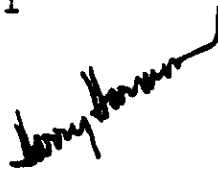


THE CALIFORNIA STATE UNIVERSITY AND COLLEGES

Office of the Chancellor
400 Golden Shore
Long Beach, California 90802
(213) 590- 5512

Date: November 5, 1981

To: Presidents

From: Harry Harmon 
Executive Vice Chancellor

Subject: Emergency Surcharge Fee
The California State University and Colleges
Executive Order No. 364

I am transmitting to you a copy of Executive Order No. 364 which directs the establishment of an Emergency Surcharge Fee beginning in the Spring semester and Winter quarter, 1982.

In accordance with The California State University and Colleges policy, the campus President has the responsibility for implementing Executive Orders where applicable and for maintaining the campus repository and index for all Executive Orders.

HH:ps

Distribution: Dr. Glenn S. Dumke
Chancellor's Office Staff
Vice Presidents, Academic Affairs
Vice Presidents, Administration
Business Managers
Deans of Students
Chair, Statewide Academic Senate
Chair, CSSA
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Budget Officers
Personnel Officers
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THE CALIFORNIA STATE UNIVERSITY AND COLLEGES
Office of the Chancellor
400 Golden Shore
Long Beach, California 90802

Executive Order No.: 364
Title: 1981/82 Emergency Surcharge Fee
Effective Date: November 4, 1981
Supersedes: No previous Executive Order

This Executive Order is issued in response to action of the Board of Trustees in Resolution RFIN 10-81-12 which was adopted by the Board pursuant to authority in Sections 89700 and 89035 of the Education Code. This extraordinary action is necessitated by the requirements of Executive Order B-87-81 issued by the Governor of the State of California which reduced currently appropriated funds in the 1981-82 Budget of the California State University and Colleges by 2%. In order to meet costs for services, facilities, and materials essential to the conduct of quality postsecondary education in the California State University and Colleges, this action has been taken.

Effective immediately, an emergency surcharge fee shall be collected from each regularly enrolled student in accordance with the following schedule:

For semester term campuses
(including California State College, Stanislaus):

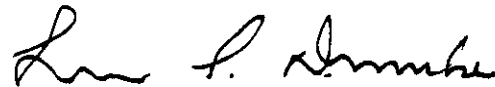
\$46.00 to be collected for
the spring semester 1982.

For quarter term campuses:

\$23.00 to be collected for
the winter quarter 1982.

\$23.00 to be collected for
the spring quarter 1982.

Date: November 4, 1981



Glenn S. Dumke, Chancellor

THE CALIFORNIA STATE UNIVERSITY AND COLLEGES
Office of the Chancellor
400 Golden Shore
Long Beach, California 90802
(213) 590- 5725

Code: EVC 81-12

Date: November 5, 1981
To: Presidents
From: Harry Harmon *Harry Harmon*
Executive Vice Chancellor
Subject: Expenditure Freeze and Budget Reduction

EVC 81-09 imposed an emergency expenditure freeze on all CSUC entities pending a resolution of a Reduction Implementation Plan for dealing with the 2 percent budget reduction directed by the Governor's Executive Order B-87-81. We have now developed an implementation plan which has been approved by the Chancellor. The purpose of this memo is to announce that plan and to modify the restrictions imposed by EVC 81-09.

GENERAL PLAN

The Chancellor has adopted the plan recommended by the Chancellor's Advisory Group on Support Budget Issues for funding the budget reduction of \$19,642,000. This reduction plan is outlined on Attachment A. A brief discussion of each area of reduction follows:

1. SYSTEMWIDE REDUCTION ITEMS \$ -675,000
- a. English Writing Skills (\$-300,000)

On the basis of most recent data it appears that the number of students tested and thereby requiring remedial instruction is somewhat lower than budgeted. Consequently, the campus allocations outlined in BP 81-48/EPR 81-39

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will not be fully utilized and subject to a reallocation process which is anticipated to generate a unexpended balance of \$300,000. A subsequent memo will be forthcoming to the campuses affected.

b. Utility Conservation (\$-200,000)

This reduction will not be allocated to campuses at this time. However a directive will be issued shortly regarding energy conservation steps to be implemented by all campuses. The status of utilities will be evaluated during the Mid-Year Financial Status Review and necessary reductions in utility allotments will be made at that time. It is anticipated that these conservation efforts coupled with planned conservation efforts will generate a \$200,000 savings.

c. General Services Charges (\$-85,000)

Chapter 867/81 (SB 653) authorizes the CSUC to perform many of the services formerly provided by the Department of General Service on a charge back basis. This legislation will become effective January 1, 1982 and will therefore reduce CSUC payments to General Services by an estimated \$85,000. Reductions by campus will be provided in a subsequent memo.

d. Library Development (\$-50,000)

The systemwide budget for Library Development will be reduced through deferral of expenditure associated with selected automation projects.

e. Credit By Examination (English Equivalency Examination) (\$-40,000)

This program is currently funded by the systemwide budget for Academic Program Improvement. To relieve the General Fund of this cost, a user fee will be imposed on all students availing themselves of this option.

2. PRO-RATA CAMPUS REDUCTION **\$ -5,000,000**

The salary savings requirement of each campus will be increased by the amount shown on Attachment B. Allocation Orders will be issued to unallocate these funds, by program, on the basis of each campus' 1981/82 salaries and wages as reflected in its last Schedule 7A.

3. EMERGENCY SURCHARGE FEE **\$-13,967,000**

The Chancellor's Executive Order No 364 imposes a 1981/82 Emergency Surcharge Fee of \$46 which will be charged to all CSUC students effective with the Winter and Spring Quarter and the Spring Semester. Necessary refunds of this fee are to be made in accordance with Section 41802, Title 5. Allocation Orders will be issued to schedule these unbudgeted reimbursements and reduce each campus' current allocation by the calculated amount shown on Attachment B.

This fee is to be collected and remitted to the State Treasurers as would any other General Fund reimbursement. The AEL account code to be used in accounting for these funds is as follows:

Non-Federal Reimbursements
1981/82 Emergency Surcharge Fee
01-9-2-8-00-00-005-000

This code should be manually inserted in the Financial Data Classification Structures manual (Yellow Book) on page 1 of Section C-01.9. It will be included in the next formal revision of the manual.

IMPLEMENTATION

1. EXPENDITURE FREEZE

The general expenditure freeze imposed by EVC 81-09 will remain in place for the balance of the fiscal year insofar as it pertains to General Fund supported expenditures only. However, responsibility for administration of the program is hereby delegated to each campus President together with the authority to approve, for his/her campus, exemptions to the initial restrictions necessary to prevent stoppage or critical reduction of essential services.

2. REDUCTION PLAN

As indicated above, the major impact of the reduction will be the \$5,000,000 increase in salary savings requirements. This allotment is being used as the most expeditious method of allocating the reduction even though the savings will not necessarily be achieved through savings in salaries. Any budgeted General Fund source, other than those noted below, may be used to meet the savings requirement.

3. RESTRICTION OF FISCAL DELEGATION

The fiscal delegation granted by Executive Order No. 299 is hereby restricted as outlined below. These restrictions supercede any previous communication on this subject for the 1981/82 fiscal year.

- a. Transfers out of Utility allotments will continue to require approval by this office.
- b. Transfers of Staff Benefits to any other purpose will continue to require approval by this office. These allotments may not be used to meet the 2 percent reduction. (Please note this stipulation supercedes the instruction on Staff Benefits contained in BP 81-73.)
- c. The use of any excess student fees will continue to be prohibited.
- d. Educational Opportunity Program grant funds may not be utilized to meet the 2 percent reduction.
- e. Transfers from EOP allotments or allotments designated as being financed by the Student Services Fee will continue to require approval by this office. However, these allotments may be designated by the campus in preparing its savings plan.
- f. The prohibition against augmentation of travel allotments will remain in place until rescinded.

Presidents
November 5, 1981
Page Five

These restrictions of fiscal delegation will be re-evaluated subsequent to the Mid-Year Financial Status Review.

REPORTING

In order to insure the viability of the systemwide savings plan each campus is required to prepare and submit a summary plan for achieving its total required savings. This submission is to be prepared in the format shown on Attachment C. The plan is to be submitted to the Office of Budget Planning and Administration no later than December 7, 1981.

Questions regarding the guidelines and/or the required reports should be directed to Mr. Howard S. Hicks of Budget Planning and Administration.

HH:mt1

Attachments

THE CALIFORNIA STATE UNIVERSITY AND COLLEGES
1981/82
2 PERCENT REDUCTION PLAN

DEPARTMENT OF FINANCE 2% REDUCTION \$19,642,000

RECOMMENDED REDUCTION PLAN

1. Systemwide Reduction Items		
a. English Writing Skills	\$ 300,000	
b. Utility Conservation	200,000	
c. General Services Charges	85,000	
d. Library Development	50,000	
e. Credit by Examination (Fee)	40,000	
	<hr/>	\$ 675,000
2. Pro-rata campus Reduction Plan		5,000,000
3. Institution of \$46 Surcharge Fee		13,967,000
		<hr/>
TOTAL		\$19,642,000

Executive Department
State of California

EXECUTIVE ORDER B-87-81

WHEREAS, the State General Fund is experiencing a significant decline in revenue principally due to a recessionary economy; and

WHEREAS, the State General Fund expenditures for the year are running substantially higher than anticipated; and

WHEREAS, the State General Fund is experiencing major borrowing to meet cash obligations for the first time in nearly a decade; and

WHEREAS, deficit spending is prohibited in the State Constitution;

NOW, THEREFORE, I, Edmund G. Brown Jr., Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and statutes of the State of California, including Government Code §13322, do hereby issue this order to become effective immediately:

1. The Department of Finance will unallot 1981-82 General Fund departmental budgets which are included in State Operations by two (2) percent. Exceptions to this reduction will be debt service, Emergency Fund, Workers' Compensation Benefits, Health Benefits for Annuitants, and the institutions of each of the following: the Department of Corrections, the California Youth Authority, the State hospitals, Veterans Home, and State Special Schools for Individuals with Exceptional Needs.
2. The Public Works Board is directed to defer processing requests for capital outlay projects. Exceptions to this mandate are:
 - a. Projects necessary to increase the capacity of correctional institutions.
 - b. Projects necessary to meet licensing requirements for federal funding.
 - c. Projects to replace electrical equipment which contains polychlorinated biphenyls.

Executive Department
State of California

PAGE TWO

- d. Projects for which the State is legally obligated to proceed.
3. The Department of Finance will review the unencumbered balances of continuing appropriations, and unallot those funds where, in the determination of the Director, may be reverted to the General Fund.
4. The Department of Finance will unallot, on an interim basis, \$200 million of the funds appropriated for school construction to be apportioned by the State Allocation Board.
5. The Department of Finance in conjunction with State agencies and departments will review 1981-82 Local Assistance budgets to find lower priority programs which may be reduced or eliminated.
6. Higher education must participate in achieving the desired savings. Therefore, I direct the Department of Finance to unallot two (2) percent of the 1981-82 budgets for the University of California and the California State University and Colleges.
7. The constitutional separation of powers precludes an extension or application of the provisions of this Executive Order to the legislative and judicial branches of government. I invite these branches of government to participate in the endeavor to reduce the costs of State Government.
8. The Department of Finance is hereby directed to coordinate the administrative actions necessary to implement this Executive Order. Reassessment of the fiscal status of the State will be continued for the next several months.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this ____ day of October, 1981.

Governor of California

**THE CALIFORNIA STATE UNIVERISTY AND COLLEGES
1981/82 BUDGET REDUCTIONS**

<u>CAMPUS</u>	<u>SALARY SAVINGS</u>	<u>EMERGENCY SURCHARGE FEE</u>	<u>TOTAL</u>
HAYWARD	\$ 201,738	\$ 474,878	\$ 676,616
POMONA	273,597	696,953	970,550
SAN LUIS OBISPO	323,610	706,730	1,030,340
CHICO	258,045	621,531	879,576
FRESNO	278,030	695,557	973,587
HUMBOLDT	173,048	329,621	502,669
BAKERSFIELD	79,263	139,670	218,933
LONG BEACH	408,984	1,398,097	1,807,081
LOS ANGELES	325,136	976,293	1,301,429
FULLERTON	291,364	1,008,417	1,299,781
DOMINGUEZ HILLS	130,143	346,382	476,525
SACRAMENTO	315,824	973,500	1,289,324
SAN BERNARDINO	93,609	202,522	296,131
SAN DIEGO	456,575	1,484,692	1,941,267
NORTHRIDGE	350,382	1,233,286	1,583,668
SAN FRANCISCO	333,773	1,086,633	1,420,406
SAN JOSE	363,391	1,127,137	1,490,528
SONOMA	123,606	265,373	388,979
STANISLAUS	83,264	181,571	264,835
CHANCELLOR'S OFFICE	129,551	-	129,551
INTERNATIONAL PROGRAMS	7,067	18,157	25,224
TOTAL	\$5,000,000	\$13,967,000	\$18,967,000

FROZEN OPERATING EXPENSES AND EQUIPMENT FOR SAVINGS

	INSTRUCTION	ACADEMIC SUPPORT	STUDENT SERVICE	INSTITUTIONAL SUPPORT	TOTAL
OPERATING EXPENSES AND EQUIPMENT	\$	\$	\$	\$	\$
001 Supplies and Services					
002 State General Services Charges					
005 Services From Other State Funds/ Agencies					
006 Non-EDP Equipment Rental					
007 EDP Equipment Rental					
008 Master Teachers Contracts					
009 Accreditation					
010 Special Lectures					
011 Insurance Premiums					
051 Printing - Catalogs					
052 Printing - Library Book Binding					
053 Printing					
061 Travel-In-State					
062 Travel-Out-of-State					
063 Moving Allowance - Employee Relocation					
071 Telephone - Exchange Charges					
072 Telephone - Installation Charges					
073 Telephone - Long Distance Charges					
074 Telephone - Message Unit Charges					
075 Telephone - Lease Line Charges					
076 Telegraph					
077 Postage					
078 Communications - Other					
079 Local Data Communications					
091 Specialized Training					
101 Complement of Expendable Supplies					
261 Faculty Recruitment - On Campus Interview					
262 Faculty Recruitment - Travel Out-of-State					
263 Faculty Recruitment - Moving Allowance					
264 Physical Examinations					

FROZEN OPERATING EXPENSES AND EQUIPMENT FOR SAVINGS

	INSTRUCTION	ACADEMIC SUPPORT	STUDENT SERVICE	INSTITUTIONAL SUPPORT	TOTAL
	\$	\$	\$	\$	\$
271 Library Books					
272 Library Periodicals					
421 Space Rental - Faculty Offices					
422 Space Rental - Administrative Offices					
423 Space Rental - Class Rooms					
424 Space Rental - Other					
425 Moving Expenses - Freight/Cartage					
430 Non-EDP Equipment Maintenance & Repair					
432 EDP Equipment Maintenance & Repair					
433 Special Repairs					
434 Carpet Replacement					
996 Contractual Services (w/Non-State Agencies)					
997 EDP Equipment					
998 Equipment					
999 Unallocated Operating Expenses & Equipment					
TOTALS					