

## **BOARD OF TRUSTEES**

### **California State University 2002/03 Support Budget**

#### **Presentation By**

Richard P. West, Executive Vice Chancellor  
Chief Financial Officer

#### **Summary**

The purpose of the item is to present the 2002/03 Support Budget for approval. There are two parts to this item. The first part addresses the usual state appropriated support budget for 2002/03 and the second part deals with the lottery revenue-funded portion of the yearly operating budget.

#### **Recommended Action**

Approval by roll call vote of the two resolutions proposed.

#### **State Appropriated 2002/03 Support Budget**

The Board of Trustees reviewed a draft of the chancellor's recommended state support budget for 2002/03 at the September Board of Trustees' meeting.. The support budget recommends a 9.2 percent increase over the adjusted 2001/02 current year appropriation, \$245,383,000. With the addition of \$23,743,000 in State University Fee Revenue projected as a result of new and year round operations (YRO) enrollment growth, the total increase in revenue for 2002/03 is projected to be \$269,126,000.

#### **2002/03 Lottery Revenue Budget**

Over the past several years, CSU Lottery revenue receipts have been strong. However, in light of projected softness in the state's economy and growing uncertainty over the level of CSU support budget appropriations, a more conservative estimate of revenue is prudent as the CSU plans for fiscal year 2002/03. The Lottery revenue that will be allocated to the California State University in 2002/03 is estimated to be \$42.8 million. After providing for a \$5 million systemwide reserve, the amount available for allocation is \$37.8 million. The \$5 million reserve is used to provide initial campus allocations at the beginning of the fiscal year and to assist with cash-flow variations due to fluctuations in quarterly lottery receipts and other economic uncertainties.

The lottery budget proposed for fiscal year 2002/03 is as follows:

<b>2002/03 Lottery Revenue Budget</b>		
	<b>2001/02 Adopted Budget</b>	<b>2002/03 Budget</b>
<u>Sources of Funds</u>		
Beginning Balance	\$5,000,000	\$5,000,000
Receipts	36,000,000	36,000,000
Interest	<u>1,700,000</u>	<u>1,800,000</u>
Total Revenues	\$42,700,000	\$42,800,000
Less Systemwide Reserve	(5,000,000)	(5,000,000)
<b>Total Available for Allocation</b>	<b>\$37,700,000</b>	<b>\$37,800,000</b>
<u>Uses of Funds</u>		
Forgivable Loan/Doctoral Incentive Program	\$3,000,000	\$3,000,000
California Pre-Doctoral Program	633,000	633,000
CSU Summer Arts Program	1,200,000	1,200,000
Campus Based Programs	32,526,000	32,626,000
Systemwide Implementation Costs	<u>341,000</u>	<u>341,000</u>
<b>Total Uses of Funds</b>	<b>\$37,700,000</b>	<b>\$37,800,000</b>

## Trustee Resolutions

The following two resolutions are recommended for adoption:

### 1. State Appropriated 2002/2003 Support Budget

**RESOLVED**, By the Board of Trustees of the California State University, that the 2002/2003 Support Budget is approved as submitted by the chancellor; and be it further

**RESOLVED**, That the chancellor is authorized to adjust and amend this budget to reflect changes in the assumptions upon which this budget is based, and that such changes made by the chancellor be communicated promptly to the trustees; and be it further

**RESOLVED**, That the chancellor is authorized to comply with requests of the Department of Finance and the legislature regarding establishment of priorities within this budget; and be it further

**RESOLVED**, That copies of this resolution be transmitted to the California Postsecondary Education Commission, to the governor, to the director of finance and to the legislature.

### 2. 2002/2003 Lottery Revenue Budget

**RESOLVED**, By the Board of Trustees of the California State University, that the 2002/2003 Lottery Revenue Budget totaling \$42.8 million be approved for implementation by the chancellor, with the authorization to make transfers between components of the Lottery Revenue Budget and to phase expenditures in accordance with receipt of lottery funds; and be it further

**RESOLVED**, That the chancellor is hereby granted authority to adjust the 2002/2003 Lottery Revenue Budget approved by the Board of Trustees to the extent of receipt of greater or lesser lottery revenue than budgeted in 2002/2003 to respond to opportunities or exigencies; and be it further

**RESOLVED**, That a report of Lottery Revenue Budget receipts and expenditures be made to the Board of Trustees.