

**California State University, Long Beach
2008-09 Resource Planning Process
Status of Budget Recovery Plan**

The CSULB budget recovery plan was crafted during the last state-imposed budget reduction periods of 2002-03 and 2003-04. The essence of the budget recovery plan was to utilize temporary reserve funds accumulated from general university and division savings to mitigate the impact of base budget cuts. While this obviously decreased university reserves for emergencies and unexpected expenditure requirements, the university was comfortable with this action because of the expected future receipt of non-designated state resources tied to our steady annual enrollment growth plan. When new funding became available, new faculty positions to accommodate enrollment growth were fully funded. Remaining permanent funds received for enrollment growth were pledged to the recovery plan to restore base budgets and reduce dependency on temporary funding.

Permanent funds tied to our enrollment growth plan have enabled us to steadily replace temporary resources. In fact, instructional budgets for faculty positions were fully recovered in 2007-08. However, non-instructional budgets required one additional year of budget recovery funding in 2008-09 to be fully restored.

Non-instructional budgets were provided \$3 million in temporary resources in 2007-08 with the full expectation that permanent base funds would replace them in 2008-09. Unfortunately, it appears that no enrollment growth funding is forthcoming in 2008-09. In order to mitigate the impact to non-instructional departments of not receiving funding that was expected, the RPP Task Force recommends that a portion of the temporary \$3 million allocated in 2007-08 be provided again in 2008-09. Accordingly, \$1 million in temporary resources from campus reserves has been allocated to non-instructional budgets in 2008-09.

The following table summarizes temporary funding levels for 2008-09:

	<u>2007-08</u> <u>Temporary Funding</u>	<u>Loss of</u> <u>Temporary Funding</u>	<u>2008-09</u> <u>Temporary Funding</u>
Academic Affairs:			
Non-Instruction	\$1,116,850	\$ -744,566	\$ 372,284
Admin and Finance	1,179,270	-786,181	393,089
Student Services	414,010	-276,006	138,004
Univ Relations & Devel	120,360	- 80,240	40,120
Athletics	117,600	- 78,400	39,200
President's Office	<u>51,910</u>	<u>- 34,607</u>	<u>17,303</u>
Totals	\$3,000,000	\$-2,000,000	\$1,000,000

The budget recovery plan worked as designed. Funds tied to enrollment growth enabled the continuation of the budget recovery strategy for five years and allowed CSULB to restore approximately \$14 million in prior budget cuts. However, due to the state's fiscal problems, the current budget recovery plan is no longer sustainable. In the face of State funding reductions, the university must focus on the continuation of core campus requirements. Accordingly, the RPP Task Force recommends that any new resources received by the university in the future are better utilized for these core requirements. As a consequence, the recovery plan from past budget reductions should cease. The RPP Task Force recognizes that by 2009-10, non-instructional areas will have dealt with the cumulative loss of \$3 million that they had use of in 2007-08 because the budget recovery plan could not be sustained. Although these funding losses will result in undesirable consequences, early notification to the divisions will enable them to plan for future years without the support of these temporary funds. The RPP Task Force also recognizes that as new funding becomes available, non-instructional areas will request funds for the restoration of services that contribute to the university's continued success attaining campus strategic goals.