

CALIFORNIA STATE UNIVERSITY, LONG BEACH
2001-02 RESOURCES AND REQUIREMENTS FORECAST
EXPLANATORY NOTES

PURPOSE

The 2001-02 Resources and Requirements Forecast estimates the impact of budget decisions made by the State and by the CSU System Office, and the campus on the projected campus budget for the coming year.

The following notes provide a brief explanation of the numbers shown on the forecast. Other related notes and recommendations on selected topics can be found in the Budget Priorities and General Recommendations sections of this report. The Budget Outlook section of the appendix contains an analysis of the fiscal condition of the State and the likely resultant impact on the CSU System and the campus. That outlook provided the context for the campus budget forecast.

RESOURCES

2000-01 Net General Fund **\$ 207.545 M**

Net state support and budgeted revenues and reimbursements as detailed in the 2000-01 CSULB Internal Budget Document.

State/System Adjustments to 2000-01 **\$ 24.185 M**

Anticipated changes in the campus' 2000-01 General Fund Support Budget detailed in CSU coded memorandum B01-03 dated March 9, 2001. Budget changes are based on the Governor's 2001-02 proposed budget presented to the Legislature in January, CSU revenue projections and budget priorities.

Campus Budget Adjustments **\$ 4.260 M**

The campus' estimate of revenue variances in 2001-02 budgeted revenues.

State University Fee Revenue \$ (400,000)

Preliminary campus adjustment in the 2001-02 budget for State University Fee (SUF) revenues to reflect more accurately a change in the ratio of FTE:headcount.

Application Fee Revenue \$ 300,000

Campus estimate of additional application fee revenues over the current year budget.

Prior-year Carryover \$ 300,000

Anticipated balance of unexpended funds from fiscal year 2000-01 for the past several years, campus practice has been to pledge all prior-year savings to the subsequent year's budget planning process. However, it should be noted that these savings are temporary in nature and cannot be expected to be available in future years.

YRO Fee Revenue \$ 2,000,000

Preliminary campus estimate of additional fee revenues that will be collected from non-matriculated students during Summer 2001.

Non-Resident Tuition Revenue \$ 2,060,000
Preliminary campus estimate of additional non-resident tuition revenues over the current year budget (\$1,400,000 Academic Year and \$660,000 YRO).

REQUIREMENTS

2000-01 Divisions' Base Budgets \$ 153.285 M

Base budgets for all divisions as detailed in the 2000-01 Internal Budget Document.

2000-01 University Wide Budgets \$ 54.260 M

General, necessary, or unavoidable costs that are not appropriately assigned to a particular operating division.

Retirement Rate Reduction \$ (2.140 M)

Base budget adjustment associated with a rate change in the campus' contributions to employee retirement plan effective during 2000-01. The funds will revert to the State and are not available for campus expenditures.

CHANGES IN CAMPUS REQUIREMENTS \$ (22.636 M)

Represents base budget adjustments for various divisions and university-wide allocations.

UCES Summer Operations \$ 7,400,000
Campus cost estimate associated with operating the state-supported summer operation.

Compensation \$ 6,032,000
CSU cost estimate for a 4.00% compensation package effective July 1, 2001 and the full year costs of the 2000-01 salary increases. The allocation provides for general, service-based, and performance-based salary increases. This new compensation package requires appropriate negotiation under the provisions of the Higher Education Employee Relations Act (HEERA) with the appropriate collective bargaining units.

Energy \$ 2,000,000
Given the uncertainty surrounding energy, it is impossible at this stage in our budgeting process to accurately forecast the level of funding that will be required to cover utility costs. Therefore, the RPP Task Force has supported a budget plan that allows for a \$2,000,000 base budget increase to Utilities beginning FY 2001-02. Any funding requirements beyond this level will be handled as a one-time adjustment in 2001-02 and a base adjustment in the subsequent year.

Financial Aid \$ 1,720,000
CSU initial adjustment to the 2000-01 budget for State University Grants for both the academic year and state-supported summer terms. The campus' budget allocation for the student financial aid program is distributed on the basis of need in accordance with CSU Policy. This preliminary budget represents only 90% of our final base allocation; the final adjustment will be made following enactment of the 2001-02 Budget.

8 Resources and Requirements

<u>Benefit Maintenance</u>	\$ 1,406,000
Change in the employer's benefit contribution for health care effective during FY 2000-01 (\$1,021,000), the increment in benefit expenditures associated with new hires (\$200,000) and the employer's contribution to social security benefits (\$185,000).	
<u>Salary Annualization</u>	\$ 1,000,000
Campus estimate of maintaining current salary budgets of faculty and staff positions into the next budget year. This is the final year that the campus will centrally fund salary variations in new hires, replacements, promotions and reclassifications above budget rates.	
<u>Salary Negotiations Contingency</u>	\$ 800,000
Campus contingency fund in the event a higher salary increase for employees is awarded than funding available.	
<u>CMS Student Administration Project</u>	\$ 500,000
Base budget adjustment to cover revised cost estimates for implementing the Student Administration System.	
<u>High Cost Programs</u>	\$ 760,000
Base budget adjustment to enhance instructional support costs for "high-cost disciplines" (computer sciences, engineering, nursing, biochemistry and biotechnology).	
<u>Deferred Maintenance</u>	\$ 330,000
Base budget allocation to help reduce the deferred maintenance backlog. Consistent with State Legislative intent, the campus is required to prepare appropriate project and expenditure reports.	
<u>Application Processing</u>	\$ 237,000
Campus estimate of ensuring timely processing of new student applications.	
<u>Libraries</u>	\$ 234,000
Base budget allocation to help expand and update the permanent collection of books, periodicals, and serial subscriptions.	
<u>Risk Management Contributions</u>	\$ 182,000
Campus estimate of funding required for increased campus contributions (premium payments) to the CSU Risk Pool, primarily in the worker's compensation and liability. This estimate includes the annual campus' contribution in a multi-year plan to address unfunded system wide liability costs which is at \$30 million.	
<u>Postage Increase</u>	\$ 35,000
Represents the change in expenditures due to the postage rate increase	

effective January 1, 2001.