

TABLE 1

STATE BUDGET EFFECTS ON THE CSU

California Deficit = \$8.1 Billion

Governor Tax Referendum

- * .25% Sales Tax Increase
- * Income Tax Increase for Individuals Earning Over \$250k
- * No Budget Cuts If Referendum Passes
- * Trigger Cuts If Referendum Fails (Including \$250M to CSU)

TABLE 2
STATE BUDGET EFFECTS ON THE CSU (CON'T)

Governor Requests No Fee Increases in 2012/13 for CSU & UC

- * \$132M Loss in Fee Revenue for CSU (\$5.2M for CSUSB)
- * Governor Fee Buyout in 2013/14 if Referendum Passes (\$125M to CSU)

CSU Board of Trustees to Vote in September on Possibly Rescinding Fall 2012 Fee Increase of 9.1%

CSU State Allocation

- * 2007/08 = \$2,970,642,494
- * 2011/12 = \$2,002,751,000

TABLE 3
CSU BUDGET HISTORY

Budget Adjustments 2007/08 thru 2011/12:

Budget Reductions	\$968 Million
Mandatory Costs	<u>\$135 Million</u>
Sub-Total	\$1.103 Billion
Fee Increases	<u>\$593 Million</u>
Net Budget Decrease	\$510 Million

TABLE 4
2012/13 CSU BUDGET POSSIBILITIES

Structural Deficit	\$130 Million
Trigger Cut <i>-If tax referendum fails</i>	\$250 Million
Tuition Rollback <i>-Rescission of 9.1% tuition fee incr for 12/13</i>	\$132 Million
Mandatory Costs <i>-Health, Utilities, New Space</i>	<u>\$47 Million</u>
Total Deficit	\$559 Million

TABLE 5
2012/13 CSUSB BUDGET (WITH \$250M TRIGGER CUT)

	<u>11-12</u>	<u>Estimated 12-13</u>	<u>Net Change</u>
State Appropriation	\$75,776,878	\$60,775,658	(\$15,001,220)
AY Resident Charges	84,679,708	89,410,143	4,730,435
Summer Resident Charges	0	5,014,416	5,014,416
AY Non-Resident Charges	10,145,292	12,307,857	2,162,565
Summer Non-Resident	0	485,584	485,584
Other Student Fees	<u>1,100,000</u>	<u>1,100,000</u>	<u>0</u>
Total Budget	\$171,701,878	\$169,093,658	(\$2,608,220)
Tuition Fee Discount (SUG)			(1,991,100)
Mandatory Costs			(233,730)
11/12 Base Deficit			<u>(4,000,000)</u>
Net Budget Decrease			(\$8,833,050)
Reversal of 9.1% Fee Increase			<u>(5,158,968)</u>
Possible Budget Decrease			(\$13,992,018)

TABLE 6

PLANNING STRATEGY FOR BUDGET DEFICIT (WITH FEE INCREASE)

(Budget reductions will only be triggered if November tax referendum fails)

	<u>One-Time (1)</u>	<u>Baseline (2)</u>	<u>Total</u>
Projected Deficit	\$0	(\$8,833,050)	(\$8,833,050)
Fund Sources:			
Summer 2012 Excess Revenue	1,500,000	0	1,500,000
Central Reserve & Other Accts	4,706,400	250,000	4,956,400
President	1,763	28,950	30,713
Student Affairs	36,842	130,776	167,618
Academic Affairs	510,205	1,090,249	1,600,454
Admin & Finance	40,721	370,436	411,157
Univ Advancement	0	0	0
IRT	37,119	129,589	166,708
Total Sources	\$6,833,050	\$2,000,000	\$8,833,050
Campus Central Reserve 1x Balance			\$3,502,612

(1) Division one-time funds are 4.5% of rollover from 11/12. Academic Affairs assessed at 100% of their proportionate share.

(2) AA base reduction assessed at 90% of their proportionate share (1.8% of base). Other divisions are at 123% (2.4% of base).

TABLE 7
PROPOSED SYSTEMWIDE ALTERNATIVE STRATEGIES
\$250 MILLION TRIGGER CUT

Option 1:	System	System	CSUSB	CSUSB
<u>Shared Responsibility for Access and Quality</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2013-14</u>
"Trigger on Trigger":				
\$150/Semester tuition increase eff. Spring '13	\$58.0M	\$116.0M	\$3.0M	\$4.5M
2.5% Systemwide reduction in pay and benefits				
Effective January '13	35.0M	70.0M	1.4M	2.8M
Reduce faculty assigned time/release time	10.0M	16.0M	0.0M	0.6M
Charge for extra units ("third tier" pricing)	0.0M	35.0M	0.0M	1.4M
Increase non-resident tuition 9%, effective Fall '13	0.0M	13.0M	0.0M	0.7M
One-time balances from Extended Education	75.0M	0.0M	3.0M	0.0M
Other one-time resources (Campus Funds)	72.0M	0.0M	2.6M	0.0M
Total	\$250.0M	\$250.0M	\$10.0M	\$10.0M

TABLE 8
PROPOSED SYSTEMWIDE ALTERNATIVE STRATEGIES (CON'T)
\$250 MILLION TRIGGER CUT

Option 2:

Alternative Without	System	System	CSUSB	CSUSB
"Trigger on Trigger" Tuition Fee Increase	2012-13	2013-14	2012-13	2013-14
Reduce 2013-14 enrollment 1.5% and Reduce 750 faculty/staff positions	\$0.0M	\$30.0M	\$0.0M	\$1.2M
5.25% systemwide reduction in pay and benefits Effective January '13	74.0M	147.0M	3.0M	5.9M
Reduce faculty assigned time/release time	15.0M	25.0M	0.0M	1.0M
Charge for extra units ("third tier" pricing)	0.0M	35.0M	0.0M	1.4M
Increase non-resident tuition 9%, effective Fall '13	0.0M	13.0M	0.0M	0.7M
One-time balances from Extended Education	75.0M	0.0M	3.0M	0.0M
Other one-time resources (Campus Funds)	86.0M	0.0M	4.0M	0.0M
Total	\$250.0M	\$250.0M	\$10.0M	\$10.2M

TABLE 6
PLANNING STRATEGY FOR BUDGET DEFICIT (WITH FEE INCREASE)
 (Budget reductions will only be triggered if November tax referendum fails)

	<u>One-Time (1)</u>	<u>Baseline (2)</u>	<u>Total</u>
Projected Deficit	\$0	(\$8,833,050)	(\$8,833,050)
Fund Sources:			
Summer 2012 Excess Revenue	1,500,000	0	1,500,000
Central Reserve & Other Accts	4,706,400	250,000	4,956,400
President	1,763	28,950	30,713
Student Affairs	36,842	130,776	167,618
Academic Affairs	510,205	1,090,249	1,600,454
Admin & Finance	40,721	370,436	411,157
Univ Advancement	0	0	0
IRT	37,119	129,589	166,708
Total Sources	\$6,833,050	\$2,000,000	\$8,833,050
Campus Central Reserve 1x Balance			\$3,502,612

(1) Division one-time funds are 4.5% of rollover from 11/12. Academic Affairs assessed at 100% of their proportionate share.

(2) AA base reduction assessed at 90% of their proportionate share (1.8% of base). Other divisions are at 123% (2.4% of base).