

CALIFORNIA STATE UNIVERSITY, LONG BEACH
2002-03 RESOURCES AND REQUIREMENTS FORECAST
Based on the Governor's Original January Budget,
Not Updated for the May Revise

EXPLANATORY NOTES

PURPOSE

The 2002-03 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 forecast is based on the Governor's January Budget, updated in mid-April and used by RPP for most of its work.

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 Recommended Budget Planning and General Conclusions, Recommendations and Guidelines 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 provides the context for the campus budget forecast.

RESOURCES

2001-02 Net General Fund **\$229.447 M**

Net state support and budgeted revenues and reimbursements as detailed in the 2001-02 CSULB Internal Budget Document.

State/System Adjustments to 2001-02 **\$16.607 M**

Anticipated changes in the campus' 2001-02 General Fund Support Budget detailed in CSU coded memorandum B02-02 dated April 2, 2002. Budget changes are based on the Governor's 2002-03 proposed budget presented to the Legislature in January, which includes the campus' share of the \$29.5 million state reduction, as well as the revenue expected to be generated from a 15 percent increase in non-resident tuition fees effective Fall 2002.

Campus Budget Adjustments **\$2.346 M**

The campus' estimate of revenue variances in 2002-03 budgeted revenues.

YRO Non-Resident Tuition Revenue \$400,000
Preliminary campus estimate of additional non-resident tuition revenues during the summer term.

Application Fee Revenue \$346,000
Campus estimate of additional application fee revenues over the current year budget.

YRO Non-Matriculated Fee Revenue over Budget \$300,000
Preliminary campus estimate of additional fee revenues that will be collected from non-matriculated students during Summer 2002.

Prior-Year Carryover \$1,300,000
Anticipated balance of unexpended funds from fiscal year 2001-02. For the past several years, it has been the campus practice has been to pledge all prior-year savings from excess revenues and university wide budgets 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.

REQUIREMENTS

2001-02 Divisions' Base Budgets **\$167.258 M**
Base budgets for the divisions as detailed in the 2001-02 Internal Budget Document.

2001-02 University-Wide Budgets **\$62.189 M**
General, necessary, or unavoidable costs that are not appropriately assigned to a particular operating division.

Reinstatement of Employer's Contributions to PERS **\$6.606 M**
Base budget adjustment associated with the reinstatement of campus contributions to the employees' retirement program, PERS, effective during 2001-02.

CHANGES IN CAMPUS REQUIREMENTS **\$7.008 M**
Represents base budget adjustments for various divisions and university-wide allocations.

Salary Negotiations Contingency \$2,600,000
Campus contingency to assist in funding negotiated salary increases greater than budget available.

Compensation \$2,560,000
CSU cost estimate for a 1.50% compensation package effective July 1, 2002 and the full year costs of the 2002-03 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.

Benefits Maintenance \$1,315,000

Change in the campus' benefit contribution for health care effective during 2001-02 (\$636,000), the increment in benefit expenditures associated with additional faculty for the budgeted increase of 835 FTES (\$379,000) and benefit costs not budgeted or understated by the Chancellor's Office—general (\$115,000) and the employer's contribution to social security (\$185,000).

New Space \$810,000

Base budget adjustment for ongoing maintenance, custodial, and utilities associated with the New Science Building scheduled to come on line in 2002-03.

Application Processing \$346,000

Campus estimate of ensuring timely processing of new student applications.

Salary Annualization Balance for FY 2001-02 \$174,000

Balance of funding required for salary variations in 2000-01. FY 01-02 was the final year that the campus centrally funded salary variations in new hires, replacements, promotions and reclassifications above budget rates. The funding set aside in the 01-02 budget was not sufficient to fully fund the salary variations.

Risk Management Premiums \$157,000

Campus estimate of funding required for increased campus contributions (premium payments) to the CSU Risk Pool for liability. This funding also includes the annual campus' contribution in a multi-year plan to address unfunded system-wide liability costs of \$30 million.

System-Wide Transfers (\$107,000)

Base budget adjustments associated with system-wide programs: Reduction of \$115,000 related to a change in the Trustee Professorship Program; increase of \$8,000 to support the continued reporting of campus articulation agreements into the Articulation System Stimulating Inter-Institutional Student Transfer (ASSIST) data base, which provides on-line information to help plan academic careers and facilitate a seamless transfer process.

Financial Aid (\$847,000)

Adjustment to the budget for State University Grants as directed by the Governor in his 2002-03 January Budget.