Dear CSULB Faculty and Staff,

After a record-breaking delay of 100 days, a state budget for 2010-11 has finally been approved. Fortunately, the Governor has kept his promise to restore badly needed funding to California’s two public university systems. Under the state’s new budget agreement, the CSU system will receive $199 million to partially restore previous cuts. The budget plan also includes funding of $60.6 million to support enrollment growth across the 23-campus system. This is in addition to the $106 million in one-time American Recovery and Reinvestment Act (ARRA) funding allocated to the CSU by the federal government several weeks ago. In total, these budget increases roughly equate to the $365 million augmentation originally proposed by the Governor in the January budget proposal and reinforced in the May Revision. However, this additional funding only represents partial restoration of the massive $584 million in recent budget cuts to the CSU.

For CSULB, this translates to a funding increase of approximately $22 million from our original planning figures. These additional funds mean we will not have to decrease student enrollment in 2010-11 as dramatically as originally thought last spring when our budget plan was constructed. Along with this funding, our baseline enrollment target for 2010-11 has been increased from the previous target of 25,056 resident FTES to 26,454 resident FTES. Aggressive efforts are underway to enroll these additional students for the spring 2011 term. Although this represents quite an increase of enrollment for a single term, it is believed that the revised target of 26,454 resident FTES is achievable and that the students who join the campus will be well qualified.

The increase in our enrollment target also generates some additional student fee revenues for the campus. While our latest revenue projection also takes into account the additional five percent fee increase for spring 2011 approved by the Board of Trustees in November, it is still down slightly from our planning figures that assumed a full ten percent fee increase for the entire 2010-11 academic year. The first use of these additional funds is to increase course availability to serve more students. After supporting the needed courses, about $19 million is available to restore student services as well as the general capacity of the campus to instruct and serve students. This $19 million will be allocated to all operating divisions on the same pro rata basis as division budget reductions were calculated. Although divisions will be receiving this budget augmentation, it is expected that the restoration may not occur in exactly the same way that reductions were implemented. In the past 18 months, we have achieved efficiencies in many areas and some priorities have changed across the campus. We have done an excellent job of “taking advantage of a crisis” and we should proceed looking forward, not backward.
Looking ahead to 2011-12, we must proceed with cautious optimism in our planning for several reasons.

1. First, we already know that $106 million of the additional funding received in 2010-11 is federal stimulus funds and, therefore, one-time funds. Fortunately, this has been mitigated by the recent approval by the Board of Trustees to increase the State University Fee ten percent effective fall 2011.

2. Second, a large portion of the budget solutions at the state level that allowed for increased higher education funding in 2010-11 are temporary in nature.

3. Third, it is likely that total general fund revenues for the state in 2011-12 will be less than in 2010-11 due to the expiration of some temporary tax increases. The Legislative Analyst’s Office has already projected an additional $19 billion state budget deficit in 2011-12.

4. Finally, we do not know how the new governor and legislature will treat higher education in the 2011-12 state budget.

As a partial contingency against yet another round of budget reductions in 2011-12, the $19 million that has been directed toward the operating divisions in 2010-11 has been allocated on a one-time basis. Accordingly, the divisions have been advised to use these funds carefully and to avoid permanent commitments as much as possible. We should know much more about the likelihood of whether these allocations can be considered permanent after presentation of the January 2011 Governor’s Budget and related developments in spring 2011.

In closing, it should be noted that Cal State Long Beach has much to make us proud. We have endured an unprecedented fiscal crisis in a very collegial, cooperative, and student-oriented manner. We’d like to recognize all faculty and staff for the sacrifices they have made and the dedication they have demonstrated throughout this difficult period. Collectively, we have been able to move the campus forward and maintain the truly important things that make this campus so special despite the obstacles that were thrown in our way.

We will keep you updated as new information becomes available.

Donald Para, Provost and Senior Vice President for Academic Affairs
Mary Stephens, Vice President, Administration and Finance

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