

California State University, Long Beach
2003-04 Resource Planning Process
Resources and Requirements Forecast

Explanatory Notes

PURPOSE

The 2003-04 Resources and Requirements Forecast estimates the impact of budget decisions made by the State, by the CSU System Office, and the Long Beach campus on the projected base budget for the coming year. The forecast is largely based on the Governor's January Budget, updated in May, and legislative Conference Committee action that took place during June.

The following notes provide a brief explanation of the numbers shown on the forecast. Other related notes and recommendations on the budget reduction plan and selected topics can be found in the sections following this forecast. 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 and the campus. That outlook provides the context for the campus budget forecast.

RESOURCES

2002-03 Net General Fund **\$246.378 M**
Net state support and budgeted revenues and reimbursements as detailed in the 2002-03 CSULB Internal Budget Document.

Adjustments to the 2002-03 Base Budget

Enrollment Funding 02-03 \$1,025,000
The distribution of 158 FTES enrollment growth funding that was allocated on a one-time basis in FY02-03 and to be made permanent in FY03-04.

Retirement Rate Change \$5,489,600
Change to the 2002-03 base budget to reflect the rate change in PERS retirement contributions effective during the 2002-03 fiscal year.

State/System Budget Reductions **\$-26.255 M**
Anticipated changes in the campus' General Fund Support Budget as defined by the Governor's January Budget (CSU Budget Letter B03-02) and subsequent legislative action.

State-Imposed Budget Reduction \$ - 24,655,100
The campus' share of the CSU's \$326.1 million reduction proposed by the Governor in the January Budget and subsequent \$69.5 million reduction proposed by the Conference Committee in June.

State University Grant Adjustment \$-1,600,000
The campus' contribution to the system-wide State University Grant pool for reallocation to other campuses.

Mitigations to State Budget Reductions

\$32.6 M

The funding proposed by the system and/or the campus to mitigate the base budget reductions.

State University Fee Revenues, net of aid \$15,408,845

The campus estimate of State University Fee revenue associated enrollment growth of 158 from last year and 1,320 FTES for FY03-04 and proposed 30% fee increase on the FY02-03 base. In accordance with CSU Financial Aid Policy, one third of all budget fee revenues is set aside for State University Grants.

5% Enrollment Growth \$8,321,100

The distribution of 1,320 FTES enrollment growth funding using an adjusted marginal cost rate of \$6,304/FTES. This funding is applied to the state-directed budget reduction.

REQUIREMENTS

2002-03 Divisions' Base Budgets

\$173.322 M

Base budgets for the divisions as detailed in the 2002-03 Internal Budget Document.

2002-03 University-Wide Budgets

\$73.057 M

General, necessary, or unavoidable costs that are for the benefit of the entire campus and would not necessarily be allocated to a particular operating division.

CHANGES IN CAMPUS REQUIREMENTS

\$10.377M

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

PERS Retirement Rate Change \$5,489,600

Base budget adjustment associated with the rate increase in campus contributions to the employees' retirement program, PERS, effective during 2002-03. The rate increase was from 4.166% to 7.41% for all employees (except University Police @ 21.93% and MPP Chief & Lieutenants @ 13.93%).

Health Benefits Maintenance \$3,336,000

Campus estimate of the 12-month cost for employers' benefits contribution for health care effective January 2003. Unlike prior years, no funding assistance is provided in the State Budget.

Credit Card Processing \$300,000

Base budget adjustment associated with changes in usage, transaction fee rate, and student fee increases. Usage: The volume of credit card transaction usage has increased 22% in the last year, and it is anticipated that there will be a further increase with on-line payment capability. Bank transaction fee increase: The rate for processing credit card payments through a financial institution has increased by 14%. Student fee increases: Significant increases in both resident and non-resident student fees have a direct relationship to higher processing costs.

Utilities \$321,300
Campus estimate of increased electricity expenditures associated with rate adjustments and new telecommunication infrastructure project planned to be completed by January 2004.

Risk Management Premiums \$751,200
Campus estimate of funding required for increase in mandatory cost requirements / premiums to the CSU Risk Pool for liability (\$11,000), Property Insurance (\$250,000) and workers compensation (\$516,000).

Strategic Planning and Institutional Memberships \$180,000
Base budget allocation to reflect ongoing expenditure requirements associated with the University's strategic planning efforts and institutional memberships.

One Card \$25,000
Represents the increased operating costs associated with the CSULB ID card.

Mandatory Assessments -\$25,698
Campus estimate of the change in system wide assessments for licensing and maintenance of data warehousing of legacy system reporting, now being replaced with PeopleSoft.