This report summarizes the 2011-12 Resource Planning Process at the end of the academic year in June 2011. The data and plans contained within are based on information available at this time. It is acknowledged that there is a high level of uncertainty about the state fiscal situation and much may occur during the summer months. Therefore, the final campus budget plans for 2011-12 may be substantially different than what is contained in this report. However, this plan is being published to document the work done by the 2011-12 RPP Task Force.

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<td>D. Glossary of Terms</td>
</tr>
</tbody>
</table>
EXPLANATORY NOTES ON CONTENTS OF REPORT

MEMBERSHIP OF THE RESOURCE PLANNING PROCESS (RPP) TASK FORCE
A representative task force of the campus leadership was charged with the role of advising the President on matters related to the General Fund budget allocations for the coming fiscal year. The membership is comprised of two non-voting co-chairs, and ten voting members representing faculty, staff, and student leadership. A representative of the California Faculty Association (CFA) Local Chapter and a representative of the staff unions are invited to participate as observers, and four individuals are appointed as staff support to the Task Force.

SOURCES AND USES PLAN
This plan prepared by the Office of Administration and Finance provides the Task Force with the perspective of the University's 2011-12 General Fund budget outlook. The plan is updated as new information becomes available.

BUDGET PLANNING SUMMARY
This document provides a comprehensive summary of the budget planning process utilized by CSULB for the upcoming 2011-12 budget year.

APPENDIX
GUIDELINES FOR BUDGET SUBMISSIONS
A copy of the March 1, 2011 communication from the Task Force to the division heads outlining the guidelines to be used in the campus' 2011-12 budget planning process, along with some of the State and System budget information upon which the initial planning parameters were based.

ENROLLMENT DATA
A display of the actual student enrollments for 2008-09, 2009-10, 2010-11 as well as the preliminary enrollment targets for 2011-12 based on Governor's proposed budget.

SCHEDULE OF MEETINGS
A schedule of the ten separate occasions on which the Task Force convened. Five working and planning meetings were held from September, 2010 to April, 2011. Three separate open hearings for the operating divisions were conducted in April. Following the hearings, the Task Force met twice for a total of 23 hours of deliberation.

GLOSSARY OF TERMS
A collection of definitions of various terms and phrases specific to CSULB and the CSU used in the RPP Task Force report.
To: F. King Alexander, President

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

Date: June 13, 2011

Subject: 2011-12 RPP Task Force Budget Recommendations

The purpose of this memo is to transmit the budget recommendations of the 2011-12 Resource Planning Process (RPP) Task Force. The state budget and CSU funding may not be resolved before Fall 2011. However, the RPP Task Force believes it is important to communicate current plans based on what we do know to the campus community.

In the past decade CSULB has made remarkable gains in academic quality and student success. The campus remains committed to our pursuit of excellence. Consequently, our academic purpose remains graduating students with highly-valued degrees. Budget challenges may slow our progress, but we are determined to continue.

Executive Summary
The following summarizes our understanding of the budget situation:

- CSULB anticipates that the 2011-12 state budget crisis and CSU funding will not be resolved any earlier than Fall 2011 because the Governor’s budget plan continues to depend upon a ballot measure to determine whether certain taxes should be extended.
- Potential CSU impacts appear to range from the $500 million budget cut (18 percent) proposed by the Governor in January to a $1 billion cut (36 percent) that might be included in an “all cuts” state budget.
- CSULB’s share of these cuts ranges from a $36 million (18 percent) overall budget reduction to a nearly $72 million (36 percent) reduction.
- CSULB expects to have resources to offset some of these cuts and continue to support the 2011-12 schedule of classes.
- Under the more pessimistic scenario ($1 billion CSU reduction), the operating and cash flow consequences for the campus are serious.
- While temporary funds will buffer impacts in 2011-12, the campus will have to plan for significant cuts in 2012-13, by which time the restoration funding will be exhausted.
Background
California continues to struggle with extremely challenging fiscal circumstances, including a re-emerging budget deficit of about $26 billion for 2011-12. The Governor’s January proposed budget included a $500 million – or 18 percent – reduction in state support to the CSU. The $500 million reduction was described as the “best case” scenario based on an extension of tax increases to be voted on in an anticipated June 2011 special election. However, due to the legislature’s failure to agree to a ballot measure, the anticipated revenues from these tax extensions may not be available as solutions to the state’s budget crisis. While the Governor has not formally specified the consequences, he has repeatedly mentioned the possibility of an “all cuts” state budget that could include doubling the cut to the CSU, for a potential total of $1 billion.

Current Budget Outlook
Governor Brown recently released his May Revision budget for the coming year. The May Revision assumes the proposed $500 million reduction in state support to the CSU, which has now been passed by the legislature. The plan continues to depend upon extending some taxes through a statewide vote. Although the Governor was unable to secure the required legislative votes needed to put tax extensions on a June ballot, he continues to seek a ballot, probably sometime in the fall. There remains much uncertainty about the prospects of the tax extension proposal, particularly since the news of enhanced state revenue collections was released.

If the Governor is unable to place the tax extensions on a statewide ballot or if voters decline to support those extensions, an “all cuts” state budget would be necessary. This “all cuts” state budget would include an additional $500 million cut to the CSU, for a total reduction of $1 billion. The consequences for the campus of an “all cuts” state budget are very serious indeed.

The CSU is actively working to make the Governor and legislative leaders aware of the vital connection between the CSU and the state’s economic and social future, and the need to avoid very damaging additional budget cuts. However, it is not operationally feasible for the CSU to simply wait on the state and its uncertain budget process and instead has an obligation to be prepared for an “all cuts” state budget that potentially could reduce state support for the CSU by $1 billion. Accordingly, at its May 2011 meeting, the CSU Trustees were presented a budget contingency plan of action to address this worst case scenario.

The contingency plan is made up of two elements. First, all campuses will “wait list” applications for winter and spring 2012 admissions by accepting applications for those terms but not making any admissions decisions until the budget is finalized. Under the worst case scenario, the CSU would be in the unfortunate position of turning away scores of qualified applicants in order to reduce instructional costs. Second, the board would be asked at its July meeting to authorize a tuition fee increase of up to an additional 32 percent beyond the 10 percent approved last November. The actual tuition fee increase would be contingent upon whether the CSU received additional cuts, and the size of the additional reduction. Making the tuition fee increase contingent upon
the budget outcome gives the CSU the ability to act quickly and flexibly once the state budget is finalized. Even if enacted, however, this fee increase would not offset all of the potential reduction.

**Preliminary Campus Mitigations and Net Impacts**

While we do not know the final amount or even the timing of budget cuts, CSULB most certainly faces substantial budget reductions this coming year. At a minimum, we know the legislature has approved the $500 million cut to the CSU included in the Governor’s January proposed budget. Fortunately, we have some resources available to mitigate these reductions. First, the campus took a conservative approach to budget planning last fall when we received a $19 million budget restoration from Governor Schwarzenegger. Because we set aside this budget restoration rather than permanently allocating it to the operating divisions, the full $19 million is available in 2011-12 to offset Governor Brown’s proposed cuts. These restoration funds were only allocated to the divisions on a one-time basis in 2010-11 with instructions to spend very frugally, so the majority of these funds will be carried over into next year to allow for a “soft landing” from the final 2011-12 budget cuts. Second, reductions will be buffered by tuition fee increases enacted in November 2010 by the CSU Trustees (5 percent for Spring 2011 and an additional 10 percent for Fall 2011). Moreover, the Trustees may further increase fees by up to another 32 percent if an “all cuts” state budget is enacted.

Under the $500 million CSU cut scenario, it is projected that the campus impact would be approximately $10 million after mitigations. It is not feasible to project a definitive campus impact under the “all cuts” state budget, although our best estimation is in the range of $15 million to $30 million.

**Recommendations of the Resource Planning Task Force**

- In the scenario based on the Governor’s January budget proposal ($500 million CSU cut), the net reduction to CSULB after mitigations is estimated to be $10 million. RPP recommends that this reduction be levied to all campus operating divisions pro rata. Although the permanent portion of restoration funds will be returned to the state as an offset to campus reductions, divisions will carry forward respective shares of the one-time portion. These funds can be used to buffer immediate impacts of the cut in 2011-12, allowing time to plan for permanent reductions totaling $10 million in 2012-13.

- The “all cuts” state budget scenario is far more challenging. In addition to not knowing the amount of the budget reduction in this scenario, the timing of final budget approval may complicate matters significantly. In this scenario, temporary strategies will be needed to bridge the budget into 2012-13. There is great concern that the campus could face serious cash flow issues in 2011-12. Because this situation is so serious, because the parameters affecting this scenario developed very recently, and because such significant unknowns remain, RPP recommends that campus leadership continue to work diligently on strategies to manage this scenario.
Given the substantial fee increases already enacted and the potential for a further 32 percent increase, RPP recommends that the campus seek to achieve at least our funded enrollment target of 26,875 resident FTES with fall admissions only. This will protect against a fee revenue loss in case the Chancellor orders a Spring 2012 closure, which is a real possibility.

California remains in the midst of extremely challenging fiscal circumstances and the state budget situation is mired in unprecedented uncertainty. We could be well into the fall semester before we have a final budget for 2011-12.

Depending on how uncertainties are resolved, it is possible that immediate actions will be necessary. Unfortunately, the RPP Task Force is not in a position to provide more definitive conclusions at this time.

**Enrollment**

For 2011-12, the campus funded enrollment target has been established at 26,875 resident FTES, an increase of 421 FTES from our 2010-11 target. At this time, the campus enrollment plans for 2011-12 are based on the $500 million CSU reduction scenario with no additional state cuts. However, initial plans have been put in place to close admissions to all students for Spring 2012 since additional state cuts are indeed possible.

Fortunately, at CSULB aggressive enrollment management has allowed us to avoid the academic program eliminations and large scale class cancellations seen at other CSU campuses. In contrast, CSULB has worked in a very orderly yet aggressive manner toward efficient class sizes and has essentially no undersubscribed programs.

**Concluding Thoughts**

The RPP Task Force recognizes that in order to mitigate the recommended budget reductions the divisions are relying on significant one-time restoration funds in 2011-12 for which there is no replacement funding source for 2012-13. While this provides a bridge to 2012-13, eventually permanent budget cuts will be required. This mitigation allows a softer landing and it is crucial that the additional time be used for careful planning and consultation.

Due to consecutive years of budget reductions, significant new reductions will become progressively more difficult and harmful. Students will be negatively affected by fewer class offerings, reduced services, higher fees, reduced graduation rates, and increased time to degree. Continued reductions of temporary and permanent staff positions as well as adjunct faculty are likely. There will be severely limited capacity to implement new programs, projects, initiatives, special requests, appeals, and ad hoc reports. We believe that managing workload is critical so we don’t squander employee morale and the positive campus environment we have worked so hard to create.

A comprehensive summary of the 2011-12 budget planning process is contained in **CSULB Budget Outlook 2011-12 and Beyond – April 2011** which can be found on
the CSULB Budget Central website. This report contains additional background information, updated planning parameters, key budget considerations, budget strategies, potential actions to manage reductions, and potential consequences.

The Task Force commends all divisions for their thoughtful, creative and proactive efforts. Essential services have been examined and efficiencies have been maximized. While necessary, the Task Force recognizes that reduction strategies will force the elimination of many less critical services and will slow the delivery of critical services to students and campus constituents. Our university has made virtually all of the reductions that can be made without beginning to affect core mission activities.

The Task Force would like to acknowledge the continued hard work and resolve shown by the entire university community. CSULB remains a vital, premiere institution of higher education. This would not be possible without the energy, creativity, dedication and positive attitude of our faculty, staff and students.

C: Associated Students Officers
   All CSULB Employees
MEMBERSHIP
# 2011-12 MEMBERSHIP

| NON-VOTING CO-CHAIRS: | Don Para, Provost and Senior Vice President, Academic Affairs  
Mary Stephens, Vice President for Administration and Finance |
|----------------------|---------------------------------------------------------------|
| VOTING MEMBERS:      | Carl Fisher, Chair, Faculty Personnel Policies Council  
Keith Freesemann, Chair, Program Assessment and Review Council  
Chris Brazier, Chair, Curriculum and Educational Policies Council  
Praveen Soni, Chair, University Resources Council  
Lisa Vollendorf, Chair, Academic Senate  
Sharon Taylor, Representative, Division of Administration and Finance  
Mary Ann Takemoto, Representative, Division of Student Services  
Toni Beron, Representative, Division of University Relations and Development  
Barbara Sinclair, Staff Representative, Academic Senate  
James Ahumada, President, Associated Students, Inc. |
| OBSERVERS:           | Teri Yamada, Representative, California Faculty Association |
| STAFF:               | David Dowell, Vice Provost and Director of Strategic Planning  
Marianne Hata, Assistant Vice President, Academic Resources, Academic Affairs  
Ted Kadowaki, Associate Vice President, Budget and University Services  
Maggie Wang, Budget Director, Administration and Finance |
2011-12 SOURCES AND USES PLAN
<table>
<thead>
<tr>
<th><strong>SOURCES:</strong></th>
<th><strong>FY 2010-11</strong></th>
<th><strong>AFFECTING 11-12</strong></th>
<th><strong>FY 2011-12</strong></th>
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<tr>
<td><strong>2010-11 General Fund Budget</strong></td>
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<tr>
<td>2010-11 Net State Support</td>
<td>$174,152,206</td>
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<tr>
<td>2010-11 Revenues and Reimbursements</td>
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<tr>
<td>State University Tuition Fee</td>
<td>141,726,419</td>
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<tr>
<td>Other Receipts</td>
<td>22,415,507</td>
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<tr>
<td><strong>Total 2010-11 General Fund Budget</strong></td>
<td>$338,294,132</td>
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<tr>
<td><strong>2011-12 BEGINNING BUDGET</strong></td>
<td>$338,294,132</td>
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<tr>
<td><strong>Net Budget Plan Changes</strong></td>
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<tr>
<td>Adjustment to 2010-11 retirement rate</td>
<td>3,412,090</td>
<td></td>
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<tr>
<td>Marginal cost funding (26,875 - 26,454 FTES * $7,305)</td>
<td>3,075,400</td>
<td></td>
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<tr>
<td>Base General Fund adjustment by Chancellor's Office</td>
<td>(36,320,700)</td>
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<tr>
<td><strong>Adjustment to Revenues and Reimbursements</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>10% State University Tuition Fee increase</td>
<td>16,273,581</td>
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<tr>
<td>Non-Resident Tuition</td>
<td>(1,262,410)</td>
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<tr>
<td>Other Receipts</td>
<td>809,605</td>
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<tr>
<td><strong>TOTAL 2011-12 GENERAL FUND SOURCES</strong></td>
<td>$324,281,698</td>
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<td><strong>USES:</strong></td>
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<td><strong>2010-11 Internal Budget</strong></td>
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<tr>
<td>Division budgets</td>
<td>$184,478,357</td>
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<tr>
<td>University-wide budgets</td>
<td>134,244,047</td>
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<td></td>
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<tr>
<td>Restoration funds received in 2010-11 but not permanently allocated</td>
<td>19,571,728</td>
<td></td>
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<tr>
<td><strong>Total 2010-11 Internal Budget</strong></td>
<td>$338,294,132</td>
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<tr>
<td><strong>Changes to 2010-11 Internal Budget</strong></td>
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<tr>
<td>EdD funding based on fee revenue</td>
<td>1,000,000</td>
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<tr>
<td>MBA funding based on fee revenue</td>
<td>800,000</td>
<td></td>
<td></td>
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<tr>
<td>Enrollment increase instructional cost (26,875 - 26,454 FTES * $1,990)</td>
<td>837,790</td>
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<tr>
<td>Annual cost for faculty/staff email</td>
<td>106,000</td>
<td></td>
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<tr>
<td>Division budget reductions</td>
<td>(9,932,186)</td>
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<tr>
<td><strong>Adjusted 2010-11 General Fund Budget</strong></td>
<td>$331,105,736</td>
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<tr>
<td><strong>2011-12 EXPENDITURE REQUIREMENT CHANGES</strong></td>
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<tr>
<td>Directed/Earmarked by System Office</td>
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<tr>
<td>PERS retirement rate change</td>
<td>3,412,090</td>
<td></td>
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<tr>
<td>Health benefits rate changes</td>
<td>2,903,000</td>
<td></td>
<td></td>
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<tr>
<td>New space costs (Hall of Science)</td>
<td>1,599,300</td>
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<tr>
<td>State University Grant (incremental increase)</td>
<td>4,833,300</td>
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<tr>
<td><strong>TOTAL 2011-12 GENERAL FUND USES</strong></td>
<td>$343,853,426</td>
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<tr>
<td><strong>SURPLUS / (DEFICIT)</strong></td>
<td>$ (19,571,728)</td>
<td></td>
<td></td>
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<tr>
<td>Utilization of restoration funds received in 2010-11 as offset</td>
<td>$19,571,728</td>
<td></td>
<td></td>
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<tr>
<td><strong>ADJUSTED SURPLUS / (DEFICIT)</strong></td>
<td>$-</td>
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</table>
Explanatory Notes

The 2011-12 Sources and Uses Plan estimates the impact of budget decisions made by the State, by the CSU System Office, and the Long Beach campus on the resource allocations for the upcoming year. The plan is based on the $500 million CSU budget reduction scenario and incorporates planning parameters that have been provided to the campuses by the Chancellor and the CSU April Budget Allocation letter B2011-01 dated April 14, 2011. The plan does not include any changes that could occur should the "all cuts" state budget be enacted or with legislative proceedings that take place before the final budget is passed. The plan presents permanent and temporary allocations that comprise this year’s budget strategy.

The following notes provide an explanation of the numbers shown on the plan. Other related notes and recommendations on the budget strategy and selected topics can be found in the sections following this plan.

SOURCES

2010-11 General Fund Base Budget
Net state support and budgeted revenues and reimbursements detailed in the 2010-11 CSULB Internal Budget Document.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-11 Net State Support</td>
<td>$174,152,206</td>
</tr>
<tr>
<td>Represented portion of the University’s state budget supported by tax revenues.</td>
<td></td>
</tr>
<tr>
<td>2010-11 Revenues &amp; Reimbursements</td>
<td></td>
</tr>
<tr>
<td>State University Tuition Fee</td>
<td>$141,726,419</td>
</tr>
<tr>
<td>Represented portion of the University’s budget supported by undergraduate, teacher credential and graduate student tuition fees.</td>
<td></td>
</tr>
<tr>
<td>Other Receipts</td>
<td>$22,415,507</td>
</tr>
<tr>
<td>Represented portion of the University’s budget comprised of fees and miscellaneous reimbursements for services. Examples include student health center fee, application fee, non-resident tuition, transcript fees, etc.</td>
<td></td>
</tr>
</tbody>
</table>

Total 2010-11 General Fund Budget $338,294,132
Net Budget Plan Changes
The net budget plan changes in the campus’s General Fund allocation is based on CSU budget allocations detailed in the CSU system coded memorandum B2011-01 on the 2011-12 Governor’s Budget Allocations.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustment to 2010-11 retirement rate</td>
<td>$3,412,090</td>
</tr>
<tr>
<td>Retirement rate change reflecting the increased cost of employer-paid retirement contributions effective July 1, 2010.</td>
<td></td>
</tr>
<tr>
<td>Marginal cost funding</td>
<td>$3,075,400</td>
</tr>
<tr>
<td>Marginal cost funding to support costs associated with an increase in enrollment target from 26,454 resident FTES to 26,875 resident FTES at $7,305 per FTES.</td>
<td></td>
</tr>
<tr>
<td>Base General Fund adjustment</td>
<td>&lt;$36,320,700&gt;</td>
</tr>
<tr>
<td>CSULB’s share of the proposed $500 million base reduction to the CSU for 2011-12 as allocated by the Chancellor’s Office.</td>
<td></td>
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</tbody>
</table>

Adjustment to Revenues and Reimbursements

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State University Tuition Fee increase</td>
<td>$16,273,581</td>
</tr>
<tr>
<td>This increase is due to a 10% rate increase for undergraduate, graduate, and credential students effective Fall 2011. This revenue projection is contingent on achieving our funded 2011-12 college year enrollment target of 26,875 resident FTES.</td>
<td></td>
</tr>
<tr>
<td>Non-Resident Tuition</td>
<td>&lt;$1,262,410&gt;</td>
</tr>
<tr>
<td>This decrease is due to a projected reduction in the number of non-resident students from the budgeted enrollment.</td>
<td></td>
</tr>
<tr>
<td>Other Receipts</td>
<td>$809,605</td>
</tr>
<tr>
<td>This increase is due to projected revenue growth of the auxiliaries and reflects additional cost recovery pursuant to EO-1000.</td>
<td></td>
</tr>
</tbody>
</table>

Total 2011-12 General Fund Resources $324,281,698

USES

2010-11 Internal Budget
The budgets for operating divisions and university-wide programs as detailed in the 2010-11 Internal Budget document.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Division budgets</td>
<td>$184,478,357</td>
</tr>
<tr>
<td>Represents budget allocations for all operating divisions.</td>
<td></td>
</tr>
</tbody>
</table>
University-wide budgets $134,244,047
 Represents budgets for general, necessary, or unavoidable costs that benefit the entire campus rather than a particular division.

Restoration funds received in 2010-11 $19,571,728
 Represents budget restoration funds received from the state late in the 2010-11 final budget. Because these funds were received late in the fiscal year and because we anticipated state budget reductions in 2011-12, these funds were not allocated on a permanent basis.

2010-11 Internal Budget $338,294,132

Changes to 2010-11 Internal Budget

EdD funding based on revenue $1,000,000
 Represents projected EdD fee revenue allocated directly to Academic Affairs/College of Education to support the EdD program.

MBA funding based on revenue $800,000
 Represents projected MBA fee revenue allocated directly to Academic Affairs/College of Business to support the MBA program.

Enrollment increase instructional cost $837,790
 Funding provided to Academic Affairs to support instructional costs related to the increase in enrollment target.

Annual cost for faculty/staff email $106,000
 The annual cost to maintain and support a common email system for both faculty and staff.

Division budget reductions <$9,932,186>
 Represents the reduction in division budgets required to offset the decrease in General Funds contained in the Governor’s Budget for CSULB.

ADJUSTED 2010-11 GENERAL FUND BUDGET $331,105,736
2011-12 CHANGES IN CAMPUS EXPENDITURE REQUIREMENTS
Represents budget changes to division and university-wide allocations.

Directed / Earmarked by System Office

PERS retirement rate change $3,412,090
Represents increased campus contributions towards the CalPERS retirement program for employees.

Health benefits rate changes $2,903,000
Represents permanent increases in employer-paid health care costs due to January 2011 premium increases.

New space costs $1,599,300
This is the estimated cost to fund regular maintenance of new space at the Hall of Science scheduled for opening summer/fall 2011.

State University Grant (SUG) $4,833,300
Permanent budget adjustment associated with the financial aid set aside of 33% of increased state university tuition fee revenues. This adjustment is a preliminary projection of changes that will occur in campus fiscal year 2011-12 budgeted SUG allocations.

Total 2010-11 General Fund Uses $343,853,426

Surplus / (Deficit) <$19,571,728>

Utilization of restoration funds received in 2010-11 $19,571,728
Because we anticipated state budget reductions in 2011-12, these funds were not allocated on a permanent basis in 2010-11. Therefore, this funding is available to offset the projected 2011-12 budget deficit.
CSULB 2011-12

BUDGET PLANNING SUMMARY
The following documents provide a comprehensive summary of the budget planning process utilized by CSULB for the upcoming 2011-12 budget year. These documents contain:

- A summary of the Governor’s January Budget Proposal for the CSU and the resulting planning assumptions for CSULB
- A recap of CSULB budget planning assumptions and shortfall estimates under the “best case” and “worse case” scenarios.
- A brief description of required enrollment plans and budget mitigations for 2011-12.
- A description of key budget considerations, budget strategies, potential actions to manage reductions, and potential consequences
- A recap of final thoughts related to 2011-12 budget planning and suggestions for the campus community

In addition, “Budget Roadshows” were presented to various campus groups in order to provide a current overview of the budget situation for 2011-12:

Roadshow I – also on the web at http://daf.csulb.edu/offices/univ_svc/budget/docs/fy1112/outlook1/index.html

February 1, 2011: Academic Senate Executive Committee
February 15, 2011: University Resources Council Budget Update
February 17, 2011: Department Chairs’ Budget Briefing and Outlook
March 2, 2011: College of Liberal Arts
March 3, 2011: Presentation to Staff Unions
March 4, 2011: College of Health and Human Services
March 7, 2011: College of Education
March 8, 2011: College of Natural Science and Mathematics
March 16, 2011: College of Business Administration
March 17, 2011: College of Theatre Arts
April 5, 2011: Division of Administration and Finance
April 7, 2011: Open Presentation to Campus
April 11, 2011: Open Presentation to Campus

Over …
Roadshow II – also on the web at
http://daf.csulb.edu/offices/univ_svcs/budget/docs/fy1112/outlook/index.html

April 19, 2011:  Academic Senate Executive Committee
April 20, 2011:  College of Liberal Arts
April 21, 2011:  Bursar’s Office
April 21, 2011:  Presentation to Staff Unions
April 27, 2011:  College of Business Administration
April 27, 2011:  College of Engineering
April 28, 2011:  University Relations and Development
May 2, 2011:    College of Education
May 3, 2011:    College of Natural Science and Mathematics
May 4, 2011:    Division of Administration and Finance / General Managers
May 6, 2011:    College of Health and Human Services
May 11, 2011:   Associated Students Inc.
May 13, 2011:   Staff Council
May 13, 2011:   College of Theatre Arts
May 17, 2011:   Open Presentation to Campus
May 19, 2011:   Open Presentation to Campus

Additional relevant budget information can be found at
HTTP://WWW.CSULB.EDU/ABOUT/BUDGETCENTRAL/
California State University
Long Beach:
Budget Outlook
2011-12 and Beyond

March, 2011
Budget Outlook

• 10 Jan 2011, Gov Brown released his proposed 2011-12 budget
• Addresses $26 billion state budget deficit
• Includes $500 million (18%) reduction to CSU
• Requires voter approval of June ballot initiatives to extend current taxes
Budget Outlook

- Legislative Democrats and Republicans support the Governor’s reductions including the $500m CSU cut
- But most Republicans oppose June extensions
- Voter sentiment uncertain, could change before June
- Voter rejection of tax extensions in June could lead to larger reductions, a “Worse Case” scenario
- $500 million CSU reduction is our “Best Case” scenario
Budget Outlook: Key Unknowns

- June initiatives succeed or fail
- Legislature could change budget
- May tax receipts
- Chancellor’s Office budgetary actions
- Chancellor’s Office enrollment directions
- Trustee fees actions

We have to plan without knowing any of these.
Budget Outlook: Planning

- Unpleasant to contemplate the “Worse Case”
- Responsible leadership requires that we plan for that scenario...
- ... and hope to never implement the plan
- RPP has established net parameters for “Best” and “Worse” case scenarios
Planning Scenarios: Assumptions

“Best case”
- CSU reduction at $500m
- CSULB share may be about $32m

“Worse Case”
- CSU reduction could be $1b
- CSULB share may be about $72m
- CSULB share could be larger, depending on how CSU allocates reductions
Planning Scenarios: Mitigations

“Best case”

• Student fee increases approved by Board of Trustees last Nov will be effective Fall 2011
• Base budget restoration allocated by Gov Schwarzenegger will be returned
• Unspent (70%) 2010-11 non-base one-time restoration funds available to temporarily buffer impacts

“Worse Case”

• Assume Trustees raise fees another 10%
• Assume another $20m in mitigation from some permanent cost saving action(s) or one-time solution
Planning Scenarios: Mandatory Costs

“Best case”

- One third of student fee revenue set aside for financial aid (about $6m)
- Health benefit cost increases (about $2m)
- Space and energy costs related to the new Hall of Science building (about $2m)

“Worse Case”
Planning Scenarios: Enrollment

“Best case”

- Fall enrollment decisions must be made before June results known
- With higher fees, enrollment increase contributes positively to net budget

“Worse Case”

- Spring enrollment plans can be changed after June
- Chancellor might direct campuses to reduce enrollment if June initiatives fail
Planning Scenarios: CSULB Impacts

“Best case”

- Net estimated campus shortfall about $5 million (3%)
- Comes on top of steep reductions in prior years
- 2010-11 non-base funds temporarily buffer severe impacts up to 2-3 years

“Worse Case”

- Net estimated campus shortfall about $15 million (8%)
- Comes on top of steep reductions in prior years
- 2010-11 non-base funds temporarily buffer only the most severe impacts one year only
Planning Scenarios: Academic Affairs Outlook

“Best case”

- Careful use of unspent non-recurring “restoration” funds would provide a buffer against severe cuts for 2-3 years
- Little flexibility for anything new
- If state outlook remains dim, 3 years may be used for long-term permanent budget contraction, austerity
  - Limited hiring
  - Limits on other expenditures
- If state outlook brightens, operations might return to more normal levels
Planning Scenarios: Academic Affairs Outlook

“Worse case”

- Unspent non-recurring “restoration” funds would provide a buffer against severe cuts for 1 year only
- After 1 year, campus would face abrupt, severe reduction
- 2011-12 would have to be used to achieve permanent budget contraction
  - Very limited hiring
  - Limits on other expenditures
- If state outlook eventually brightens, operations might return to more normal levels
Planning Scenarios: Final Thoughts

• Past decade: remarkable strides
  • Graduation rates: historic high levels
  • Very diverse student population
  • Student life: more vibrant than ever with Rec & Wellness Center
• Faculty brings distinction: scholarly, creative achievements
• Engaged in the community, around the globe
• Campus services continue to improve
• Beginning to make progress in sustainability
Planning Scenarios: Final Thoughts

- Faculty, staff, admin, students are justly proud of The Beach
- We do not wish to retreat on these remarkable achievements
- Budget challenges may slow progress, but we are determined to continue rising excellence
Budget Outlook

Jan 10 2011, Gov Brown proposed 2011-12 budget

- Addressed $26b budget deficit
- Included $500m (18%) CSU reduction
- Required June ballot on tax extensions

June ballot idea failed

A worse case, "$1 billion," CSU reduction is now more likely
Budget Outlook

Possibilities
- “All cuts” budget with CSU cut of perhaps $1 billion
- Fall? ballot on tax extensions; uncertainty until then

Key unknowns
- May tax receipts
- Chancellor’s Office budgetary actions
- Chancellor’s Office enrollment directions
- Trustee fees actions

Necessary to plan for $1 billion reduction ... and hope never to implement the plan
Budget Mandatory Costs

- One third of student fee revenue set aside for financial aid (about $6m)
- Health benefit cost increases (about $2m)
- Space and energy costs related to the new Hall of Science building (about $2m)
Budget and Enrollment

- With higher fees, enrollment increase contributes positively to net budget
- Fall enrollment decisions are largely complete
- Spring closure likely to be mandated by Chancellor
  - Current direction: accept spring apps, don’t admit
  - Enrollment reductions exacerbate budget shortage
Budget Mitigations

- Permanent mitigations
  - Fee increases approved by Trustees last Nov effective Fall 2011
  - Permanent budget restoration allocated by Gov Schwarzenegger will be returned as an offset in 2011-12
  - Fee revenue associated with enrollment increase

- Temporary mitigations
  - Unspent (at least 70% of) 2010-11 restoration funds

- Uncertain mitigations
  - Additional fee increases
  - Other cost saving actions by Trustees or State
Potential Range of Reductions

<table>
<thead>
<tr>
<th>Reduction</th>
<th>Potential range</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSU gross</td>
<td>$750m - $1 billion</td>
</tr>
<tr>
<td>CSULB gross</td>
<td>$48m - $64m</td>
</tr>
<tr>
<td>CSULB net to the campus after mitigations</td>
<td>$15m - ~ $30m</td>
</tr>
</tbody>
</table>

Since these cuts come after prior reductions, little flexibility remains
Key Budget Considerations

- Is our current budget challenge cyclic or longer-term?
- In past decades, Higher Ed has several times experienced budget problems related to cyclic changes in the economy.
- However, there are reasons to think current problems will be long-term:
  - Increasing costs of retirement and health care benefits
  - Competing demands for public funding: health care, social services, corrections, state infrastructure
  - Changing demographics: fewer workers per retiree, less educated, younger population earning less, paying less in taxes
  - Changing competitive position of US, state in world economy
  - Ascendancy of anti-tax, anti-government politics in the US
- Unfortunately, we cannot assume that budgets will return to prior levels within a year or two.
Key Budget Considerations

- **Mission**: California State University Long Beach is a diverse, student-centered, globally-engaged public university committed to providing highly-valued undergraduate and graduate educational opportunities through superior teaching, research, creative activity and service for the people of California and the world.

- **Vision**: California State University Long Beach envisions changing lives by expanding educational opportunities, championing creativity, and preparing leaders for a changing world.

- **Academic Purpose**: Our academic purpose is to graduate students with highly-valued degrees.
Budget Planning Mistakes*

- Not focusing on where the money is (e.g., “across the board,” and “deep and narrow”)
- Confusing other (maybe good) ideas with budget solutions (e.g., GE reform)
- Magic bullet thinking (e.g., “If only you would ...”)
- Conflating strategic vision with budget problem solving
- Not listening to constituents
- Squandering campus morale

(*We will try to avoid)
Key Budget Considerations

- Preserve classes and services as much as possible
- Protect permanent employees as much as possible
- Save money
- Manage workload
Budget Strategies

- All funds budgeting: repurpose revenues to support classes and services (e.g., CCPE, Lottery, Housing, Parking)
- Utilize carryover funding and temporary solutions to create soft landing
- Seek long-term, strategic solutions
- Evaluate existing business practices to:
  - Fully utilize technology
  - Improve usage of facilities and utilities
  - Gain efficiencies
Academic Program Reductions

- Universities often address budget reductions by eliminating academic programs
- Budget-driven academic program reduction may be sensible when:
  - Academic programs have low graduation rates or are under-enrolled
  - Students can be better served at lower cost in other programs
  - Campus budgets are not driven by enrollments
- The experience of other campuses is that
  - Budget-driven academic program reduction process raises faculty anxieties sharply
  - Complex, thoughtful process necessary to carefully, fairly consider changes
  - Budget savings take years to realize and are often modest at best
  - Collective bargaining agreements must be honored
  - Anxiety creates a high cost to campus morale
  - Return on investment of effort is uncertain, uneven
Academic Program Reductions

CSULB:

- Has few under-enrolled programs
- Budget is strongly driven by enrollments
- Reduced enrollments would have to be reproduced elsewhere, limiting savings
- Collective bargaining agreements must be honored
- Colleges have recently made some modest changes and may consider additional modest changes
- Academic Division might in future consider academic program mix as a strategic issue or might decide that issue is better approached incrementally
- In current circumstances, academic program eliminations are of limited value to CSULB as a budget problem solving strategy and will not be central to planning
Possible areas for budgetary savings (not in priority order)

- Reduce assigned time
- Reduce operating, travel, equipment funds
- Reduce Research block grants
- Use Student Excellence Fund to shelter advising and other student services
- Close admissions to low graduation rate (more expensive) graduate programs
- Convert department chairs to ten (10) months
- Reduce or eliminate TT hires for 2012-13
- Consolidate or co-locate departments/units (not the same as program elimination)
- Consolidate technology services and equipment, e.g.,
  - desktop support
  - imaging systems
  - servers
  - standardize hardware configurations
Potential Actions to Manage Reductions

Possible areas for budgetary savings (not in priority order)

• Mandate use of electronic processes
  • EFT (electronic funds transfer) for travel reimbursement
  • purchase orders
  • time reporting
  • Procurement Card approvals
• Manage operating expenditures
  • use of master purchasing agreements
  • reduce hard copy mailings/documents and related postage
  • reduce state vehicles
• Reduce in-person services and window hours
• Manage facilities
  • consolidate building usage on weekends/summer
  • scheduled shutdown of utilities
Potential Consequences

- Negative impact to students (fewer class offerings, reduced services)
- Higher student fees
- Reduced graduation rates and increased time to degree
- Probable reduction of temporary/permanent staff and adjunct faculty
- Faculty teach more and bigger sections
- Reduced assigned time
- Reduced support for RSCA (research, scholarly and creative activities)
Potential Consequences

- Reduced travel, equipment, operating funds
- Quick adaptation to new business practices will be required
- Severely limited capacity to implement new programs, projects, initiatives
- Severely limited capacity to handle special requests, appeals, customized and ad hoc reports
- Lower employee morale
Contradictions

Next year we are likely to be in a seeming contradiction:

- Enrollment will be up (with student fee revenue helping to offset cuts)
- With carry-over resources protecting us, we will be supporting a fairly normal schedule of classes

However ...

- We will begin to implement cuts, and
- Plan for much deeper cuts the following year
We are justly proud of The Beach. We are facing the greatest budget challenge ever for the campus. We are concerned about our future. Together we have all helped CSULB become a place of high quality and great experiences. Protecting faculty, staff, and students as much as possible is a priority. We will continue to work together to get through these budgetary challenges. We do not wish to retreat on our remarkable achievements.
What can you do to help?

- Talk to your legislators
- Talk to your friends and neighbors
- Acknowledge that we are all going through a time of great uncertainty and discomfort
- Allow for rising tensions among all of us
- Stay positive and be patient

- GO BEACH !!!
APPENDIX
GUIDELINES FOR BUDGET SUBMISSIONS
CSULB faces significant budget concerns for 2011-12. Although many events could change our prospects between now and next fall, we believe it is prudent for us to start planning based on available information.

**Values, Mission, Vision, Priorities**

In considering the challenging situation facing us next year, we remain committed to university values and priorities. Our values emphasize: Educational Opportunity, Excellence, Diversity, Integrity, and Service.\(^1\) The campus has established five strategic priorities: Student Success, Academic Quality, Service Excellence, Campus Life, and Sustainable Environment.\(^2\) Our mission and vision emphasize: “providing highly-valued undergraduate and graduate educational opportunities” and “changing lives…for a changing world.” We have articulated our core academic purpose: “…to graduate students with highly-valued degrees.”

In the past decade CSULB has made remarkable strides. Graduation rates are at historic high levels with a very diverse student population. Student life is more vibrant than ever with the opening of the Recreation and Wellness Center. The faculty brings distinction to the campus with scholarly and creative achievements. The university is engaged in the community and around the globe. Campus services have continued to improve. We are beginning to make progress in sustainability. Faculty, staff, administration and students are justly proud of The Beach and our accomplishments. We do not wish to retreat on these remarkable

\(^1\) [http://www.csulb.edu/about/](http://www.csulb.edu/about/)

\(^2\) [http://www.csulb.edu/divisions/aa/planning_enrollment/documents/CampusGoals09-12j.pdf](http://www.csulb.edu/divisions/aa/planning_enrollment/documents/CampusGoals09-12j.pdf)
achievements. Budget challenges may slow our progress, but we are determined to continue our rising excellence.

Sharing Budget Information
Keeping the campus community informed about our budget circumstances will continue to be a priority. The “Budget Central” web page offers information accessible from the campus home page and the Division of Academic Affairs has created a web page to update faculty and staff about divisional budget planning. Each vice president has been charged with keeping respective employees informed and organizing appropriate processes for discussion of budget.

Planning Parameters
On January 10, 2011, Governor Brown released his proposed 2011-12 state budget that addresses an estimated $26 billion budget deficit. The Governor’s proposal includes a $500 million – or 18 percent – reduction in state support to the CSU. The $500 million reduction is being described as the “best case” scenario based on an extension of tax increases to be voted on in an anticipated June 2011 special election. If voters reject the tax extensions, or if the June special election does not occur, the CSU may face additional reductions beyond the proposed $500 million cut for 2011-12, a “worse case” scenario.

“Best Case”
We currently expect the CSULB share of Governor Brown’s proposed CSU reduction to be about $40 million, assuming the CSU allocates the reduction on a pro rata basis as in prior years. It is possible that the CSU will allocate the $500 million cuts in a way that affects Long Beach more seriously, but we do not know yet.

If CSULB’s cut is in the $40 million range, two factors will help to mitigate this reduction. First, we will receive additional student fee revenues resulting from the 10 percent fee increase effective Fall 2011 that was approved by the Board of Trustees last November. Of course, one third of this additional student fee revenue will be set aside for State University Grants to assist financially needy students. Second, because the campus took a conservative approach to budget planning last fall, the late budget restoration made by Governor Schwarzenegger was set aside. Since we only allocated these funds to the divisions on a one-time basis for 2010-11, almost $20 million is available in 2011-12 to offset Governor Brown’s proposed cuts. We must also plan for mandatory campus cost increases for health benefits and for new space and energy costs primarily related to the new Hall of Science. After taking all of these factors into consideration, we have anticipated a very preliminary estimated campus budget shortfall of about $5 million in this “best case” scenario.

---

It must be noted that the additional $5 million reduction under this best case scenario is on top of the very steep reductions the campus took in both fiscal years 2008-09 and 2009-10. Moreover, large permanent reductions were also implemented in 2010-11, but have been masked by the late budget restoration made by Governor Schwarzenegger. As we now know, this budget restoration was short lived and will be returned to the state in 2011-12. Therefore, the cumulative effect of three consecutive years of budget reductions will be serious.

CSULB’s preliminary enrollment target for 2011-12 is a modest increase from our current year enrollment – 26,875 resident FTES. We expect to be able to support the schedule of classes and serve these students, assuming the Governor’s budget is passed by the legislature. Importantly, student fees are now at a high enough level that enrollment growth contributes positively to our net operating budget.

“Worse Case”
If the legislature or voters reject the tax extension initiatives proposed by the Governor, the campus budget shortfall would worsen dramatically, a “worse case” scenario. While we do not wish to unnecessarily raise anxiety on campus, we must plan for the possibility that the proposed June tax extensions will fail and the cuts to the CSU will be larger still. As we plan for this scenario, there are significant unknowns, such as actions that the state or Chancellor might undertake to mitigate such a large additional reduction. In this scenario, our preliminary estimate puts the net campus budget shortfall (assuming some mitigation at the system level) in the $15 million range, although frankly this is little more than an educated guess. In this situation, there will be no easy options.

Based on these plausible campus budget shortfall scenarios of $5 million and $15 million for 2011-12, budget reductions have been allocated to the operating divisions on a pro rata basis (see Exhibit 1) for planning purposes. These are large reductions and the attached distribution of cuts is a very preliminary allocation made for the sole purpose of allowing divisions to start their planning process.

Also included in Exhibit 1 is the one-time allocation to divisions of budget restoration funds received in 2010-11. These significant dollar amounts can greatly assist the divisions during these difficult budget times and are in addition to typical annual carryover amounts. While these funds cannot be considered base budgets for the divisions, they are available to help temporarily offset reductions in 2011-12 and beyond. We understand that some of these funds may have been used or committed in 2010-11. We are hopeful that due to the large amount allocated, a sizable balance remains available to temporarily offset base budget reductions for 2011-12 and at least a year or two beyond. By then, it is possible that the state economy and state budget may have recovered enough that the CSU budget would be healthier than it is today.

It should be noted that the annual three percent carryover policy will be greatly relaxed during this period. Under separate cover, each division will be asked to provide a multi-year budget plan that incorporates the use of the restoration funds and larger carryover amounts that result.
Planning Process
Divisions are asked to develop plans for 2011-12 based on these parameters, using the division-specific figures attached that equate to a base budget reduction of 2.7 percent and 8.1 percent. Vice presidents will be invited to describe their plans to RPP in April. RPP does not expect these presentations to include extensive detail.

Under the 2.7 percent reduction scenario, we expect that sufficient carryover funds are available to the divisions to fully mitigate the reduction. RPP would like to know how much of the carryover is being utilized in this way and how much carryover would remain for use in future years.

Under the 8.1 percent reduction scenario, we expect that cuts will be required despite the availability of carryover funds. RPP requests a clear sense of the effects of the cuts proposed:

- What services/programs/processes would be affected?
- What would be the consequences of the proposed changes?
- How would other campus units/customers be affected by the proposed changes?
- What is the best estimate of the number of positions that would be affected? Please delineate the number of vacancies versus filled positions that will be affected.

These parameters provide a basis for preliminary planning to address these reductions and are subject to revision based on changing circumstances. We expect there will be many changes between now and July, so this planning framework should not be considered the campus’ final direction.

Vice presidents are requested to begin planning processes in order to handle the anticipated reductions in 2011-12.

Thank you very much.

Attachments:
  Division Pro Rata Reductions

cc: President Alexander
    Deans, Associate Deans, Directors and Department Heads
    Academic Senate Executive Committee
    Staff Council Executive Committee
    Associated Students Officers
    CSULB Faculty and Staff Union Chapter Presidents
    Library Reserve Book Room
    Budget Central website: http://www.csulb.edu/about/budgetcentral/
### Division Operating Budgets

<table>
<thead>
<tr>
<th>Division</th>
<th>2010-11 Base Budget</th>
<th>2010-11 % of Total</th>
<th>2010-11 One-Time Allocation</th>
<th>Scenario 1 $5M Reduction</th>
<th>Scenario 2 $15M Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Academic Affairs</strong></td>
<td>$127,245,052</td>
<td>68.98%</td>
<td>$13,621,923</td>
<td>$ (3,448,780)</td>
<td>$ (10,346,340)</td>
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<tr>
<td><strong>Administration &amp; Finance</strong></td>
<td>35,719,048</td>
<td>19.36%</td>
<td>3,718,628</td>
<td>(968,109)</td>
<td>(2,904,328)</td>
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<td><strong>Student Services</strong></td>
<td>11,448,245</td>
<td>6.21%</td>
<td>1,193,875</td>
<td>(310,287)</td>
<td>(930,861)</td>
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<tr>
<td><strong>University Relations &amp; Development</strong></td>
<td>5,116,176</td>
<td>2.77%</td>
<td>528,437</td>
<td>(138,666)</td>
<td>(415,998)</td>
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<tr>
<td><strong>Athletics</strong></td>
<td>3,380,002</td>
<td>1.83%</td>
<td>352,291</td>
<td>(91,610)</td>
<td>(274,829)</td>
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<td><strong>President's Office</strong></td>
<td>1,569,834</td>
<td>0.85%</td>
<td>156,574</td>
<td>(42,548)</td>
<td>(127,644)</td>
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<tr>
<td><strong>TOTAL DIVISION BUDGETS</strong></td>
<td>$184,478,357</td>
<td>100.00%</td>
<td>$19,571,728</td>
<td>$ (5,000,000)</td>
<td>$ (15,000,000)</td>
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ENROLLMENT DATA
## FTES BY COLLEGES AND INSTRUCTIONAL AREAS

<table>
<thead>
<tr>
<th>COLLEGE / DIVISION</th>
<th>PROJECTED 2009-10</th>
<th>ACTUAL 2009-10</th>
<th>PROJECTED 2010-11</th>
<th>ACTUAL 2010-11</th>
<th>PROJECTED 2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TOTAL</td>
<td>% OF TOTAL</td>
<td>SUMMER</td>
<td>FALL</td>
<td>SPRING</td>
</tr>
<tr>
<td>Health &amp; Human Services</td>
<td>5,059</td>
<td>18%</td>
<td>342</td>
<td>4,599</td>
<td>4,310</td>
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<tr>
<td>Business Administration</td>
<td>2,782</td>
<td>10%</td>
<td>213</td>
<td>2,613</td>
<td>2,273</td>
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<tr>
<td>Education / EDSS</td>
<td>2,052</td>
<td>7%</td>
<td>193</td>
<td>1,960</td>
<td>1,702</td>
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<tr>
<td>Engineering</td>
<td>1,497</td>
<td>5%</td>
<td>35</td>
<td>1,670</td>
<td>1,566</td>
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<tr>
<td>The Arts</td>
<td>2,825</td>
<td>10%</td>
<td>27</td>
<td>3,140</td>
<td>2,767</td>
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<tr>
<td>Natural Sciences &amp; Math</td>
<td>4,072</td>
<td>14%</td>
<td>162</td>
<td>4,189</td>
<td>3,713</td>
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<tr>
<td>Liberal Arts</td>
<td>10,406</td>
<td>36%</td>
<td>333</td>
<td>10,599</td>
<td>9,374</td>
</tr>
<tr>
<td>Other University Programs*</td>
<td>197</td>
<td>1%</td>
<td>4</td>
<td>113</td>
<td>53</td>
</tr>
<tr>
<td>Total, Colleges/Instruction</td>
<td>28,890</td>
<td>100%</td>
<td>1,245</td>
<td>28,883</td>
<td>25,758</td>
</tr>
</tbody>
</table>

### Notes:

* Includes Educational Opportunities Program (EOP), Academic Affairs (VPAA), and Athletics Department.

(1) Campus enrollment targets include resident and non-resident students based on the Governor's Budget. Campus is funded for growth in resident students only. In 2009-10, in response to the CSU budget reduction plan, campuses were asked to close to spring admissions. CSULB’s resident target remains at 2008-09 levels, 28,100 FTES; non-resident target is 1,330 FTES.

(2) Campus enrollment targets include resident and non-resident students based on the Governor's Budget. Campus is funded for growth in resident students only. In 2010-11, in response to Legislative pressure, campuses were asked to downsize enrollment to the funded target or face financial penalties. CSULB’s funded target is 26,297 FTES, which is a reduction of 3,044 FTES from 2009-10. The Chancellor's Office also moved Year Round Operations to self-support (CCPE) except for MBA and EDD programs.

(3) Campus enrollment targets include resident and non-resident students based on the Governor's Budget. Campus is funded for growth in resident students only. In 2011-12, in response to state budget deficit, the Chancellor's Office announced plans to reduce systemwide enrollment if cuts to the CSU becomes larger. CSULB's funded target is 26,875 resident FTES, which is a slight increase of 578 resident FTES from 2010-11.
## PREPARATION

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Location</th>
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</thead>
<tbody>
<tr>
<td>Thursday, September 23, 2010</td>
<td>9:00 AM – 10:30 AM</td>
<td>BH 302</td>
</tr>
<tr>
<td>Thursday, November 4, 2010</td>
<td>10:30 AM – NOON</td>
<td>BH 302</td>
</tr>
<tr>
<td>Thursday, February 3, 2011</td>
<td>9:00 AM – NOON</td>
<td>BH 302</td>
</tr>
<tr>
<td>Friday, March 4, 2011</td>
<td>2:00 PM – 4:00 PM</td>
<td>BH 302</td>
</tr>
<tr>
<td>Friday, April 15, 2011</td>
<td>2:00 PM – 4:30 PM</td>
<td>BH 302</td>
</tr>
</tbody>
</table>

## DIVISION HEARINGS

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Location</th>
<th>Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thursday, April 21, 2011</td>
<td>9 AM – NOON</td>
<td>University Relations and Development Administration and Finance</td>
<td></td>
</tr>
<tr>
<td>Thursday, April 28, 2011</td>
<td>9:00 AM – NOON</td>
<td>Student Services Athletics President’s Office</td>
<td></td>
</tr>
<tr>
<td>Friday, April 29, 2011</td>
<td>9:00 AM – 11:30 AM</td>
<td>Academic Affairs</td>
<td></td>
</tr>
</tbody>
</table>

## REVIEW, DELIBERATIONS AND REPORT WRITING

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friday, May 6, 2011</td>
<td>2:00 PM – 4:00 PM</td>
<td>BH 302</td>
</tr>
<tr>
<td>Friday, May 30, 2011</td>
<td>2:00 PM – 4:00 PM</td>
<td>BH 302</td>
</tr>
</tbody>
</table>

Schedule of Meetings  C1
GLOSSARY OF TERMS
This glossary is provided to explain various terms and phrases specific to the CSU that are used in this Resource Planning Process document, and/or to provide references to websites where additional information or explanations may be found.

The State of California’s glossary of budget terms is an additional reference (link below). However, some terms used therein may not be common jargon or applicable to the CSU. http://www.dof.ca.gov/HTML/BUD_DOCS/glossary.pdf

**Academic Year (AY)**
For semester campuses, an academic year includes the fall and spring semesters. The college year includes summer, fall, and spring semesters.

**Academic Year Full-Time Equivalent Students (AY-FTES)**
The number of academic year full time equivalent students (FTES) at a semester campus is calculated by adding the student credit hours for the fall and spring semesters and dividing by 24 for graduate students and by 30 for all other students. It is the average enrollment over two semesters based on a full time equivalency of 12 credit hours per semester for graduate students and 15 credit hours per semester for all other students.

**Base Budget**
Base budget is a term used to distinguish the fixed amount of general fund resources allocated to the campus as compared to other variable, or non-recurring resources, also referred to as non-base budget. The amount of each campus’ general fund base budget allocation is reestablished each year as authorized by the CSU Board of Trustees in the Final Budget memo. The CSU Budget Office issues this memo when the Governor signs the Final Budget. In addition, the campus is responsible for reestablishing a base budget for its variable revenues that are collected in the general fund, by setting a minimum amount that it expects to collect.

The President establishes annual changes to the university’s base budget after review of recommendations from the Resource Planning Process task force. Such changes are normally addressed in the annual President’s Budget Message, issued at the beginning of the Fall semester.

The resources available for operating divisions during the annual Resource Allocation process in the Fall are comprised of the state general fund allocation and campus tuition fee revenue, such as State University Fees, non-resident tuition, application fees, etc.

Additional information may be found at:
http://www.calstate.edu/Budget/
http://daf.csulb.edu/offices/univ_svcs/budget/docs/index.html

**Campus Physical Capacity**
Campus physical capacity (CPC) is defined as the academic year FTES (or college year FTES) that can be accommodated by the capacity space currently available on a campus. CPC may be equal to or less than the enrollment ceiling approved for a campus.

Capacity of campus facilities is usually expressed in terms of student stations, annual FTE student capacity, or office space. Capacity is calculated using the appropriate utilization measures and space standards approved by the state. A campus cannot request capital outlay funding that will add physical space if the project will result in exceeding the campus’ physical capacity as published in its approved physical master plan.

As of Fall, 2010, CSULB had a campus physical capacity of 25,354 Academic Year FTES.
Campus Physical Master Plan

The campus master plan describes the physical facilities approved for planning, design and construction on land owned by the Trustees as part of a CSU campus. Once initially approved, the Trustees must approve all additions to the campus physical master plan. The campus physical master plan also includes the enrollment ceiling approved for the campus based upon the Environmental Impact Report (EIR) for the site.

The Board of Trustees requires that every campus have a physical master plan, showing existing and anticipated facilities necessary to accommodate specified levels of enrollment, in accordance with approved education policies and objectives. Each campus master plan reflects the ultimate physical requirements of academic programs and auxiliary activities. A related element, adopted by the Board, separate from the physical master plan, is the campus enrollment ceiling that specifies the maximum FTE for each campus at build-out.

The Campus Master Plan was approved to increase campus facilities capacity to 31,000 FTES when additional future funding becomes available.

Campus Temporary Resources

Year-end balances held in university-wide programs are made available as a university contingency reserve to address deterioration in the budget or other emergencies that may arise. Any unspent amount at the end of a fiscal year will carry forward to address the next year’s budget needs. These funds are of a one-time, non-recurring nature and are attributable to savings from a variety of programs including benefits, compensation, utilities and general reserves. Excess revenue that results from collections above the fee revenue budget requirements for SUF, NRT and Application fees also contribute to campus temporary resources.

Carryover Savings

The university is allowed to retain its unspent general fund budget balance at the close of the fiscal year. We refer to these balances that roll forward to the next fiscal year as carryover savings. Also referred to as division or university-wide reserves, carryover savings are published in the Internal Budget Document and are labeled as Division Carryover Savings.

Due to the Revenue Management Program (see RMP), the Chancellor’s Office has established a maximum threshold amount that a campus can roll forward to the next fiscal year. If a campus exceeds this threshold, a usage plan must be developed and submitted to the Chancellor’s Office.

Common Management System (CMS)

The mission of the Common Management Systems (CMS) is to provide efficient, effective and high quality service to the students, faculty and staff of the 23-campus California State University System (CSU) and the Office of the Chancellor. Utilizing a best practices approach, CMS supports human resources, financials and student services administration functions with a common suite of Oracle Enterprise applications in a shared data center, with a supported data warehouse infrastructure.

Additional information may be found at:
http://www.csulb.edu/divisions/af/cms/
http://cms.calstate.edu/
Compensation
To recognize the salary increase commitments of the CSU collective bargaining agreements and CSU’s Management Personnel Plan, the Resources and Requirements plan projects the amount of incremental cost of negotiated salary increases that go into effect during a given fiscal year.

Division Reserves
Same as Carryover Savings

Enrollment Target
The enrollment target is the total number of full-time equivalent students that a campus receives base budget funding for during a college year. The Board of Trustees will establish enrollment targets during the budget process with the intent to publicize campus enrollment targets ten months prior to the beginning of the academic year.

<table>
<thead>
<tr>
<th>Campus</th>
<th>2010/11 FTES Target</th>
<th>2011/12 FTES Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bakersfield</td>
<td>6,768</td>
<td>6,976</td>
</tr>
<tr>
<td>Channel Islands</td>
<td>3,067</td>
<td>3,258</td>
</tr>
<tr>
<td>Chico</td>
<td>14,397</td>
<td>14,683</td>
</tr>
<tr>
<td>Dominguez Hills</td>
<td>9,142</td>
<td>9,537</td>
</tr>
<tr>
<td>East Bay</td>
<td>12,192</td>
<td>12,467</td>
</tr>
<tr>
<td>Fresno</td>
<td>17,767</td>
<td>18,005</td>
</tr>
<tr>
<td>Fullerton</td>
<td>26,509</td>
<td>27,704</td>
</tr>
<tr>
<td>Humboldt</td>
<td>7,056</td>
<td>7,248</td>
</tr>
<tr>
<td>Long Beach</td>
<td>27,695</td>
<td>27,968</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>17,042</td>
<td>17,131</td>
</tr>
<tr>
<td>Maritime Academy</td>
<td>1,002</td>
<td>1,055</td>
</tr>
<tr>
<td>Monterey Bay</td>
<td>4,029</td>
<td>4,583</td>
</tr>
<tr>
<td>Northridge</td>
<td>25,721</td>
<td>26,752</td>
</tr>
<tr>
<td>Pomona</td>
<td>17,660</td>
<td>17,755</td>
</tr>
<tr>
<td>Sacramento</td>
<td>22,081</td>
<td>22,086</td>
</tr>
<tr>
<td>San Bernardino</td>
<td>14,168</td>
<td>14,389</td>
</tr>
<tr>
<td>San Diego</td>
<td>28,412</td>
<td>27,635</td>
</tr>
<tr>
<td>San Francisco</td>
<td>23,840</td>
<td>24,554</td>
</tr>
<tr>
<td>San Jose</td>
<td>22,896</td>
<td>22,486</td>
</tr>
<tr>
<td>San Luis Obispo</td>
<td>17,172</td>
<td>16,798</td>
</tr>
<tr>
<td>San Marcos</td>
<td>7,149</td>
<td>7,506</td>
</tr>
<tr>
<td>Sonoma</td>
<td>7,358</td>
<td>7,533</td>
</tr>
<tr>
<td>Stanislaus</td>
<td>6,956</td>
<td>6,831</td>
</tr>
</tbody>
</table>

Information about the CSU enrollment management policy can be found at: http://www.calstate.edu/acadres/docs/CSU_Enroll_Mngmnt_Policy_Practices.pdf

EO-1000 (formerly EO-753)
Auxiliary enterprises are charged for allowable direct costs plus an allocable portion of indirect costs associated with facilities, goods, and services provided by the University funded from the General Fund. An annual written cost allocation plan is compiled for compliance with Executive Order 1000 (Allocation of Costs to Auxiliary Enterprises).
Final Budget
Final Budget refers to the final enacted state budget and CSU allocations. Differentiated from the preliminary budget that is developed after the Governor's Budget and May Revision and the Legislative Budget Recommendations received by the Governor in June. See Governor's Budget.

General Fund
The General Fund has existed since the beginning of the state as a political entity. It is the government’s major source of funds used for most of its activities. Under this fund, various special accounts are created and reserved for particular activities. Chapter 942/77 provides for the treatment of these accounts as other governmental funds for Accounting and Budgeting purposes effective July 1, 1978.

Usage of this fund varies in accordance with legislative authorizations and governing statutes. Except for various constitutional and statutory authorizations without further legislative action, the General Fund is appropriated on a yearly basis. Income to the fund varies in accordance with the governing statutes. A detailed listing is contained in the Governor's Budget and the Controller's Annual Report.

Additional information may be found at: http://www.dof.ca.gov/fisa/bag/DofGlossFrm.HTM

General Fund Allocation
The amount of each campus’ State General Fund Budget allocation is established each year as authorized by the CSU Board of Trustees in the Final Budget Memo. The CSU Budget Office issues this memo when the Governor signs the Final Budget.

See also Base Budget

Governor's Budget (January)
The State Constitution requires that the Governor submit a budget to the Legislature by January 10. It provides for a balanced budget in that, if the proposed expenditures for the budget year exceed estimated revenues, the Governor is required to recommend the sources for the additional funding.

The budget process for California defies a simple concise definition. It is a process rather than a product. It is not the development of the Governor's Budget, the Legislature's enactment of a budget, or the executive branch's administration of the budget. Rather, it is the combination of all of these phases with all the ramifications and influences of political interactions, relationships with federal and local governments, public input, natural events, legal issues, the economy, initiatives and legislation, etc. Although the size and complexity of California and the dynamics of the process make it difficult to establish and maintain an orderly process, these very reasons necessitate an orderly formalized process.

By constitutional requirement, the Governor's Budget must be accompanied by a Budget Bill itemizing recommended expenditures that shall be introduced in each house of the Legislature. The Constitution also requires that the Legislature pass the bill by June 15. It is not uncommon for the Legislature to miss this deadline.

The following web references summarize the major steps and procedures of California's budget process:
http://www.dof.ca.gov/budget/
http://www.dof.ca.gov/HTML/BUD_DOCS/budenact.pdf

Health Benefits Maintenance
To recognize the costs required to cover health benefit costs for employees who are compensated from general fund accounts, the Resources and Requirements plan projects the incremental amount of funding necessary to cover the cost of employer-paid benefits that will go into effect in a given fiscal year.

Mandatory Costs
A typical cost of doing business that is unavoidable is referred to as mandatory. These costs normally include negotiated compensation increases, benefit costs, energy and utility cost increases, insurance premiums, worker’s compensation contributions to the CSU risk pool, and maintenance costs of new building space.

**May Revision**
The May Revision is an annual update to the Governor’s Budget containing a revised estimate of General Fund revenues for the current and ensuing fiscal years, any proposals to adjust expenditures to reflect updated revenue estimates, and all proposed adjustments to Proposition 98, presented by the Department of Finance to the Legislature by May 14 of each year.

2010-2011 May Revision of Governor’s Budget related to Higher Education is contained in the attached:
http://www.ebudget.ca.gov/pdf/Revised/BudgetSummary/FullBudgetSummary.pdf

**Non-base Budget Allocations**
Non-base budget is a term to distinguish one-time temporary resources which are not added to base budgets. **Carryover savings** are a type of non-base budget allocation.

**Non-resident Tuition (NRT)**
The additional fee assessed to students who do not meet the State of California residency requirement. Students need to meet particular requirements to pay in-state tuition (SUF), which is significantly lower than out-of-state tuition (NRT). The requirements are listed in the link below.

If students are without lawful immigration status, they must also file an affidavit with a CSU campus stating that they have filed an application with the INS to legalize their immigration status or that they will do so as soon as they are eligible. The attached link identifies current residency requirements:

Visit the campus website at:
http://www.csulb.edu/depts/enrollment/admissions/residency.html
http://www.csulb.edu/depts/enrollment/registration/fees_basics.html

**One-Time, Temporary Resources**
See **Non-base Budget Allocations**

**PERS Retirement Rate Change**
CalPERS uses contributions from the employer, the employee, and income from investments to pay for employee retirement benefits. Employee and employer contributions are a percentage of applicable employee compensation. The employer contribution is set annually by CalPERS based on annual actuarial valuations. The employee contribution is 5% of salary for Miscellaneous Tier 1 members and 8% for some Peace Officer/Firefighter members (Public Safety Management and Firefighters only) less an exclusion allowance for coordination with Social Security. For eligible CSU Public Safety (R08) employee Peace Officer/Firefighter members, the CSU currently pays for both the employer and employee contributions.

**CSU Contribution Rates for CalPERS Retirement Coverage – Fiscal Year 2011/12**
Effective July 1, 2011 the CSU retirement contribution rates for employees covered by the following CalPERS member Categories are as follows:

<table>
<thead>
<tr>
<th>Member Category</th>
<th>CSU Employee Group</th>
<th>2011/12 Employer Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Police Officer/Firefighter</td>
<td>Unit 8</td>
<td>35.415%*</td>
</tr>
<tr>
<td>State Police Officer/Firefighter</td>
<td>MPP Directors &amp; Lieutenants</td>
<td>27.415%</td>
</tr>
<tr>
<td>State Miscellaneous Tier 1</td>
<td>All Other CSU Employees</td>
<td>18.175%</td>
</tr>
</tbody>
</table>

*Includes 8% employee contributions rate paid by CSU

**Revenue Management Program (RMP)**
The Governor’s Budget enacted RMP in 2006-2007. The CSU has re-engineered substantial financial and reporting changes for cash flows and modified the accounting procedures for all campuses. The new RMP initiative has reduced our dependency on the State of California for fiscal tasks, increased working efficiencies and reduced delays to the year-end closing process. The CSU has new responsibilities to monitor and manage the cash flows and any potential earnings that may arise from fee collections to support campus operations. Ongoing changes as a result of new directives and best methods approach along with campus standardization of activities will continue to be issued to enhance financial operations.

Additional information may be found at:  
http://www.calstate.edu/BF/rmp/rmp_home.shtml

**State University Fee (SUF)**
State University Fee is the amount of tuition a resident student pays to attend the California State University. The SUF for a full time student is shown below:

<table>
<thead>
<tr>
<th>Academic Year</th>
<th>Under-graduate</th>
<th>Graduate Teacher Credential</th>
<th>Graduate Teacher Credential</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-11</td>
<td>$4,440</td>
<td>$5,154</td>
<td>$5,472</td>
</tr>
<tr>
<td>2009-10</td>
<td>$4,026</td>
<td>$4,674</td>
<td>$4,982</td>
</tr>
<tr>
<td>2008-09</td>
<td>$3,048</td>
<td>$3,540</td>
<td>$3,756</td>
</tr>
<tr>
<td>2007-08</td>
<td>$2,772</td>
<td>$3,216</td>
<td>$3,414</td>
</tr>
<tr>
<td>2006-07</td>
<td>$2,520</td>
<td>$2,922</td>
<td>$3,102</td>
</tr>
<tr>
<td>2005-06</td>
<td>$2,520</td>
<td>$2,922</td>
<td>$3,102</td>
</tr>
</tbody>
</table>

In addition, all students pay campus fees that vary campus-by-campus and average $950 system-wide (see link below).  

At CSULB, the mandatory student fees total $580 for academic year 2010-11. Note that certain courses may charge other special fees that are not included in this amount.

Non-resident students pay the State University Fee, non-resident fee and campus fees. The following chronology gives the full-time (and part-time) undergraduate resident CSU SUF fee (including the total when campus fees are included).

<table>
<thead>
<tr>
<th>Academic Year</th>
<th>Full-time (part-time)</th>
<th>Average Total Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Systemwide Fees</td>
<td></td>
</tr>
<tr>
<td>2010-11</td>
<td>$4,440 ($2,574)</td>
<td>$5,285</td>
</tr>
<tr>
<td>2009-10</td>
<td>$4,026 ($2,334)</td>
<td>$4,893</td>
</tr>
<tr>
<td>2008-09</td>
<td>$3,048 ($1,770)</td>
<td>$3,849</td>
</tr>
<tr>
<td>2007-08</td>
<td>$2,772 ($1,608)</td>
<td>$3,521</td>
</tr>
<tr>
<td>2006-07</td>
<td>$2,520 ($1,464)</td>
<td>$3,199</td>
</tr>
<tr>
<td>2005-06</td>
<td>$2,520 ($1,464)</td>
<td>$3,164</td>
</tr>
</tbody>
</table>

**State University Grant (SUG)**
The State University Grant Program was established by the State of California under the Budget Act of 1982, Chapter 326. Its creation was consistent with legislative intent and recommendations contained in the Report of the Chancellor's Task Force on a New Student Fee and Financial Aid Program (December, 1981). The State University grant program is budgeted in the General Fund. The amount of SUG funds is increased annually by one-third of the marginal cost revenue estimated for enrollment growth, or one-third of the revenue attributable to a SUF rate change. Campuses receive an allocation based on enrollment targets and student need.

Additional information may be found at:  
http://www.csulb.edu/depts/enrollment/financial_aid/grants.html  
http://www.calstate.edu/AR/fa_programs.shtml

**University Wide Budgets**
Resources that are held centrally to cover mandatory costs that benefit the entire campus and/or campus reserves are referred to as “University Wide.” These funds are administered by various division managers who have fiduciary responsibility and accountability for the budget. Each year these division managers report to RPP. Any unspent balances at year-end are returned and made available to the entire campus.