



THE CALIFORNIA STATE UNIVERSITY

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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

RODNEY M. RIDEAU
ACTING BUDGET DIRECTOR
BUSINESS AND FINANCE
(562) 951-4560

Code Memorandum: B 02-03
Date of Transmittal: August 8, 2002

DUE DATE for Budget Submissions:

AUGUST 26, 2002

TO: Chief Financial Officers
FROM: Rodney Rideau
Subject: 2002/03 Preliminary Final Budget Allocations

It is currently anticipated that the state will not enact a Final Budget for the 2002/03 fiscal year until September. To facilitate CSU planning and budget development for the 2003/04 fiscal year, this memorandum provides preliminary Final Budget allocations to campuses for 2002/03 with the expectation that campuses will submit detailed FIRMS budget data corresponding to these allocations no later than August 26, 2002.

The allocations made in this memorandum reflect budget decisions enacted by the state Senate, which have been forwarded to the state Assembly for appropriate legislative action. At this time, it is not anticipated that the Assembly action on the budget will be significantly different than the actions taken by the state Senate. Consequently, campuses are encouraged to submit FIRMS data associated with 2002/03 budget adjustments and increases in the program and subprogram areas where expenditures are most likely to occur. Data should also be entered with appropriate object codes that will enable the central office to provide the most accurate explanation of campus budget and expenditure data in external reports typically requested by the legislature, the Legislative Analyst, and CSU constituencies.

Should there be changes in the CSU appropriation in the Final Budget that is enacted, campuses will be advised of the budget changes. If the changes are deemed insignificant, campuses will be notified that the Budget Office will make program and subprogram adjustments to their August 26 budget submissions. At that time, campuses may request that an alternate budget adjustment be made to address the budget change. If the appropriation changes are deemed significant, campuses will be notified of the changes and asked to make appropriate adjustments to their August 26th FIRMS budget submissions.

Preliminary Final Budget allocation details have already been posted to the Budget Office web site, and campus budget and financial staff have been able to review this information for 2002/03 budget planning purposes. The Preliminary Final Budget allocations provided in this memorandum only includes final adjustments for the State University Grant program that was not provided in the information currently available to campuses; therefore, the August 26 budget submission due date hopefully will not present a problem. If you think your campus will not be able to meet this target date, please advise Chris Canfield by calling the Budget Office at (562) 951-4560. Budget Office staff is also available to answer questions regarding the 2002/03 budget allocations provided in this memorandum.

Summary of Preliminary Final Budget Allocations

Campus Final Budget adjustments will be made in three specific categories: adjustments to 2002/03 Base Budgets, the net changes in 2002/03 budgeted expenditure increases, and adjustments in campus fee revenue and system office reimbursements. A summary of these adjustments is presented below.

SUMMARY	2002/03 Budget Year Adjustments			
	<i>General Fund Base Budget Adjustments</i>	<i>General Fund Budget Plan Adjustments</i>	<i>SUF Revenue Increase</i>	<i>Nonresident Tuition and Reimbursements Adjustments</i>
Bakersfield	\$381,200	\$3,024,000	\$662,000	\$80,000
Channel Islands	5,205,500	2,325,500	634,000	0
Chico	353,400	4,280,000	542,000	304,000
Dominguez Hills	554,000	3,954,000	611,000	121,000
Fresno	472,600	4,567,000	1,099,000	583,000
Fullerton	1,911,600	8,986,000	2,957,000	1,030,000
Hayward	562,000	1,935,000	334,000	767,000
Humboldt	231,800	833,000	434,000	234,000
Long Beach	1,900,000	10,437,000	2,009,000	1,178,000
Los Angeles	441,600	5,116,000	1,304,000	548,000
Maritime Academy	28,800	221,000	32,000	62,000
Monterey Bay	316,600	1,899,000	327,000	54,000
Northridge	(3,724,300)	12,672,500	2,322,000	732,000
Pomona	1,009,200	5,418,000	1,058,000	708,000
Sacramento	443,800	7,940,000	2,177,000	527,000
San Bernardino	810,000	5,280,000	1,120,000	512,000
San Diego	(191,000)	6,891,000	2,653,000	924,000
San Francisco	2,200	229,000	750,000	1,829,000
San Jose	1,229,000	5,275,000	3,117,000	1,064,000
San Luis Obispo	1,080,200	5,175,000	1,018,000	225,000
San Marcos	367,600	2,616,000	88,000	64,000
Sonoma	442,800	2,272,000	224,000	157,000
Stanislaus	228,400	2,816,000	1,036,000	68,000
Campus Total	\$14,057,000	\$104,162,000	\$26,508,000	\$11,771,000
Chancellor's Office	(8,672,800)	1,070,000	(88,000)	0
International Programs	0	211,000	96,000	0
Summer Arts	0	0	106,000	0
Systemwide Provisions	(65,316,200)	27,344,000	0	(840,000)
CSU Total	(\$59,932,000)	\$132,787,000	\$26,622,000	\$10,931,000

The 2002/03 Base Budget is the Final Budget as submitted by campuses to the Budget Office in response to coded memorandum B 01-04. Adjustments to the 2002/03 Base Budget include the following General Fund and Fee Revenue Changes:

- \$-14.5 million in State University Grant funding
- \$-10.3 million in budget adjustments for CSU Lease Bond Payments
- \$-38.6 million in budget reductions associated with natural gas rates
- \$-300,000 reduction or one-time State funded campus initiatives
- \$84.2 million adjustment for increase in PERS retirement contributions
- \$1 million adjustment for increase in CSU annuitant dental benefit rates
- \$43.6 million reduction in State initiatives for in-state and out-of-state teacher recruitment, teacher education technology training, teaching fellowships, and community service learning course development
- \$1.3 million transfer of marginal cost base enrollment funding to Systemwide Provisions for 2002/03 enrollment growth funding
- *\$1.4 million in funding shifts for CSU campus and system office initiatives (nets to \$0.00)*

2002/03 General Fund Budget Plan Adjustments are determined by taking all budget year expenditure increases allocated for 2002/03 and subtracting CSU projected State University Fee revenue and Nonresident Tuition Fee revenue increases. An adjustment has also been made in Systemwide Provisions to reflect changes in CSU reimbursements for Lease Bond Payments.

The CSU calculation for State University Fee revenue increases is consistent with the methodology used in prior year allocations. The Budget Office uses its revenue base of full-time equivalent enrollment and headcount and determines fee revenue increases based on campus enrollment growth targets, changes in student regular and limited fee-paying status, changes in mandatory fee waivers, and budget year fee rates. The increase determined by the Budget Office is then added to the State University Fee total campuses reported in their budget submissions in response to B 01-04. Campuses may change the CSU projection of State University Fee revenue; however, any change in revenue must have a corresponding change in campus expenditures so that the total level of budgeted General Fund support remains unchanged.

The estimate of campus Nonresident Tuition fee revenue increase is based on a 15% increase in the Academic Year fee approved by the Board of Trustees in May 2002. The CSU calculation takes budgeted nonresident tuition revenue included in campuses submissions in response to B 01-04 and divides the total by the 2001/02 Nonresident Tuition Academic Year fee rate of \$7,480 to derive a full-time equivalent student base. The FTES total is then multiplied by the new Academic Year Nonresident Tuition fee rate to derive the CSU revenue projection. This total is subtracted from the campuses' budgeted revenue for 2001/02 to obtain the revenue increase estimated used in the budget plan for 2002/03. Although the fee rate approved by the Board of Trustees is effective with the Fall 2002 academic term, the CSU projection of revenue is based on projected FTES enrollment for the entire college year. This methodology is used to reflect fee revenue that would be collected in the succeeding year's summer term which is offset by unidentified (and therefore unbudgeted) nonresident enrollment growth in the budget year.

The Nonresident Tuition fee increase determined by the Budget Office is then added to the Other Receipts revenue total campuses reported in their budget submissions in response to B 01-04. Campuses may change the CSU projection of Nonresident Tuition Fee revenue growth; however, any change in revenue must have a corresponding change in campus expenditures so that the total level of budgeted General Fund support remains unchanged.

The change in reimbursements for CSU Lease Bond Payments and associated administrative and insurance fees is determined by the State. Adjustments made to CSU Lease Bond Payments do not affect funding available for campus budget allocations.

Base Budget Adjustments

Adjustments to campuses' 2002/03 Base Budget are identified on the following table.

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	One-Time Reduction	Total Final Budget Base Adjustments
Bakersfield	(\$264,000)	\$1,637,000	(\$179,000)		\$8,000	(\$820,800)	\$381,200
Channel Islands	84,500	570,000	(50,000)	5,000,000		(399,000)	5,205,500
Chico	(1,135,000)	3,907,000	(701,000)			(1,717,600)	353,400
Dominguez Hills	(425,000)	2,381,000	(376,000)			(1,026,000)	554,000
Fresno	(1,008,000)	4,426,000	(1,513,000)	650,000		(2,082,400)	472,600
Fullerton	(734,000)	5,277,000	(283,000)			(2,348,400)	1,911,600
Hayward	(558,000)	3,114,000	(702,000)			(1,292,000)	562,000
Humboldt	(665,000)	2,386,000	(437,000)		8,000	(1,060,200)	231,800
Long Beach	(847,000)	6,606,000	(940,000)	(115,000)	8,000	(2,812,000)	1,900,000
Los Angeles	(808,000)	3,720,000	(643,000)		8,000	(1,835,400)	441,600
Maritime Academy	(21,000)	382,000	(108,000)			(224,200)	28,800
Monterey Bay	(135,000)	1,336,000	(197,000)		8,000	(695,400)	316,600
Northridge	(1,308,500)	5,771,000	(683,000)	(5,000,000)	8,000	(2,511,800)	(3,724,300)
Pomona	(739,000)	4,651,000	(885,000)			(2,017,800)	1,009,200
Sacramento	(1,126,000)	4,703,000	(781,000)			(2,352,200)	443,800
San Bernardino	(385,000)	3,084,000	(502,000)			(1,387,000)	810,000
San Diego	(1,572,000)	7,340,000	(2,889,000)		8,000	(3,078,000)	(191,000)
San Francisco	(1,034,000)	5,791,000	(1,211,000)	(1,325,000)	8,000	(2,226,800)	2,200
San Jose	(597,000)	5,746,000	(2,026,000)	500,000		(2,394,000)	1,229,000
San Luis Obispo	(454,000)	4,466,000	(838,000)			(2,093,800)	1,080,200
San Marcos	(313,000)	1,671,000	(189,000)		8,000	(809,400)	367,600
Sonoma	(349,000)	2,048,000	(413,000)		8,000	(851,200)	442,800
Stanislaus	(107,000)	1,756,000	(604,000)		8,000	(824,600)	228,400
Campus Total	(\$14,500,000)	\$82,769,000	(\$17,150,000)	(\$290,000)	\$88,000	(\$36,860,000)	\$14,057,000
Chancellor's Office	(9,000,000)	1,372,000	(23,000)	206,200	(88,000)	(1,140,000)	(8,672,800)
International Programs						0	0
Summer Arts						0	0
Systemwide Provisions	(28,077,000)	104,000	(2,827,000)	(34,516,200)		0	(65,316,200)
CSU Total	(\$51,577,000)	\$84,245,000	(\$20,000,000)	(\$34,600,000)	\$0	(\$38,000,000)	(\$59,932,000)

The One-Time Appropriations and Base Adjustments reflect the following:

- Permanent General Fund reduction of \$14.5 million previously provided by the state for the CSU institutional State University Grant financial aid program. This action leaves a grant base of \$105,027,000, which is comprised of General Fund and State University Fee revenue.
- Elimination of \$9 million provided in 2001/02 for in-state and out-of-state teacher recruitment. These funds were administered by the CalTEACH program, which will retain its \$2 million funding base to continue general program services.
- 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 Provisions budget in 2002/03. This is a separate action from the one-time reductions made in campuses budgets during fiscal year 2001/02.

Additionally, the 2002/03 budget includes a \$20 million permanent reduction in General Fund support to reflect the state's estimate of CSU saving from continuing reductions in natural gas rates (as shown in the fourth column on the Base Budget Adjustments summary table). Of this amount, the state previously appropriated \$15.5 million to CSU of which \$2.8 million was needed for actual increases in gas rate costs. Consequently, \$12.7 million of the \$20 million reduction is associated with the savings in appropriated funding and the remaining \$7.3 million is an unallocated reduction in campuses and system office budgets.

- A \$10.3 million shift in funding sources used to pay CSU Lease Revenue Bond debt service. This adjustment does not affect appropriations to the campuses or system offices for general operations or student access to instructional services.

- Elimination of \$200,000 in one-time funding for CSUPERB-Pasadena biotechnology and the elimination of \$100,000 in one-time funding provided for a Labor Arts Exhibit administered through CSU San Francisco.

Other base budget adjustments include the allocation of an \$84.2 million permanent General Fund appropriation to cover increases in CSU employer paid contributions to the PERS retirement program. The State has a long-standing history of funding increases in CSU costs for the retirement program. CSU also lost funding previously appropriated for community service learning course development (\$1.1 million that was originally scheduled to end after the 2003/04 budget year), the Governor's Teaching Fellowship program (\$21 million which was redirected to the state's APLE teaching incentive program), and education technology teacher training (\$12.5 million which was eliminated and left to K-12 schools discretionary use of their funds for continuation).

Enrollment targets and base budget funding were adjusted at the CSU, San Francisco campus, as well as at the CSU, Northridge campus to reflect the transfer of off-campus center enrollment to the CSU, Channel Islands campus. Other campus adjustments include the redirection of funds previously provided for a trustees' professorship at CSU Long Beach (\$115,000) to Systemwide Provisions, and permanent General Fund appropriations to CSU, Fresno and CSU, San Jose for state-funded economic development in the central valley (\$650,000) and applied research in marine studies (\$500,000), respectively. Funds have been redirected from Systemwide Provisions to cover cost increases in University Advancement and Human Resources program services (\$206,200).

As part of the state's economic recovery package to deal with the budget shortfall in 2002/03, CSU has also been required to take a \$43 million one-time reduction in its budget year support. Of this amount, \$5 million will be realized by eliminating the \$5 million allocation included in the budget plan to purchase equipment required as part of the telecommunications infrastructure build out component of the CSU long-term technology initiative. The campus share of the remaining \$38 million has been allocated a pro-rata share of their General Fund appropriations. A fixed cost share of the \$38 million was assigned to the Systemwide Provisions budget before the campus and Chancellor's Office reductions were made. The Budget Office will monitor campus budget submissions for building maintenance, libraries, information technology and instructional equipment, which represent the areas in which the legislature intends budget reductions to be made.

Budget Plan Increases

Budget plan increases for fiscal year 2002/03 reflect expenditures approved by the Board of Trustees at their October 2001 meeting, which have been modified to reflect appropriations included in the Governor's Budget and May Revision of the Budget, and any adjustments that were made in the budget approved by the state Senate in June 2002. The budget plan will be modified again, if necessary, to reflect any changes that occur in the Final Budget.

Increases in expenditures have been approved in the following areas: CSU employer paid health benefits premiums, costs associated with new facility space, CSU offsets for campus-paid property insurance premiums, 1.5% of negotiated compensation increases for CSU bargaining units and compensation increases paid to non-union employees, enrollment adjustments, year round conversions, and 5% targeted growth at full marginal cost rates, adjustments in campus State University Grant funding based on a pro-rata distribution of need, and special initiative funding to reflect expenditure increases for CSU, Channel Islands and Summer Arts revenue not included in the system budget plan, the CSU contribution to the cost of the eligibility study underway at the California Postsecondary Education Commission, and General Fund and Reimbursed revenue used to pay CSU Lease Bond Payments.

The central office will also provide a one-time allocation to campuses to offset the increased cost of health benefits premium rates that occur between the January 1 and June 30 timeframe and that are budgeted for full-year costs in the CSU budget plan. Campuses may use these one-time funds to restore funding redirected from other programs to address 2001/02 premium costs or to offset premium increases that will become effective January 1, 2003. The total available for the one-time allocations is \$4.3 million, which will be allocated to campuses on a pro-rata basis of actual employer-paid health benefit premium expenditures in fiscal year 2000/01. Campuses are also reminded that they have potential budget exposure in 2002/03 from increases in electricity rates and the costs of negotiated compensation agreements that exceed budgeted allocations. The level of exposure will vary by campus and it will be the responsibility of each campus to cover these cost obligations.

Budget Plan expenditures have been allocated by campus in the following areas:

- **Mandatory Cost Obligations**

Mandatory Cost obligations represent CSU funding commitments or contractual costs that cannot be terminated. These costs typically include increases in areas such as employer-paid health benefit premiums, the opening of new facility space, and full-year compensation costs. Mandatory Costs receive first priority in CSU budget plan expenditures. Mandatory Cost allocations for 2002/03 are shown on the following table.

Budget Plan Increases	Mandatory Costs			
	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
Chancellor's Office		116,000		
International Programs				
Summer Arts				
Systemwide Provisions	5,023,000	1,715,000	2,000	1,580,000
CSU Total	\$5,023,000	\$10,482,000	\$9,720,000	\$1,580,000

As previously discussed, campuses will be allocated \$4.4 million of the funds set aside for January 1 through June 30 benefit premium increases. The campus allocations will be based on actual 2000/01 expenditures for health benefits. Campus allocations for the one-time funding will be provided through a separate allocation order issued by Budget Administration for fiscal year 2002/03. The remaining funds held by the central office will be used to address additional costs in 2002/03 as required.

Permanent allocations to campuses for the continuing costs of 2001/02 health benefit premium increases and the opening of new facility space in 2002/03 is based on actual 2000/01 health benefit expenditures and \$6.45 per square foot of new space.

Campuses will receive their allocation of funds for property insurance premiums through reduced premium charges requested from the Office of Risk Management. CSU property insurance premiums insure all state and non-state buildings at CSU, with a \$100,000 deductible per covered incident. The aggregate systemwide premium cost in 2001/02 was \$3.4 million. When added to the funding provided in 2001/02 to offset premium costs, the total offset of property insurance costs in 2002/03 is \$2.2 million.

- **Compensation**

Compensation funding for fiscal year 2002/03 is equivalent to a 1.5% increase in salary and related

benefits costs. Agreements negotiated with CSU collective bargaining units and commitments made to non-represented employees exceed the compensation funding included in the budget. Campuses and the Chancellor's Office will absorb these costs obligations for faculty (\$2.4 million) and non-faculty (\$1.9 million) employees in 2002/03. The allocation of the \$33.6 million funded compensation increase for 2002/03 is based on actual 2000/01 salary and wage expenditures, and are shown on the table that follows.

Campuses have received joint technical letters from CSU Human Resources and Business and Finance that provide the terms of all contractual funding obligations negotiated for CSU employees. Questions concerning the technical letter should be directed to Human Resources staff at (562) 951-4455 or Chris Canfield in the Budget Office at (562) 951-4560.

- **Enrollment, State University Grants and Fee Revenue**

The CSU enrollment target for the 2002/03 college year, 321,132 FTES, reflects 5% growth over 2001/02 enrollment targets and 240 FTES for summer year round operations conversion at the CSU, Chico campus. The state has provided funding for this level of enrollment growth at the full marginal cost rate of \$7,715 per FTES. CSU allocates this enrollment funding to campuses at the rate of \$7,306 per FTES for expenditure growth in instructional services. The remaining marginal cost appropriations of \$409 per FTES has been used to budget plan costs indirectly related to the cost of services that preserve student access.

The enrollment table presented on the following page shows campus FTES targets and the expenditure increases associated with that growth. Enrollment funding at \$409 per FTES at CSU, Chico is included in this display to reflect the CSU practice of providing the first year of State University Grant financial aid funding directly to campuses converting to state-supported summer programs. This funding allows campuses to address eligible students financial need that would not be reflected in the past year reported data used for systemwide allocations.

Funding in the amount of \$19.5 million is being retained as a systemwide provision until CSU reported fall term enrollment data has been submitted by campuses and analyzed by CSU Academic Research staff. The allocation of this enrollment funding will be determined on the basis of the Fall 2002 enrollment data and campus estimates of college year growth. This funding represents marginal cost funding for 3,008 FTES, or 1% growth over the 2001/02 college year.

Campus State University Grant funding has also been adjusted to reflect need based on campus enrollment targets and reported financial aid data for 2001/02. These adjustments should be added to campus State University Grant base budget reduction to determine the total State University Grant change for 2002/03 (additional adjustments are required at CSU, San Francisco for the change in its base budget enrollment target and CSU, Chico for its conversion to state-supported year round operations to determine the total change). Questions regarding campus State University Grant adjustments should be directed to Mary Robinson at (562) 951-4737.

Budget Plan Increases	Compensation
Bakersfield	\$634,000
Channel Islands	76,000
Chico	1,578,000
Dominguez Hills	930,000
Fresno	1,801,000
Fullerton	2,042,000
Hayward	1,263,000
Humboldt	975,000
Long Beach	2,560,000
Los Angeles	1,722,000
Maritime Academy	156,000
Monterey Bay	481,000
Northridge	2,342,000
Pomona	1,846,000
Sacramento	2,054,000
San Bernardino	1,206,000
San Diego	2,906,000
San Francisco	2,207,000
San Jose	2,248,000
San Luis Obispo	1,915,000
San Marcos	618,000
Sonoma	796,000
Stanislaus	701,000
Campus Total	\$33,057,000
Chancellor's Office	516,000
International Programs	
Summer Arts	
Systemwide Provisions	
CSU Total	\$33,573,000

Budget Plan Increases	ENROLLMENT			SUG Adjustments
	YRO/Enr. Redirection		5% Targeted Growth	
	<i>Campus Enrollment</i>	<i>System SUG Pool</i>	<i>Campus Enrollment</i>	
Bakersfield			\$2,594,000	\$67,000
Channel Islands			2,338,000	181,500
Chico	1,754,000	98,000	694,000	113,000
Dominguez Hills			1,973,000	397,000
Fresno			3,945,000	14,000
Fullerton			8,307,000	(3,000)
Hayward			1,607,000	(123,000)
Humboldt			0	196,000
Long Beach			9,461,000	157,000
Los Angeles			5,187,000	(364,000)
Maritime Academy			0	(13,000)
Monterey Bay			1,717,000	(40,000)
Northridge	1,680,000		10,776,000	39,500
Pomona			4,712,000	(55,000)
Sacramento			8,000,000	35,000
San Bernardino			4,384,000	45,000
San Diego			5,743,000	115,000
San Francisco			0	(98,000)
San Jose			6,393,000	(334,000)
San Luis Obispo			4,347,000	(277,000)
San Marcos			446,000	22,000
Sonoma			1,644,000	(12,000)
Stanislaus			2,974,000	(63,000)
Campus Total	\$3,434,000	\$98,000	\$87,242,000	\$0
Chancellor's Office			343,000	
International Programs			307,000	
Summer Arts				
Systemwide Provisions	(1,634,000)	(98,000)	19,515,000	
CSU Total	\$1,800,000	\$0	\$107,407,000	\$0

ENROLLMENT	2001/02 Funded Base	YRO and Campus Enrollment Adjustments	5 Percent Targeted Growth	2002/03 Funded Enrollment	State University Fee Revenue				
					CSU Revised SUF Base Revenue B 01 - 04*	YRO and Enrollment Exchange Adjustment	2002/03 Targeted 5% Growth**	2001/02 CSU Revenue Target	Budget Plan Nonresident Tuition Revenue
Bakersfield	5,855		355	6,210	\$9,127,000		\$662,000	\$9,789,000	80,000
Channel Islands		1,000	320	1,320	1,979,000		634,000	2,613,000	0
Chico	14,250	240	95	14,585	21,470,000	371,000	171,000	22,012,000	304,000
Dominguez Hills	8,750		270	9,020	16,208,000		611,000	16,819,000	121,000
Fresno	16,050		540	16,590	24,907,000		1,099,000	26,006,000	583,000
Fullerton	22,388		1,137	23,525	38,810,000		2,957,000	41,767,000	1,030,000
Hayward	11,475		220	11,695	19,543,000		334,000	19,877,000	767,000
Humboldt	7,450		0	7,450	10,681,000		434,000	11,115,000	234,000
Long Beach	25,145		1,295	26,440	42,711,000		2,009,000	44,720,000	1,178,000
Los Angeles	15,735		710	16,445	29,341,000		1,304,000	30,645,000	548,000
Maritime Academy	825		0	825	884,000		32,000	916,000	62,000
Monterey Bay	3,010		235	3,245	4,308,000		327,000	4,635,000	54,000
Northridge	21,470	(1,000)	1,705	22,175	36,570,000	446,000	1,876,000	38,892,000	732,000
Pomona	16,400		645	17,045	27,583,000		1,058,000	28,641,000	708,000
Sacramento	20,725		1,095	21,820	34,207,000		2,177,000	36,384,000	527,000
San Bernardino	12,300		600	12,900	21,157,000		1,120,000	22,277,000	512,000
San Diego	26,254		786	27,040	43,332,000		2,653,000	45,985,000	924,000
San Francisco	21,936		(230)	21,706	37,205,000		750,000	37,955,000	1,829,000
San Jose	20,625		875	21,500	36,019,000		3,117,000	39,136,000	1,064,000
San Luis Obispo	16,205		595	16,800	24,579,000		1,018,000	25,597,000	225,000
San Marcos	5,349		61	5,410	9,108,000		88,000	9,196,000	64,000
Sonoma	6,450		225	6,675	10,180,000		224,000	10,404,000	157,000
Stanislaus	5,978		407	6,385	8,333,000		1,036,000	9,369,000	68,000
Campus Total	304,625	240	11,941	316,806	\$508,242,000	\$817,000	\$25,691,000	\$534,750,000	\$11,771,000
CalStateTEACH	616		47	663	1,547,000		(88,000)	1,459,000	
International Programs	558		42	600	573,000		96,000	669,000	
Summer Arts	55			55	90,000		106,000	196,000	
Systemwide Provisions				3,008					
CSU Total	305,854	240	12,030	321,132	\$510,452,000	\$817,000	\$25,805,000	\$537,074,000	\$11,771,000

* Adjustments were made to BO 01-04 base revenue to reflect enrollment adjustments at CSU, Northridge, Channel Islands and San Francisco.

** Revenue calculations for the 1% enrollment growth held in Systemwide Provisions have not been made pending actual enrollment allocations.

Budget plan revenue used to offset the cost of expenditure growth and determine campus General Fund allocations include increases in State University Fee revenue related to enrollment adjustments, enrollment growth, and changes in the fee-paying status of students from 1999/2000 to 2000/01, as well as projected revenue from a 15% increase in Nonresident Tuition fee rates. State University Fee revenue adjustments are based on the conversion of targeted FTES into headcount and student mix for fee-paying purposes proportional to the most recent reported college-year enrollment data. Projections for revenue from the 15% increases in Nonresident Tuition fee revenue is based on FTES conversion based on campus reported revenue in their 2001/02 Final Budget submissions to the budget office. The FTES derived from this calculation was multiplied against the new Nonresident Tuition Academic Year fee rate to obtain a total revenue projection. Campus reported revenue was subtracted from this calculation to determine the fee revenue increase associated with the increases in fee rates. Questions concerning the calculation of fee revenue used in the 2002/03 budget plan should be directed to Alex Porter at (562) 951-4560.

• **Special Initiatives Funding**

The budget for 2002/03 also includes funding recognition for special actions that must be taken during the budget year. The enrollment agreement with CSU, Channel Islands stipulates that revenue associated with enrollment would remain at the new campus. Consequently, revenue from enrollment adjustments at the campus not used in the expenditure allocations for enrollment (\$241,000) is recognized as discretionary expenditure growth at the campus. Additionally, revenue associated with increased enrollments not exceeding budgeted targets (\$106,000) in the Summer Arts program is recognized as expenditure growth in fiscal year 2002/03. The budget for Academic Affairs at the Chancellor's Office has been increased (\$7,000) to recognize additional funding provided by the state to cover costs associated with the eligibility study underway at the California Postsecondary Education Commission. The budget for Systemwide Provisions also reflects a net increase of

\$401,000 to recognize expenditure growth in costs associated with Lease Bond Payments and annuitant dental benefits.

The following attachments are included with this memorandum:

- Attachment A: 2003/04 Budget Plan Expenditure Increases
- Attachment B: Summary of Gross Expenditure Change Budgeted for 2003/04
- Attachment C: 2002/03 Final State University Grant Allocations

The CSU Budget Office is prepared to answer or direct for appropriate response any questions regarding information included in this memorandum. The Budget Office can be reach by telephoning (562) 951-4560.

ATTACHMENTS