



THE CALIFORNIA STATE UNIVERSITY

BAKERSFIELD • CHANNEL ISLANDS • CHICO • DOMINGUEZ HILLS • FRESNO • FULLERTON • HAYWARD • HUMBOLDT
LONG BEACH • LOS ANGELES • MARITIME ACADEMY • MONTEREY BAY • NORTHRIDGE • POMONA • SACRAMENTO
SAN BERNARDINO • SAN DIEGO • SAN FRANCISCO • SAN JOSE • SAN LUIS OBISPO • SAN MARCOS • SONOMA • STANISLAUS

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BUSINESS AND FINANCE
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Code

Memorandum: B 02-02

Date of Transmittal: April 2, 2002

TO: Chief Financial Officers

FROM: Rodney Rideau

Subject: 2002/03 Governor's Budget Allocations

The allocations identified in this memorandum are to be used for campus planning purposes for fiscal year 2002/03. Information provided includes planned Base Budget adjustments, Budget Year expenditure increases, full-time equivalent student (FTES) enrollment targets, CSU projected State University Fee revenue increase, and CSU projection of campus Nonresident Tuition Fee revenue increase. A detailed chart of campus State University Grant adjustments is also provided. Questions concerning these allocations may be directed to any of the Budget Office staff at (562) 951-4560.

The table on the following page is a summary of 2002/03 Governor's Budget Allocations.

Governor's Budget Allocations

April 2, 2002

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(in thousands)

| SUMMARY | 2001/02 General Fund B 01-04 | Campus Reported SUF Revenue | Campus Reported Other Receipts | 2002/03 Budget Year Adjustments | | | | 2002/03 CSU Budget Allocation | | |
|------------------------|------------------------------------|-----------------------------------|---|--|--|-------------------------|------------------------------------|-------------------------------|-------------------------------------|---|
| | | | | General Fund Base Budget Adjustments | General Fund Budget Plan Increases | SUF Revenue Increase | Nonresident Tuition Increase | 2002/03 General Fund | CSU Projection of SUF Revenue | Other Campus Reported Fees and Income |
| Bakersfield | \$50,221,000 | \$9,115,000 | \$2,537,000 | \$992,000 | \$2,706,000 | \$662,000 | \$80,000 | \$53,919,000 | \$9,777,000 | \$2,617,000 |
| Channel Islands | 20,374,000 | | 700,000 | 5,519,500 | 2,086,000 | 634,000 | 0 | 27,979,500 | 634,000 | 700,000 |
| Chico | 107,400,000 | 21,747,000 | 16,134,000 | 1,625,000 | 3,706,000 | 542,000 | 304,000 | 112,731,000 | 22,289,000 | 16,438,000 |
| Dominguez Hills | 62,777,000 | 16,208,000 | 6,914,000 | 1,319,000 | 3,142,000 | 611,000 | 121,000 | 67,238,000 | 16,819,000 | 7,035,000 |
| Fresno | 130,544,000 | 24,115,000 | 12,173,000 | 2,014,000 | 3,970,000 | 1,099,000 | 583,000 | 136,528,000 | 25,214,000 | 12,756,000 |
| Fullerton | 142,145,000 | 38,378,000 | 19,044,000 | 3,666,000 | 8,290,000 | 2,957,000 | 1,030,000 | 154,101,000 | 41,335,000 | 20,074,000 |
| Hayward | 81,634,000 | 19,525,000 | 13,244,000 | 1,515,000 | 1,739,000 | 334,000 | 767,000 | 84,888,000 | 19,859,000 | 14,011,000 |
| Humboldt | 68,196,000 | 10,459,000 | 8,430,000 | 1,008,000 | 354,000 | 434,000 | 234,000 | 69,558,000 | 10,893,000 | 8,664,000 |
| Long Beach | 171,002,000 | 42,121,000 | 22,024,000 | 4,000,000 | 9,420,000 | 2,009,000 | 1,178,000 | 184,422,000 | 44,130,000 | 23,202,000 |
| Los Angeles | 114,011,000 | 29,464,000 | 14,049,000 | 1,802,000 | 4,705,000 | 1,304,000 | 548,000 | 120,518,000 | 30,768,000 | 14,597,000 |
| Maritime Academy | 14,262,000 | 898,000 | 3,244,000 | 194,000 | 222,000 | 32,000 | 62,000 | 14,678,000 | 930,000 | 3,306,000 |
| Monterey Bay | 42,967,000 | 4,218,000 | 2,049,000 | 832,000 | 1,834,000 | 327,000 | 54,000 | 45,633,000 | 4,545,000 | 2,103,000 |
| Northridge | 154,997,000 | 37,100,000 | 16,792,000 | (1,858,500) | 11,780,000 | 2,322,000 | 732,000 | 164,918,500 | 39,422,000 | 17,524,000 |
| Pomona | 125,041,000 | 27,498,000 | 18,200,000 | 2,507,000 | 4,898,000 | 1,058,000 | 708,000 | 132,446,000 | 28,556,000 | 18,908,000 |
| Sacramento | 144,992,000 | 35,500,000 | 12,676,000 | 2,192,000 | 7,235,000 | 2,177,000 | 527,000 | 154,419,000 | 37,677,000 | 13,203,000 |
| San Bernardino | 84,470,000 | 20,990,000 | 12,144,000 | 1,846,000 | 4,650,000 | 1,120,000 | 512,000 | 90,966,000 | 22,110,000 | 12,656,000 |
| San Diego | 193,911,000 | 43,332,000 | 45,207,000 | 2,087,000 | 5,985,000 | 2,653,000 | 924,000 | 201,983,000 | 45,985,000 | 46,131,000 |
| San Francisco | 144,767,000 | 37,675,000 | 22,308,000 | 1,628,000 | (420,000) | 750,000 | 1,829,000 | 145,975,000 | 38,425,000 | 24,137,000 |
| San Jose | 149,056,000 | 34,827,000 | 22,775,000 | 3,008,000 | 5,039,000 | 3,117,000 | 1,064,000 | 157,103,000 | 37,944,000 | 23,839,000 |
| San Luis Obispo | 129,683,000 | 24,283,000 | 23,733,000 | 2,635,000 | 5,133,000 | 1,018,000 | 225,000 | 137,451,000 | 25,301,000 | 23,958,000 |
| San Marcos | 49,799,000 | 9,003,000 | 2,620,000 | 969,000 | 2,407,000 | 88,000 | 64,000 | 53,175,000 | 9,091,000 | 2,684,000 |
| Sonoma | 52,649,000 | 10,049,000 | 16,010,000 | 1,076,000 | 2,138,000 | 224,000 | 157,000 | 55,863,000 | 10,273,000 | 16,167,000 |
| Stanislaus | 50,657,000 | 9,025,000 | 7,349,000 | 810,000 | 2,641,000 | 1,036,000 | 68,000 | 54,108,000 | 10,061,000 | 7,417,000 |
| Campus Total | \$2,285,555,000 | \$505,530,000 | \$320,356,000 | \$41,386,000 | \$93,660,000 | \$26,508,000 | \$11,771,000 | \$2,420,601,000 | \$532,038,000 | \$332,127,000 |
| Chancellor's Office | 73,681,000 | 3,797,000 | 9,673,000 | (4,618,000) | 1,063,000 | (88,000) | 0 | 70,126,000 | 3,709,000 | 9,673,000 |
| International Programs | 2,837,000 | | | 0 | 211,000 | 96,000 | 0 | 3,048,000 | 96,000 | 0 |
| Summer Arts | 183,000 | 90,000 | | 0 | (106,000) | 106,000 | 0 | 77,000 | 196,000 | 0 |
| Systemwide Provisions | 245,169,000 | | 1,100,000 | (35,000,000) | 22,096,000 | 0 | 0 | 232,265,000 | 0 | 1,100,000 |
| CSU Total | \$2,607,425,000 | \$509,417,000 | \$331,129,000 | \$1,768,000 | \$116,924,000 | \$26,622,000 | \$11,771,000 | \$2,726,117,000 | \$536,039,000 | \$342,900,000 |

Campus budget submissions that were provided in response to the CSU Final Budget Allocation memorandum (B 01-04) are used as the Base Budget for 2002/03 allocations. Changes made in the 2002/03 Governor's Budget allocations to campuses affect the General Fund, State University Fee and Campus reported Other Receipts (due to the increase in Nonresident Tuition fee revenue used in the CSU budget plan for compensation). Changes made to campus reported State University Fee Revenue and Other Receipts may be adjusted to reflect campus-based projections for 2002/03; however, any changes made in the campus revenue estimates cannot alter the General Fund allocation provided in this memorandum.

Base Budget Adjustments

| BASE BUDGET ADJUSTMENTS | 2001/02 One-Time Appropriations and Base Adjustments | 2001/02 Retirement Increase | Permanent Gas Rate and Prorata Reduction | Special Initiatives | ASSIST Database Support | Total Final Budget Base Adjustments |
|--------------------------------|---|------------------------------------|---|----------------------------|--------------------------------|--|
| Bakersfield | (\$264,000) | \$1,637,000 | (\$389,000) | | \$8,000 | \$992,000 |
| Channel Islands | 84,500 | 570,000 | (135,000) | 5,000,000 | | 5,519,500 |
| Chico | (1,135,000) | 3,907,000 | (1,147,000) | | | 1,625,000 |
| Dominguez Hills | (425,000) | 2,381,000 | (637,000) | | | 1,319,000 |
| Fresno | (1,008,000) | 4,426,000 | (2,054,000) | 650,000 | | 2,014,000 |
| Fullerton | (734,000) | 5,277,000 | (877,000) | | | 3,666,000 |
| Hayward | (558,000) | 3,114,000 | (1,041,000) | | | 1,515,000 |
| Humboldt | (665,000) | 2,386,000 | (721,000) | | 8,000 | 1,008,000 |
| Long Beach | (847,000) | 6,606,000 | (1,652,000) | (115,000) | 8,000 | 4,000,000 |
| Los Angeles | (808,000) | 3,720,000 | (1,118,000) | | 8,000 | 1,802,000 |
| Maritime Academy | (21,000) | 382,000 | (167,000) | | | 194,000 |
| Monterey Bay | (135,000) | 1,336,000 | (377,000) | | 8,000 | 832,000 |
| Northridge | (1,308,500) | 5,771,000 | (1,329,000) | (5,000,000) | 8,000 | (1,858,500) |
| Pomona | (739,000) | 4,651,000 | (1,405,000) | | | 2,507,000 |
| Sacramento | (1,126,000) | 4,703,000 | (1,385,000) | | | 2,192,000 |
| San Bernardino | (385,000) | 3,084,000 | (853,000) | | | 1,846,000 |
| San Diego | (1,572,000) | 7,340,000 | (3,689,000) | | 8,000 | 2,087,000 |
| San Francisco | (1,034,000) | 5,791,000 | (1,812,000) | (1,325,000) | 8,000 | 1,628,000 |
| San Jose | (597,000) | 5,746,000 | (2,641,000) | 500,000 | | 3,008,000 |
| San Luis Obispo | (454,000) | 4,466,000 | (1,377,000) | | | 2,635,000 |
| San Marcos | (313,000) | 1,671,000 | (397,000) | | 8,000 | 969,000 |
| Sonoma | (349,000) | 2,048,000 | (631,000) | | 8,000 | 1,076,000 |
| Stanislaus | (107,000) | 1,756,000 | (814,000) | (33,000) | 8,000 | 810,000 |
| Campus Total | (\$14,500,000) | \$82,769,000 | (\$26,648,000) | (\$323,000) | \$88,000 | \$41,386,000 |
| Chancellor's Office | (5,000,000) | 1,372,000 | (902,000) | | (88,000) | (4,618,000) |
| International Programs | | | 0 | | | 0 |
| Summer Arts | | | | | | 0 |
| Systemwide Provisions | (33,477,000) | 104,000 | (1,950,000) | 323,000 | | (35,000,000) |
| CSU Total | (\$52,977,000) | \$84,245,000 | (\$29,500,000) | \$0 | \$0 | \$1,768,000 |

Adjustments to campuses' 2002/03 Base Budget are identified on the following table. The One-Time Appropriations and Base Adjustments reflect the following:

- Elimination of \$18,566,000 in one-time funding provided for increased natural gas costs in 2000/01. This permanently removes the one-time allocation distributed to campuses in 2001/02 from the systemwide budget in 2002/03 and is a separate action from the one-time reductions made in campuses budgets during fiscal year 2001/02.
- Elimination of \$200,000 in one-time funding for CSUPERB-Pasadena biotechnology.
- Elimination of \$100,000 in one-time funding provided for a Labor Arts Exhibit administered through CSU San Francisco.

- Base Budget reduction of \$14,500,000 from the CUS State University Grant program. The campus share of this reduction is based on the 2000/01 Final Database of financial aid expenditures with campus enrollment adjustments. The campus percentage share was then applied against the adjusted State University Grant base of \$105,027,000 (\$119,427,000 Final Budget appropriation for 2001/02 less \$14,500,000) to determine its share of the reduction. Attachment A shows the State University Grant preliminary allocations for 2002/03 and the Governor's Budget \$14.5 million reduction calculations.
- Base Budget reduction of \$5,000,000 provided for the CalTeach teacher recruitment program. The reduction leaves a \$6 million CalTeach recruitment budget.
- Base Budget reduction of \$6,500,000 provided for the Education Technology Professional Development Institutes, which train K-12 teachers in the use of technology in the classroom. The reduction leaves \$6 million for this Governor's initiative administered through CSU.
- Base Budget reduction of \$9,219,000 to reflect the reduced General Fund cost for CSU lease bond payments and a Base Budget increase of \$71,000 to reflect the increased cost of lease bond insurance payments, which are state obligations administered by CSU.
- Base Budget increase of \$1,037,000 to reflect the increased cost of annuitants' dental benefits, which is a system cost to the PERS retirement program.

The 2001/02 allocation for costs campuses have incurred since July for increases in CSU employer retirement contributions is based on the pro-rata share of actual 2000/01 salaries and wages expenditures. CSU has not received the appropriation from the State at this time, but it is anticipated the appropriation will be made before the end of the fiscal year.

Special Initiatives identify several adjustments that are required in 2002/03 to reflect permanent changes in campus budgets. These changes address enrollment agreements between CSU Channel Islands and CSU Northridge, funding for the Central Valley economic incubator administered through CSU Fresno, a change in the status of the trustees' professorship at CSU Long Beach, an enrollment adjustment at CSU San Francisco, funding for applied research in marine studies at CSU San Jose's Moss Landing laboratories, and the transfer of funds provided in 2001/02 in the CSU Stanislaus budget for the Stockton Development Center.

ASSIST Database Support reflects the transfer of system funds to the campuses involved in database support. These funds are to be utilized to continue reporting campus articulation agreements into the ASSIST database.

The Permanent Gas Rate and Pro-rata Reduction reflects a \$15.5 million reduction in permanent natural gas funding CSU received in 2001/02 for increase rate costs and a \$14 million reduction to meet the \$29.5 million reduction identified in the 2002/03 Governor's Budget. The Governor's Budget assumes CSU will save \$20 million in natural gas costs as a result of lower than expected rate increases and identifies \$9.5 million as the CUS share of a statewide savings requirement in general operating expenses to help address the projected shortfall in state revenues. The campus share of the \$29.5 million reduction is based on (1) the actual allocation of funds received in 2001/02 for natural gas rate increases less the estimated increase in gas rates projected by CSU, which results in a \$12.7 million reduction in campus budgets, (2) a \$2.8 million reduction commitment from the Chancellor's Office and systemwide program funds, and (3) a pro-rata reduction of \$14 million based on the campuses share of Final Budget General Fund appropriations allocated in 2001/02 (\$2,607,425,000 less the \$12.7 million reduction for natural gas costs). The following table displays the permanent reduction calculation.

| Permanent One-Time 2001/02 Reduction | Natural Gas Allocation Adjustment | | | | | Adjusted 2001/02 | | Percentage Share of Adjusted General Fund Total | Pro-Rata Unallocated Reduction (8) x (9) | Total 2002/03 Permanent Reduction (6) + (10) |
|--------------------------------------|--|-----------------------------------|----------------------------|--|---|-------------------------|-------------------------|---|--|--|
| | 2001/02 Permanent Natural Gas Allocation | 1999/2000 Actual Gas Expenditures | Estimated Gas Cost 2002/02 | Permanent Gas Increase Retained* (4) - (3) | Permanent 2002/03 Natural Gas Reduction (5) - (2) | 2001/02 Fund Allocation | General (1) + (6) + (7) | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
| Bakersfield | \$126,000 | \$58,552 | \$104,835 | \$46,000 | (\$80,000) | \$50,221,000 | \$50,141,000 | 2.2% | (\$309,000) | (\$389,000) |
| Channel Islands | 9,000 | 36,563 | 10,231 | 0 | (9,000) | 20,374,000 | 20,365,000 | 0.9% | (126,000) | (135,000) |
| Chico | 569,000 | 366,588 | 446,921 | 80,000 | (489,000) | 107,400,000 | 106,911,000 | 4.7% | (658,000) | (1,147,000) |
| Dominguez Hills | 435,000 | 267,007 | 449,609 | 183,000 | (252,000) | 62,777,000 | 62,525,000 | 2.8% | (385,000) | (637,000) |
| Fresno | 1,330,000 | 508,682 | 581,363 | 73,000 | (1,257,000) | 130,544,000 | 129,287,000 | 5.7% | (797,000) | (2,054,000) |
| Fullerton | 2,000 | 29,941 | 20,808 | 0 | (2,000) | 142,145,000 | 142,143,000 | 6.3% | (875,000) | (877,000) |
| Hayward | 651,000 | 376,167 | 486,329 | 110,000 | (541,000) | 81,634,000 | 81,093,000 | 3.6% | (500,000) | (1,041,000) |
| Humboldt | 302,000 | 399,116 | 359,671 | 0 | (302,000) | 68,196,000 | 67,894,000 | 3.0% | (419,000) | (721,000) |
| Long Beach | 794,000 | 488,737 | 680,322 | 192,000 | (602,000) | 171,002,000 | 170,400,000 | 7.5% | (1,050,000) | (1,652,000) |
| Los Angeles | 502,000 | 234,171 | 318,088 | 84,000 | (418,000) | 114,011,000 | 113,593,000 | 5.0% | (700,000) | (1,118,000) |
| Maritime Academy | 92,000 | 81,539 | 93,521 | 12,000 | (80,000) | 14,262,000 | 14,182,000 | 0.6% | (87,000) | (167,000) |
| Monterey Bay | 186,000 | 69,527 | 143,507 | 74,000 | (112,000) | 42,967,000 | 42,855,000 | 1.9% | (265,000) | (377,000) |
| Northridge | 454,000 | 248,459 | 325,476 | 77,000 | (377,000) | 154,997,000 | 154,620,000 | 6.8% | (952,000) | (1,329,000) |
| Pomona | 708,000 | 432,917 | 501,993 | 69,000 | (639,000) | 125,041,000 | 124,402,000 | 5.5% | (766,000) | (1,405,000) |
| Sacramento | 689,000 | 280,430 | 474,006 | 194,000 | (495,000) | 144,992,000 | 144,497,000 | 6.4% | (890,000) | (1,385,000) |
| San Bernardino | 410,000 | 247,364 | 322,017 | 75,000 | (335,000) | 84,470,000 | 84,135,000 | 3.7% | (518,000) | (853,000) |
| San Diego | 2,803,000 | 1,245,047 | 1,538,070 | 293,000 | (2,510,000) | 193,911,000 | 191,401,000 | 8.4% | (1,179,000) | (3,689,000) |
| San Francisco | 1,083,000 | 627,358 | 783,951 | 157,000 | (926,000) | 144,767,000 | 143,841,000 | 6.3% | (886,000) | (1,812,000) |
| San Jose | 2,401,000 | 1,802,911 | 2,469,533 | 667,000 | (1,734,000) | 149,056,000 | 147,322,000 | 6.5% | (907,000) | (2,641,000) |
| San Luis Obispo | 880,000 | 370,927 | 669,203 | 298,000 | (582,000) | 129,683,000 | 129,101,000 | 5.7% | (795,000) | (1,377,000) |
| San Marcos | 91,000 | 86,540 | 87,613 | 1,000 | (90,000) | 49,799,000 | 49,709,000 | 2.2% | (307,000) | (397,000) |
| Sonoma | 383,000 | 156,960 | 230,561 | 74,000 | (309,000) | 52,649,000 | 52,340,000 | 2.3% | (322,000) | (631,000) |
| Stanislaus | 595,000 | 313,354 | 403,015 | 90,000 | (505,000) | 50,657,000 | 50,152,000 | 2.2% | (309,000) | (814,000) |
| Campus Total | \$15,495,000 | \$8,728,857 | \$11,500,642 | \$2,849,000 | (\$12,646,000) | \$2,285,555,000 | \$2,272,909,000 | 100.0% | (\$14,002,000) | (\$26,648,000) |
| Chancellor's Office | (877,000) | 26,000 | 36,086 | 24,745 | 0 | 76,518,000 | 75,615,000 | | 1,000 | (902,000) |
| Summer Arts | | | | | | 183,000 | 183,000 | | | 0 |
| Systemwide Provisions | (1,950,000) | | | | | 245,169,000 | 243,219,000 | | | (1,950,000) |
| CSU Total | (\$2,827,000) | \$15,521,000 | \$8,764,943 | \$11,525,387 | \$2,849,000 | \$2,607,425,000 | \$2,591,926,000 | 100.0% | (\$14,001,000) | (\$29,500,000) |

Budget Plan Expenditure Increases

| Budget Plan Increases | Mandatory Costs | | | | Technology and Equipment |
|--------------------------|--------------------------------|---------------------------------|--------------------|-----------------------|--------------------------------|
| | Health Benefits One-Time | Health Benefits Permanent | New Space | Property Insurance | |
| | Bakersfield | | \$171,000 | \$300,000 | |
| Channel Islands | | 18,000 | 105,000 | | |
| Chico | | 457,000 | 432,000 | | |
| Dominguez Hills | | 230,000 | 1,156,000 | | |
| Fresno | | 478,000 | 11,000 | | |
| Fullerton | | 534,000 | 2,093,000 | | |
| Hayward | | 289,000 | | | |
| Humboldt | | 294,000 | 36,000 | | |
| Long Beach | | 636,000 | 810,000 | | |
| Los Angeles | | 423,000 | | | |
| Maritime Academy | | 39,000 | 133,000 | | |
| Monterey Bay | | 122,000 | | | |
| Northridge | | 598,000 | 291,000 | | |
| Pomona | | 464,000 | 217,000 | | |
| Sacramento | | 523,000 | 32,000 | | |
| San Bernardino | | 320,000 | 957,000 | | |
| San Diego | | 784,000 | 920,000 | | |
| San Francisco | | 569,000 | 130,000 | | |
| San Jose | | 558,000 | 591,000 | | |
| San Luis Obispo | | 541,000 | (108,000) | | |
| San Marcos | | 174,000 | 1,508,000 | | |
| Sonoma | | 225,000 | | | |
| Stanislaus | | 204,000 | 104,000 | | |
| Campus Total | \$0 | \$8,651,000 | \$9,718,000 | \$0 | \$0 |
| Chancellor's Office | | 116,000 | | | |
| International Programs | | | | | |
| Summer Arts | | | | | |
| Systemwide Provisions | 5,023,000 | 1,715,000 | 2,000 | 1,580,000 | 5,000,000 |
| CSU Total | \$5,023,000 | \$10,482,000 | \$9,720,000 | \$1,580,000 | \$5,000,000 |

Budget Plan Increases:

Mandatory Costs and Long-Term Budget Need

The table at the left displays 2002/03 Mandatory Cost expenditures and funding provided for CSU Long-Term Budget Need. Mandatory cost items include funding for increases in employee health benefit premium rates - which became effective January 2002, 1.5 million square feet of new space schedule to open in 2002/03, and increased system funding support to offset campus property insurance premium costs.

Permanent health benefits funding of \$10.5 million is allocated on the basis of campuses' pro-rata share of actual 2000/01 health benefit expenditures. The CalPERS health benefits premium increase is 7.6% and CSU costs are calculated on the basis of the change in CSU employer-paid contributions multiplied by the number of CSU health care benefit enrollees. The one-time allocation for costs incurred by campuses between January 1, 2002 and June 30, 2002 will be reimbursed from system funds included in budget plan for 2002/03. One-time allocations to campuses will be made on the same basis as the permanent allocations for health benefit premium increases.

Adjustments for new space coming on-line in 2002/03 are funded at the rate of \$6.45 per square foot. Adjustments for campuses losing previously funded permanent facility space in 2002/03 are reduced at the same rate.

CSU will increase funding to offset campus property insurance premium costs by \$1.6 million. When added to funding previously provided to offset campus premium costs, the total offset budgeted for 2002/03 is \$2.2 million. Campus property insurance premiums are projected to cost approximately \$4 million in 2002/03.

CSU is able to provide only \$5 million of the \$26 million planned for long-term need expenditure increases based on appropriations received in the Governor's Budget. The entire \$5 million expenditure increase will be used to finance equipment costs associated with the telecommunications capital build out to improve

CSU technology-based services. This funding complements \$10 million provided in 2001/02. A \$20 million operating support investment is needed to totally fund roughly \$86 million in telecommunications build out equipment costs. After the equipment costs are paid, the \$20 million base will be used to refresh equipment on a regular three-year cycle.

Budget Plan Increases: Compensation and Enrollment Funding

The 2003/03 Governor's Budget allocation included funds that provided a one percent compensation increase for all employees effective July 2001. This \$22.4 million appropriation has been increased by an additional one-half percent to reflect additional revenue projected to be acquired from a 15 percent increases in the CSU Nonresident Tuition Fee. In total, \$33.6 million is allocated to campuses to address compensation issues currently planned for 2002/03 and reflects a 1.5 percent compensation increase for all employees.

These funds are allocated on the basis on campuses' pro-rata share of actual salaries and wages expenditures in 2000/01. These funds are to be used in conjunction with one-time encumbered faculty compensation funding provided in 2001/02 to address the total cost of CSU collective bargaining agreements for 20002/03 and compensation funding requirements identified for non-represented employees.

Only CSU Chico is scheduled to convert to summer year round operations in 2002/03 based on the Governor's Budget appropriations. Funding for the summer enrollment conversion is allocated at the full marginal cost rate for instruction. In addition, the campus is provided the use of its one-third revenue set-aside for financial aid in the conversion year to address student need. This allocation will revert to the systemwide State University Grant pool in 2003/04 and the campus' grant allocation will be based on the system State University Grant allocation methodology. CSU Northridge is funded at marginal cost for the permanent 230 FTES enrollment redirection from CSU San Francisco. This is an offsetting enrollment adjustment and does not affect CSU's planned 12,030 FTES enrollment growth target for 2002/03.

Campuses have been funded for a 4 percent increase in full-time equivalent student (FTES) enrollment growth for 2002/03. This growth is funded at the full marginal cost rate of instruction (\$7,715) less the one-third, fee revenue set-aside that is general used for student financial assistance (\$409). The \$7,306 per FTES allocation for 12,030 FTES totals \$87.9 million.

| Budget Plan Increases | Compensation | ENROLLMENT | | |
|--------------------------|---------------------|----------------------|--------------------|-----------------------|
| | | YRO/Enr. Redirection | | 4% Targeted Growth |
| | | Campus Enrollment | System SUG Pool | Campus Enrollment |
| Bakersfield | \$634,000 | | | \$2,594,000 |
| Channel Islands | 76,000 | | | 2,338,000 |
| Chico | 1,578,000 | 1,754,000 | 98,000 | 694,000 |
| Dominguez Hills | 930,000 | | | 1,973,000 |
| Fresno | 1,801,000 | | | 3,945,000 |
| Fullerton | 2,042,000 | | | 8,307,000 |
| Hayward | 1,263,000 | | | 1,607,000 |
| Humboldt | 975,000 | | | 0 |
| Long Beach | 2,560,000 | | | 9,461,000 |
| Los Angeles | 1,722,000 | | | 5,187,000 |
| Maritime Academy | 156,000 | | | 0 |
| Monterey Bay | 481,000 | | | 1,717,000 |
| Northridge | 2,342,000 | 1,680,000 | | 10,776,000 |
| Pomona | 1,846,000 | | | 4,712,000 |
| Sacramento | 2,054,000 | | | 8,000,000 |
| San Bernardino | 1,206,000 | | | 4,384,000 |
| San Diego | 2,906,000 | | | 5,743,000 |
| San Francisco | 2,207,000 | | | 0 |
| San Jose | 2,248,000 | | | 6,393,000 |
| San Luis Obispo | 1,915,000 | | | 4,347,000 |
| San Marcos | 618,000 | | | 446,000 |
| Sonoma | 796,000 | | | 1,644,000 |
| Stanislaus | 701,000 | | | 2,974,000 |
| Campus Total | \$33,057,000 | \$3,434,000 | \$98,000 | \$87,242,000 |
| Chancellor's Office | 516,000 | | | 343,000 |
| International Programs | | | | 307,000 |
| Summer Arts | | | | |
| Systemwide Provisions | | (1,634,000) | (98,000) | (1,000) |
| CSU Total | \$33,573,000 | \$1,800,000 | \$0 | \$87,891,000 |

| Budget Plan Increases | Preliminary SUG Adjustments | Special Initiatives |
|------------------------|-----------------------------------|------------------------|
| Bakersfield | (\$251,000) | |
| Channel Islands | (58,000) | 241,000 |
| Chico | (461,000) | |
| Dominguez Hills | (415,000) | |
| Fresno | (583,000) | |
| Fullerton | (699,000) | |
| Hayward | (319,000) | |
| Humboldt | (283,000) | |
| Long Beach | (860,000) | |
| Los Angeles | (775,000) | |
| Maritime Academy | (12,000) | |
| Monterey Bay | (105,000) | |
| Northridge | (853,000) | |
| Pomona | (575,000) | |
| Sacramento | (670,000) | |
| San Bernardino | (585,000) | |
| San Diego | (791,000) | |
| San Francisco | (747,000) | |
| San Jose | (570,000) | |
| San Luis Obispo | (319,000) | |
| San Marcos | (187,000) | |
| Sonoma | (146,000) | |
| Stanislaus | (238,000) | |
| Campus Total | (\$10,502,000) | \$241,000 |
| Chancellor's Office | | |
| International Programs | | |
| Summer Arts | | |
| Systemwide Provisions | 10,502,000 | 7,000 |
| CSU Total | \$0 | \$248,000 |

Budget Plan Increases: Preliminary State University Grant Adjustments and Special Initiatives

State University Grant (SUG) adjustments reflect the 90 percent allocation of the 2002/03 SUG pool of \$105,027,000, which is the 2001/02 SUG appropriation of \$119,527,000 less the \$14.5 million base reduction included in the Governor's Budget. Campus SUG allocations will be adjusted by \$10.5 million in the Final Budget allocation to reflect 100 percent of the total available SUG funding based on the 2001/02 final database of financial aid expenditures and 2002/03 campus enrollment changes. Attachment A provides a detailed display of the SUG allocation methodology.

Special Initiatives reflect the funding agreement reached with CSU Channel Islands for planned enrollment growth and a \$7,000 increase in CSU costs associated with the eligibility study the California Postsecondary Education Commission has been asked to complete for the Legislature.

ATTACHMENTS

Attachment A provides the methodology detail for calculating campus preliminary State University Grant allocations for 2002/03. Questions concerning the methodology or information contained on this attachment should be directed to Mary Robinson, (562) 951-4737.

Attachment B provides campus enrollment targets for 2002/03 and estimated State University Fee and Nonresident Tuition Fee revenue increases. The State University Fee revenue estimated is based on campuses actual 2000/01 FTES-to-Headcount ratios and actual distributions of regular/limited, undergraduate, graduate and postbaccalaureate students by academic term. Campus fee waivers have also been adjusted to reflect changes in actual 2000/01 mandatory waivers. On the basis of this methodology, it is possible for a campus to show a change in revenue without a corresponding change in enrollment simply as a result of a change in mix of students from one year to the next. Consequently, any questions concerning the estimate of State University Fee revenue increase should be directed to Alex Porter, (562) 951-4560.

The Nonresident Tuition revenue increase is calculated on the basis of campuses' 2001/02 Final Budget revenue projections. The revenue estimates were converted to FTES based on the \$7,380 nonresident tuition rate for the academic year and that FTES was multiplied by \$8,460 to determine the new campus revenue estimate. The difference between the campus 2001/02 projection and the 2002/03 CSU estimate of revenue is the revenue increase budgeted for 2002/03. Questions concerning the nonresident tuition revenue calculation should be directed to Alex Porter, (562) 951-4560.

ATTACHMENT A

PRELIMINARY 2002/2003 State University Grant Allocations

| Campus | | 2001/02 Base Allocation | | Preliminary 2002/03 Proposed Reduction In Funding Per Governor's Budget | | | | | | | | Estimated | Change from |
|--------|------------------|-------------------------|---------|---|---------|-------------------------|---------|--------------------------|---------|---------------------------|---------|----------------|-------------|
| C | D | Base | | 2000/01 Final Database | | With Enrollment Changes | | Prelim. Alloc. Jan. 2002 | | 100% of Adj. 2001/02 Base | | Change from | 2000/01 |
| | Name | Dollars | Pct | Dollars | Pct | Dollars | Pct | Dollars | Pct | Dollars | Pct | 2001/02 Alloc. | Alloc. |
| 35 | Bakersfield | 2,776,000 | 2.32% | 2,953,843 | 2.31% | 3,347,861 | 2.39% | 2,261,000 | 2.39% | 2,512,000 | 2.39% | -515,000 | -264,000 |
| | Channel Islands | 487,500 | 0.41% | 519,776 | 0.41% | 761,778 | 0.54% | 514,000 | 0.54% | 572,000 | 0.55% | 26,500 | 84,500 |
| 20 | Chico | 5,740,000 | 4.80% | 6,087,024 | 4.76% | 6,136,953 | 4.38% | 4,144,000 | 4.38% | 4,605,000 | 4.39% | -1,596,000 | -1,135,000 |
| 55 | Dominguez Hills | 4,573,000 | 3.83% | 4,940,104 | 3.86% | 5,527,908 | 3.95% | 3,733,000 | 3.95% | 4,148,000 | 3.95% | -840,000 | -425,000 |
| 25 | Fresno | 6,832,000 | 5.72% | 7,371,162 | 5.77% | 7,761,375 | 5.54% | 5,241,000 | 5.55% | 5,824,000 | 5.55% | -1,591,000 | -1,008,000 |
| 50 | Fullerton | 7,732,000 | 6.47% | 8,290,008 | 6.48% | 9,327,265 | 6.66% | 6,299,000 | 6.66% | 6,998,000 | 6.66% | -1,433,000 | -734,000 |
| 05 | Hayward | 3,748,000 | 3.14% | 4,033,266 | 3.15% | 4,251,474 | 3.04% | 2,871,000 | 3.04% | 3,190,000 | 3.04% | -877,000 | -558,000 |
| 30 | Humboldt | 3,493,000 | 2.92% | 3,589,251 | 2.81% | 3,769,110 | 2.69% | 2,545,000 | 2.69% | 2,828,000 | 2.69% | -948,000 | -665,000 |
| 40 | Long Beach | 9,451,000 | 7.91% | 10,018,202 | 7.84% | 11,467,624 | 8.19% | 7,744,000 | 8.19% | 8,604,000 | 8.19% | -1,707,000 | -847,000 |
| 45 | Los Angeles | 8,552,000 | 7.15% | 9,555,287 | 7.47% | 10,320,738 | 7.37% | 6,969,000 | 7.37% | 7,744,000 | 7.37% | -1,583,000 | -808,000 |
| 06 | Maritime Academy | 142,000 | 0.12% | 141,507 | 0.11% | 161,539 | 0.12% | 109,000 | 0.12% | 121,000 | 0.12% | -33,000 | -21,000 |
| 07 | Monterey Bay | 1,188,000 | 0.99% | 1,052,122 | 0.82% | 1,403,717 | 1.00% | 948,000 | 1.00% | 1,053,000 | 1.00% | -240,000 | -135,000 |
| 70 | Northridge | 9,841,500 | 8.23% | 10,484,704 | 8.20% | 11,372,705 | 8.12% | 7,680,000 | 8.13% | 8,533,000 | 8.13% | -2,161,500 | -1,308,500 |
| 10 | Pomona | 6,487,000 | 5.43% | 7,289,553 | 5.70% | 7,660,594 | 5.47% | 5,173,000 | 5.47% | 5,748,000 | 5.47% | -1,314,000 | -739,000 |
| 60 | Sacramento | 7,828,000 | 6.55% | 8,143,520 | 6.37% | 8,931,804 | 6.38% | 6,032,000 | 6.38% | 6,702,000 | 6.38% | -1,796,000 | -1,126,000 |
| 63 | San Bernardino | 6,240,000 | 5.22% | 6,986,938 | 5.46% | 7,803,823 | 5.58% | 5,270,000 | 5.58% | 5,855,000 | 5.58% | -970,000 | -385,000 |
| 65 | San Diego | 9,475,000 | 7.93% | 9,771,132 | 7.64% | 10,532,469 | 7.52% | 7,112,000 | 7.52% | 7,903,000 | 7.53% | -2,363,000 | -1,572,000 |
| 75 | San Francisco | 8,513,000 | 7.12% | 9,073,072 | 7.10% | 9,968,390 | 7.12% | 6,732,000 | 7.12% | 7,479,000 | 7.12% | -1,781,000 | -1,034,000 |
| 80 | San Jose | 6,296,000 | 5.27% | 6,758,385 | 5.29% | 7,595,207 | 5.43% | 5,129,000 | 5.43% | 5,699,000 | 5.43% | -1,167,000 | -597,000 |
| 15 | San Luis Obispo | 3,649,000 | 3.05% | 4,016,173 | 3.14% | 4,258,821 | 3.04% | 2,876,000 | 3.04% | 3,195,000 | 3.04% | -773,000 | -454,000 |
| 68 | San Marcos | 2,184,000 | 1.83% | 2,170,781 | 1.70% | 2,493,716 | 1.78% | 1,684,000 | 1.78% | 1,871,000 | 1.78% | -500,000 | -313,000 |
| 85 | Sonoma | 1,804,000 | 1.51% | 1,809,111 | 1.42% | 1,938,723 | 1.39% | 1,309,000 | 1.39% | 1,455,000 | 1.39% | -495,000 | -349,000 |
| 90 | Stanislaus | 2,495,000 | 2.09% | 2,814,991 | 2.20% | 3,183,276 | 2.27% | 2,150,000 | 2.28% | 2,388,000 | 2.27% | -345,000 | -107,000 |
| | Total | 119,527,000 | 100.01% | 127,869,912 | 100.00% | 139,976,870 | 100.00% | 94,525,000 | 100.00% | 105,027,000 | 100.00% | -25,002,000 | -14,500,000 |

ATTACHMENT B

| ENROLLMENT | 2001/02 Funded Base | YRO Enrollment Adjustment | 4 Percent Targeted Growth | 2002/03 Funded Enrollment | SUF REVENUE | CSU Revised SUF Base Revenue B 01 - 04 | YRO and Enrollment Exchange Adjustment | 2002/03 Targeted 4% Growth | 2001/02 CSU Revenue Target | Budget Plan SUF Revenue | Budget Plan NRT Revenue |
|------------------------|------------------------|---------------------------------|---------------------------------|---------------------------------|------------------------|---|---|----------------------------------|----------------------------------|-------------------------------|----------------------------|
| Bakersfield | 5,855 | | 355 | 6,210 | Bakersfield | \$9,127,000 | | \$662,000 | \$9,789,000 | \$662,000 | 80,000 |
| Channel Islands | | | 320 | 320 | Channel Islands | 1,979,000 | | 634,000 | 2,613,000 | 634,000 | 0 |
| Chico | 14,250 | 240 | 95 | 14,585 | Chico | 21,470,000 | 371,000 | 171,000 | 22,012,000 | 542,000 | 304,000 |
| Dominguez Hills | 8,750 | | 270 | 9,020 | Dominguez Hills | 16,208,000 | | 611,000 | 16,819,000 | 611,000 | 121,000 |
| Fresno | 16,050 | | 540 | 16,590 | Fresno | 24,907,000 | | 1,099,000 | 26,006,000 | 1,099,000 | 583,000 |
| Fullerton | 22,388 | | 1,137 | 23,525 | Fullerton | 38,810,000 | | 2,957,000 | 41,767,000 | 2,957,000 | 1,030,000 |
| Hayward | 11,475 | | 220 | 11,695 | Hayward | 19,543,000 | | 334,000 | 19,877,000 | 334,000 | 767,000 |
| Humboldt | 7,450 | | 0 | 7,450 | Humboldt | 10,681,000 | | 434,000 | 11,115,000 | 434,000 | 234,000 |
| Long Beach | 25,145 | | 1,295 | 26,440 | Long Beach | 42,711,000 | | 2,009,000 | 44,720,000 | 2,009,000 | 1,178,000 |
| Los Angeles | 15,735 | | 710 | 16,445 | Los Angeles | 29,341,000 | | 1,304,000 | 30,645,000 | 1,304,000 | 548,000 |
| Maritime Academy | 825 | | 0 | 825 | Maritime Academy | 884,000 | | 32,000 | 916,000 | 32,000 | 62,000 |
| Monterey Bay | 3,010 | | 235 | 3,245 | Monterey Bay | 4,308,000 | | 327,000 | 4,635,000 | 327,000 | 54,000 |
| Northridge | 21,470 | | 1,705 | 23,175 | Northridge | 36,570,000 | 446,000 | 1,876,000 | 38,892,000 | 2,322,000 | 732,000 |
| Pomona | 16,400 | | 645 | 17,045 | Pomona | 27,583,000 | | 1,058,000 | 28,641,000 | 1,058,000 | 708,000 |
| Sacramento | 20,725 | | 1,095 | 21,820 | Sacramento | 34,207,000 | | 2,177,000 | 36,384,000 | 2,177,000 | 527,000 |
| San Bernardino | 12,300 | | 600 | 12,900 | San Bernardino | 21,157,000 | | 1,120,000 | 22,277,000 | 1,120,000 | 512,000 |
| San Diego | 26,254 | | 786 | 27,040 | San Diego | 43,332,000 | | 2,653,000 | 45,985,000 | 2,653,000 | 924,000 |
| San Francisco | 21,936 | | (230) | 21,706 | San Francisco | 37,205,000 | | 750,000 | 37,955,000 | 750,000 | 1,829,000 |
| San Jose | 20,625 | | 875 | 21,500 | San Jose | 36,019,000 | | 3,117,000 | 39,136,000 | 3,117,000 | 1,064,000 |
| San Luis Obispo | 16,205 | | 595 | 16,800 | San Luis Obispo | 24,579,000 | | 1,018,000 | 25,597,000 | 1,018,000 | 225,000 |
| San Marcos | 5,349 | | 61 | 5,410 | San Marcos | 9,108,000 | | 88,000 | 9,196,000 | 88,000 | 64,000 |
| Sonoma | 6,450 | | 225 | 6,675 | Sonoma | 10,180,000 | | 224,000 | 10,404,000 | 224,000 | 157,000 |
| Stanislaus | 5,978 | | 407 | 6,385 | Stanislaus | 8,333,000 | | 1,036,000 | 9,369,000 | 1,036,000 | 68,000 |
| Campus Total | 304,625 | 240 | 11,941 | 316,806 | Campus Total | \$508,242,000 | \$817,000 | \$25,691,000 | \$534,750,000 | \$26,508,000 | \$11,771,000 |
| CalStateTEACH | 616 | | 47 | 663 | Chancellor's Office | 1,547,000 | | (88,000) | 1,459,000 | (88,000) | |
| International Programs | 558 | | 42 | 600 | International Programs | 573,000 | | 96,000 | 669,000 | 96,000 | |
| Summer Arts | 55 | | | 55 | Summer Arts | 90,000 | | 106,000 | 196,000 | 106,000 | |
| Systemwide Provisions | | | | | Systemwide Provisions | | | | | | |
| CSU Total | 305,854 | 240 | 12,030 | 318,124 | CSU Total | \$510,452,000 | \$817,000 | \$25,805,000 | \$537,074,000 | \$26,622,000 | \$11,771,000 |