		1,547,000	1,050,000
International Programs	515,000		57,000		572,000	57,000
Channel Islands						
Summer Arts	90,000				90,000	0
Systemwide Provisions						
CSU Total	\$483,646,000	\$5,481,000	\$17,734,000	(\$355,000)	\$506,506,000	\$22,860,000

CSU Subsidy for 2001/02 Property Insurance Premium Costs

<i>Campus</i>	<i>FY 2001/02 Premium Costs</i>	<i>System Subsidy</i>	<i>Net Cost</i>
<i>Bakersfield</i>	\$80,186	(\$14,505)	\$65,681
<i>Channel Islands</i>	101,563	(18,372)	83,191
<i>Chico</i>	131,029	(23,702)	107,327
<i>Dominguez Hills</i>	77,858	(14,084)	63,774
<i>Fresno</i>	182,604	(33,032)	149,572
<i>Fullerton</i>	128,306	(23,210)	105,096
<i>Hayward</i>	111,910	(20,244)	91,666
<i>Humboldt</i>	101,539	(18,368)	83,171
<i>Long Beach</i>	220,603	(39,905)	180,698
<i>Los Angeles</i>	264,832	(47,906)	216,926
<i>Maritime Academy</i>	25,168	(4,553)	20,615
<i>Monterey</i>	42,175	(7,629)	34,546
<i>Northridge</i>	196,363	(35,521)	160,842
<i>Pomona</i>	183,473	(33,189)	150,284
<i>Sacramento</i>	165,239	(29,890)	135,349
<i>San Bernardino</i>	67,224	(12,160)	55,064
<i>San Diego</i>	197,886	(35,796)	162,090
<i>San Francisco</i>	228,319	(41,301)	187,018
<i>San Jose</i>	250,950	(45,395)	205,555
<i>San Luis Obispo</i>	113,948	(20,612)	93,336
<i>San Marcos</i>	17,905	(3,239)	14,666
<i>Sonoma</i>	82,445	(14,914)	67,531
<i>Stanislaus</i>	54,860	(9,924)	44,936
<i>Chancellor's Office</i>	10,616	(1,920)	8,696
<i>Systemwide</i>	362,813	(65,630)	297,183
<i>Total</i>	\$3,399,814	(\$615,000)	\$2,784,814

Planned Allocation of \$20 Million in One-Time Budget Support for Instructional Equipment

	<i>Unfunded Equipment Cost</i>
Moss Landing	\$2,500,000
Northridge	4,100,000
Monterey Bay	1,300,000
	<i>\$100K Base for all campuses plus prorata percentage share of IER Depreciation</i>
Bakersfield	231,300
Chico	1,079,700
Dominguez Hills	332,300
Fresno	584,800
Fullerton	493,900
Hayward	443,400
Humboldt	473,700
Long Beach	968,600
Los Angeles	514,100
Maritime Academy	180,800
Pomona	544,400
Sacramento	524,200
San Bernardino	544,400
San Diego	1,271,600
San Francisco	1,160,500
San Jose	796,900
San Luis Obispo	1,039,300
San Marcos	352,500
Sonoma	201,000
Stanislaus	362,600
TOTAL	\$20,000,000

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ATTACHMENT C

Campus Allocation of 90 Percent of Estimated 2001/02 CSU State University Grant Funds

Campus	2000/01 Base Allocation		Preliminary 2001/02 Allocation With No Fee Changes				90% Allocation of 2001/02 SUG	
	Base		1999/00 Final Database		With Enrollment Changes		SUG	
	Dollars	Pct	Dollars	Pct	Dollars	Pct	Dollars	Pct
Bakersfield	2,516,000	2.20%	2,779,373	2.18%	3,097,104	2.28%	2,407,000	2.28%
Chico	5,494,000	4.81%	6,222,126	4.87%	6,495,965	4.77%	5,049,000	4.77%
Dominguez Hills	4,239,000	3.71%	4,763,969	3.73%	5,044,110	3.71%	3,920,000	3.71%
Fresno	6,712,000	5.88%	7,666,058	6.00%	7,969,199	5.85%	6,194,000	5.86%
Fullerton	7,250,000	6.35%	7,891,224	6.18%	8,631,714	6.34%	6,708,000	6.34%
Hayward	3,829,000	3.35%	4,336,666	3.40%	4,469,481	3.28%	3,474,000	3.28%
Humboldt	3,156,000	2.76%	3,734,697	2.93%	3,962,234	2.91%	3,079,000	2.91%
Long Beach	8,508,000	7.45%	9,634,754	7.55%	10,376,950	7.62%	8,065,000	7.62%
Los Angeles	7,940,000	6.95%	8,873,273	6.95%	9,280,376	6.82%	7,213,000	6.82%
Maritime Academy	159,000	0.14%	170,697	0.13%	204,059	0.15%	159,000	0.15%
Monterey Bay	1,104,000	0.97%	1,033,584	0.81%	1,459,163	1.07%	1,134,000	1.07%
Northridge	9,885,000	8.66%	10,904,111	8.54%	11,582,370	8.51%	9,002,000	8.51%
Pomona	6,306,000	5.52%	7,085,363	5.55%	7,427,518	5.46%	5,773,000	5.46%
Sacramento	7,286,000	6.38%	8,277,189	6.48%	8,987,860	6.60%	6,985,000	6.60%
San Bernardino	5,710,000	5.00%	6,345,772	4.97%	6,909,536	5.08%	5,370,000	5.08%
San Diego	9,229,000	8.08%	10,235,812	8.02%	10,826,725	7.95%	8,414,000	7.95%
San Francisco	8,571,000	7.51%	9,499,824	7.44%	9,936,384	7.30%	7,722,000	7.30%
San Jose	6,350,000	5.56%	7,106,576	5.57%	7,333,935	5.39%	5,700,000	5.39%
San Luis Obispo	3,966,000	3.47%	4,341,930	3.40%	4,519,514	3.32%	3,512,000	3.32%
San Marcos	1,915,000	1.68%	2,157,759	1.69%	2,570,061	1.89%	1,997,000	1.89%
Sonoma	1,734,000	1.52%	1,980,362	1.55%	2,135,974	1.57%	1,660,000	1.57%
Stanislaus	2,313,000	2.03%	2,653,808	2.08%	2,907,685	2.14%	2,260,000	2.14%
Total, Campuses	\$114,172,000	99.98%	\$127,694,927	100.00%	\$136,127,917	100.00%	\$105,797,000	100.00%
3% Enr. Growth Inc.	3,382,000							
2001/02 SUG Pool	\$117,554,000							

Additional YRO Conversions Currently Planned for 2001/02

It is anticipated CSU will proceed with additional YRO conversions scheduled for 2001/02 at 6 campuses if YRO marginal cost funding requested in the Governor's Budget for summer 2001 is approved when the Budget Act for 2001 is enacted. The budget and enrollment details associated with these planned conversions are displayed on the tables that follow.

Calculation of Additional Year Round Operations Conversion Costs	
Sources of Funds	
CSU Systemwide Base Budget – General Fund	\$ 11,312,000
Systemwide State University Grant Pool – General Fund	62,000
Estimated State University Fee Revenue	<u>3,553,000</u>
<i>Total Sources of Funds</i>	<u>\$14,927,000</u>
Allocation of Funds	
FTES Marginal Cost for Enrollment (\$7,133 times 1,977 FTES)	\$14,102,000
State University Grants (allocated on the basis of YRO student need)	<u>825,000</u>
<i>Total Allocation of Funds</i>	<u>\$14,927,000</u>

Additional YRO conversions have been approved for 2001/02 at the following six campuses. The allocation based on the additional YRO enrollment conversions will be made in accordance with CSU marginal cost funding methodology for enrollment growth. Campuses will be allocated \$7,133 per FTES to convert 1,977 FTES currently in self-support summer extension courses to state-supported courses. These students have been identified as matriculated during the academic year at campuses that do not currently have state-supported summer terms. In addition, campuses that are converting eligible FTES in previous self-support summer courses will be allocated State University Grant (SUG) funds, based on student financial need, during the first year of conversion. In subsequent years, these SUG allocations will be incorporated in the systemwide pool of funds available for distribution on the basis of campuses' prorated percentage share of total SUG-eligible need. The SUG allocations for summer YRO enrollment conversion are consistent with the policy recommendation of the Financial Aid Advisory Council (FAAC).

	<i>Campus Enrollment</i>	<i>System SUG Pool</i>
Dominguez Hills	2,854,000	205,000
Sacramento	1,569,000	134,000
San Bernardino	2,033,000	93,000
San Jose	5,029,000	238,000
San Marcos	1,348,000	80,000
Stanislaus	1,269,000	75,000
Campus Total	\$14,102,000	\$825,000
Systemwide Provisions	(11,312,000)	(62,000)
CSU Total	\$2,790,000	\$763,000

Budget adjustments will also be made to reflect the additional YRO conversions, as shown in the following table.

	General Fund Adjustment	State University Fee Revenue Adjustment
Dominguez Hills	2,295,000	764,000
Sacramento	1,234,000	469,000
San Bernardino	1,627,000	499,000
San Jose	3,989,000	1,278,000
San Marcos	1,097,000	331,000
Stanislaus	1,132,000	212,000
Campus Total	\$11,374,000	\$3,553,000
Systemwide Provisions	(11,374,000)	0
CSU Total	\$0	\$3,553,000

Campus enrollments targets for 2001/02 will also be revised to reflect the additional 1,977 FTES YRO conversions at the six campuses. The revised CSU enrollment target for 2001/02 will be 305,854 FTES.