



THE CALIFORNIA STATE UNIVERSITY

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Code Memorandum: B 02-07
Date of Transmittal: December 19, 2002

TO: Chief Financial Officers
FROM: Patrick J. Lenz
Assistant Vice Chancellor, Budget Development

SUBJECT: 2002/03 Mid-Year Budget Adjustments and Revised Campus Allocations

The Board of Trustees and CSU campus presidents have received notice of budget actions proposed by the Governor to start to address a budget deficit in California estimated to be between \$20 and \$30 billion. The Governor's initial action addresses the \$750 million in provisional budget cuts required as part of the 2002 Budget Act and a total of \$10.2 billion in General Fund savings proposed over the 2002/03 and 2003/04 fiscal years. The Governor has identified additional budget savings at the California State University in the amount of \$59,634,000 as part of the university's total share of the two-year reduction package.

The Governor has convened a special session of the legislature to address the mid-year budget reduction proposals. The special session is expected to begin in January. In anticipation of the critical decisions that will be required to get the state's budget balanced, the CSU Board of Trustees has approved an increase in student fee rates that will generate \$30 million in revenue. The board approved resolution for a 10 percent increase in undergraduate fee rates and a 15 percent increase in graduate fee rates is premised on the assurance that there will be a dollar for dollar increase in financial aid grants to cover the cost for eligible students with need. Taking one-third of the increased fee revenue, \$10 million, and allocating it as CSU State University Grant aid to CSU campuses, will meet this assurance.

The following actions will be implemented immediately:

- (1) Campuses 2002/03 General Fund Receipts will be increased to reflect a \$30,001,000 in State University Fee revenue;
- (2) Campuses General Fund base budgets will be reduced by an amount equivalent to one-third of their additional CSU State University Fee revenue projection; and,

ATTACHMENTS

Distribution:
Vice Presidents for Administration
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Chief Enrollment Management Officers
Chief Academic Resource Planners

- (3) Campus State University Grant budgets will be increased by amounts identified on Attachment B prepared by Dr. Mary Robinson, CSU Student Academic Support.

Supplemental allocations of State University Grant funds are to be used first to increase the existing SUG awards to eligible students by the amount of the increase in the State University Fee assessed those students and next to provide SUG awards in an amount equal to the increase in the State University Fee assessed of eligible students who are not currently receiving a SUG award for 2002-03. Since current year Cal Grant fee awards will be increased for Cal Grant recipients to cover the fee increase, CSU campuses need not provide SUG funds to students whose Cal Grant awards include coverage of the full amount of the applicable winter and spring term State University Fees.

Campus pro-rata allocation of \$59.6 million in General Fund reductions, which reflect the CSU mid-year budget reductions proposed by the Governor, are provided on Attachment C. These allocations are provided for campus planning purposes pending action by the Department of Finance and/or the state Legislature.

Questions regarding campus State University Fee revenue projections, the one-third set aside for financial aid or the campus pro-rata reductions should be directed to Budget Office staff at (562) 951-4559. Questions regarding increases in campus State University Grant budgets should be directed to Dr. Mary Robinson at (562) 951-4737.

ATTACHMENT A

Campus Revised 2002/03 Revenue Projection based on a 10% increase in Undergraduate Fee Rates and a 15% Increase in Graduate Fee Rates

	(A)	(B)	(C)	(D)	(E)	(F)
	B 02-07 SUF Revenue*	B 02-06 SUF Revenue	Annualized 2002/03 Revenue Increase (A) - (B)	Half-Year 2002/03 Budgeted Revenue Increase	One-Third Financial Aid Set-Aside** (D) / 3	CSU Financial Aid Allocation for SUGs***
Bakersfield	\$10,962,000	\$9,848,000	\$1,114,000	\$557,000	\$186,000	\$261,000
Channel Islands	2,931,000	2,613,000	318,000	159,000	53,000	55,000
Chico	24,466,000	22,106,000	2,360,000	1,180,000	393,000	409,000
Dominguez Hills	19,408,000	17,344,000	2,064,000	1,032,000	344,000	419,000
Fresno	29,051,000	26,165,000	2,886,000	1,443,000	481,000	579,000
Fullerton	46,925,000	42,261,000	4,664,000	2,332,000	777,000	629,000
Hayward	22,275,000	19,997,000	2,278,000	1,139,000	380,000	379,000
Humboldt	12,305,000	11,115,000	1,190,000	595,000	198,000	254,000
Long Beach	49,901,000	44,991,000	4,910,000	2,455,000	818,000	828,000
Los Angeles	34,613,000	31,035,000	3,578,000	1,789,000	596,000	653,000
Maritime Academy	1,016,000	922,000	94,000	47,000	16,000	10,000
Monterey Bay	5,149,000	4,658,000	491,000	245,500	82,000	92,000
Northridge	43,887,000	39,517,000	4,370,000	2,185,000	728,000	960,000
Pomona	32,094,000	29,012,000	3,082,000	1,541,000	514,000	655,000
Sacramento	40,665,000	36,604,000	4,061,000	2,030,500	677,000	664,000
San Bernardino	25,390,000	22,746,000	2,644,000	1,322,000	441,000	598,000
San Diego	51,320,000	46,261,000	5,059,000	2,529,500	843,000	700,000
San Francisco	42,496,000	38,185,000	4,311,000	2,155,500	719,000	564,000
San Jose	43,871,000	39,363,000	4,508,000	2,254,000	751,000	468,000
San Luis Obispo	28,424,000	25,750,000	2,674,000	1,337,000	446,000	299,000
San Marcos	10,660,000	9,601,000	1,059,000	529,500	177,000	156,000
Sonoma	11,601,000	10,468,000	1,133,000	566,500	189,000	141,000
Stanislaus	10,477,000	9,420,000	1,057,000	528,500	176,000	253,000
Campus Total	\$599,887,000	\$539,982,000	\$59,905,000	\$29,952,500	\$9,985,000	\$10,026,000
Int'l Programs	669,000	669,000	0	0	0	
CalStateTEACH	1,680,000	1,459,000	221,000	110,500	37,000	
Summer Arts	220,000	196,000	24,000	12,000	4,000	
Grand Total	\$602,456,000	\$542,306,000	\$60,150,000	\$30,075,000	\$10,026,000	\$10,026,000

* With 10% Undergraduate and 15% Graduate/Postbaccalaureate State University Fee Rate Increase effective Winter 2002.

** Will be reflected as General Fund base budget reduction

*** Will be reflected as State University Grant General Fund increase.

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2002/03 Mid-Year Budget Adjustments and Revised Campus Allocations

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ATTACHMENT B

Campus Revised 2002/03 State University Grant Allocations

Campus	2002/03 Allocation from Final Budget		Revised 2002/03 Allocations To Reflect Mid-Year Fee Increase						Change from Final 2002/03 Allocation
	Dollars	Pct	2001/02 Final Database		W/ Enrollment & Fee Changes		Revised Alloc. Dec.2002		
			Dollars	Pct	Dollars	Pct	Dollars	Pct	
Bakersfield	2,579,000	2.46%	3,494,262	2.43%	3,567,450	2.47%	2,840,000	2.47%	261,000
Channel Islands	567,000	0.54%	592,171	0.41%	781,165	0.54%	622,000	0.54%	55,000
Chico	4,718,000	4.49%	6,640,226	4.62%	6,440,285	4.46%	5,127,000	4.46%	409,000
Dominguez Hills	4,545,000	4.33%	6,142,183	4.27%	6,235,202	4.31%	4,964,000	4.32%	419,000
Fresno	5,838,000	5.56%	8,024,656	5.58%	8,060,907	5.58%	6,417,000	5.58%	579,000
Fullerton	6,995,000	6.66%	9,574,685	6.66%	9,577,008	6.63%	7,624,000	6.63%	629,000
Hayward	3,067,000	2.92%	4,353,398	3.03%	4,328,372	2.99%	3,446,000	3.00%	379,000
Humboldt	3,024,000	2.88%	3,923,830	2.73%	4,117,346	2.85%	3,278,000	2.85%	254,000
Long Beach	8,761,000	8.34%	12,176,171	8.47%	12,045,405	8.33%	9,589,000	8.33%	828,000
Los Angeles	7,380,000	7.03%	10,071,574	7.00%	10,091,431	6.98%	8,033,000	6.98%	653,000
Maritime Academy	108,000	0.10%	139,881	0.10%	148,311	0.10%	118,000	0.10%	10,000
Monterey Bay	1,013,000	0.96%	1,213,921	0.84%	1,387,811	0.96%	1,105,000	0.96%	92,000
Northridge	8,759,000	8.34%	12,322,150	8.57%	12,209,179	8.45%	9,719,000	8.45%	960,000
Pomona	5,693,000	5.42%	7,956,217	5.53%	7,974,423	5.52%	6,348,000	5.52%	655,000
Sacramento	6,737,000	6.41%	9,037,121	6.28%	9,297,520	6.43%	7,401,000	6.43%	664,000
San Bernardino	5,900,000	5.62%	8,153,962	5.67%	8,162,716	5.65%	6,498,000	5.65%	598,000
San Diego	8,018,000	7.63%	11,217,964	7.80%	10,950,899	7.58%	8,718,000	7.58%	700,000
San Francisco	7,381,000	7.03%	9,836,425	6.84%	9,980,630	6.91%	7,945,000	6.91%	564,000
San Jose	5,365,000	5.11%	7,319,110	5.09%	7,327,532	5.07%	5,833,000	5.07%	468,000
San Luis Obispo	2,918,000	2.78%	4,103,291	2.85%	4,041,485	2.80%	3,217,000	2.80%	299,000
San Marcos	1,893,000	1.80%	2,465,554	1.71%	2,573,282	1.78%	2,049,000	1.78%	156,000
Sonoma	1,443,000	1.37%	1,925,451	1.34%	1,989,594	1.38%	1,584,000	1.38%	141,000
Stanislaus	2,325,000	2.21%	3,134,710	2.18%	3,238,270	2.24%	2,578,000	2.24%	253,000
Total	105,027,000	99.99%	143,818,913	100.00%	144,526,223	100.00%	115,053,000	100.00%	10,026,000

ATTACHMENT C

Proposed CSU 2002/03 Mid-Year General Fund Reductions by Campus
(Provided for planning purposes only at this time)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	B 02-04 Final Budget General Fund Allocations*	One Percent Enrollment Adjustment Allocation	Revised B 02-04 Final Budget General Fund Allocations	Pro-Rata Share of GF Budget (note**)	\$59,634,000 Mid Year Reduction (note***)	Net State Univ. Fee Income Offset	CSU Projected Mid-Year Revenue Loss
Bakersfield	\$53,626,200	\$240,000	\$53,866,200	2.16%	(\$1,288,100)	\$371,000	(\$917,100)
Channel Islands	27,905,000	0	27,905,000	1.06%	(632,100)	106,000	(526,100)
Chico	112,033,400	396,000	112,429,400	4.51%	(2,689,500)	787,000	(1,902,500)
Dominguez Hills	67,285,000	1,778,000	69,063,000	2.77%	(1,651,900)	688,000	(963,900)
Fresno	135,583,600	642,000	136,225,600	5.47%	(3,262,000)	962,000	(2,300,000)
Fullerton	153,042,600	1,817,000	154,859,600	6.21%	(3,703,300)	1,555,000	(2,148,300)
Hayward	84,131,000	454,000	84,585,000	3.39%	(2,021,600)	759,000	(1,262,600)
Humboldt	69,260,800	0	69,260,800	2.78%	(1,657,800)	397,000	(1,260,800)
Long Beach	183,339,000	1,025,000	184,364,000	7.40%	(4,412,900)	1,637,000	(2,775,900)
Los Angeles	119,568,600	1,350,000	120,918,600	4.85%	(2,892,200)	1,193,000	(1,699,200)
Maritime Academy	14,511,800	32,000	14,543,800	0.58%	(345,900)	31,000	(314,900)
Monterey Bay	45,182,600	104,000	45,286,600	1.82%	(1,085,300)	163,500	(921,800)
Northridge	163,945,200	2,284,000	166,229,200	6.67%	(3,977,600)	1,457,000	(2,520,600)
Pomona	131,468,200	1,440,000	132,908,200	5.33%	(3,178,500)	1,027,000	(2,151,500)
Sacramento	153,375,800	843,000	154,218,800	6.19%	(3,691,300)	1,353,500	(2,337,800)
San Bernardino	90,560,000	1,732,000	92,292,000	3.70%	(2,206,500)	881,000	(1,325,500)
San Diego	200,611,000	1,045,000	201,656,000	8.09%	(4,824,400)	1,686,500	(3,137,900)
San Francisco	144,998,200	843,000	145,841,200	5.85%	(3,488,600)	1,436,500	(2,052,100)
San Jose	155,560,000	830,000	156,390,000	6.27%	(3,739,100)	1,503,000	(2,236,100)
San Luis Obispo	135,938,200	649,000	136,587,200	5.48%	(3,267,900)	891,000	(2,376,900)
San Marcos	52,782,600	1,505,000	54,287,600	2.18%	(1,300,000)	352,500	(947,500)
Sonoma	55,363,800	260,000	55,623,800	2.23%	(1,329,800)	377,500	(952,300)
Stanislaus	53,701,400	247,000	53,948,400	2.16%	(1,288,100)	352,500	(935,600)
Subtotal, Campuses	\$2,403,774,000	\$19,516,000	\$2,423,290,000	97.15%	(\$57,934,400)	\$19,967,500	(\$37,966,900)
Systemwide Offices	66,078,200		66,078,200	2.85%	(1,699,600)	73,500	(1,626,100)
International Programs	3,048,000		3,048,000	0.00%	0	0	0
Summer Arts	183,000		183,000		0	0	0
Systemwide Provisions	207,196,800	(19,516,000)	187,680,800		0	0	0
Grand Total	\$2,680,280,000	\$0	\$2,680,280,000	100.00%	(\$59,634,000)	\$20,041,000	(\$39,593,000)

* Reflects 2002/03 Final Budget General Fund appropriation (B 02-03), which already includes \$43 million in 2002/03 Base Budget Reductions

** \$2,492,416,200 equals Campuses, System Offices and International Program budgets.

*** Amount of General Fund reduction taken from campus base budgets. Does not include reduction for State University Grant pool.