



California State University
Dominguez Hills

University Budget Committee, Dr. Michael P. Ernst, Chair
1000 E. Victoria Street, Carson, CA 90747
(310) 243-3659

MEMORANDUM

To: James E. Lyons, Sr.
President

From: Michael P. Ernst, Chair
University Budget Committee

Date: July 21, 2005

Subject: Final Recommendations of the University Budget Committee for Fiscal Year 2005/06

Based on the Governor's May Revise State Budget and the proposed CSU General Fund Allocation to the campus, the University Budget Committee is pleased to provide you with our final recommendations for the Fiscal Year 2005/06 University budget.

In 2004/05 one time allocations were provided to Student Affairs and Academic Affairs. As part of the 2005/06 budget process the Budget Committee reviewed how these one time allocations were spent.

Student Affairs received \$71,000 to fund two positions in Outreach. These positions were filled during FY 2004/05.

Academic Affairs received a one time allocation in the amount of \$544,552 to support additional sections in order to meet the 2004/05 enrollment target. During the review process the UBC requested data to support the expenditure of these funds for sections. The committee was provided with data that suggests that \$430,966 was allocated to the colleges for increasing course sections. The remaining \$113,586 was not used for increasing course sections but instead was expended on instructionally related costs (e.g., Blackboard).

As part of the campus allocation for 2005/06, the FTE target established for the campus is 9,493 reflecting a 2.5% enrollment growth (as indicated in the Governor's May Revise). Through consultation with the Operations group the UBC determined that the new enrollment growth funds for 2005/06 as well as HDC funds should be allocated to cover the 2004/05 on-going budget shortfall and

the deficit from the shortfall of State University Fee revenue in 2004/05. It was also determined that the campus could more realistically achieve a target FTE of 9,261 for 2005/06. Based on these assumptions, the UBC proceeded with a revised budget process that did not include a budget reduction or budget allocation process (see table 1 below)

Table 1

2005/06 Budget Assumptions		
Assumptions:	New Funds Available from Enrollment Target of 9,493	New Funds Available from Enrollment Target 9,493 but Revised FTE Target of 9,261 is Achieved
2005/06 New Enrollment Growth (9,261 * 2.5 = 232) Revised Target 9,493		
\$7,868 * 231 Assumes - 2/3 State Funding 1/3 Fees	1,825,400	1,216,934
Replenish One-Time Baseline Funds from 2004/05	(490,320)	(490,320)
State University Fee Revenue Mix Shortfall	(450,000)	(450,000)
Baseline funding for Student Affairs Positions from 04/05 Budget	(88,750)	(88,750)
CSUDH Share of \$7,000,000 Systemwide Unallocated Reduction	(199,647)	(199,647)
	(1,228,717)	(1,228,717)
Potential Funds Available for 2005/06	596,683	(11,783)

Based on current FTE projections it appears that the campus will realistically hit an FTE below the projected target of 9,261. With this new data, the campus may experience up to a 7% decrease in the actual 2005/06 FTE target of 9,493. This means that the campus will have to plan for a shortfall in fee revenue and the potential of a 2005/06 mid-year reduction (see table 2). With this in mind the UBC recommends that the divisions hold back a percentage of their 2005/06 budget allocation in anticipation of this possible mid-year reduction.

Table 2

Revised 2005/06 FTE Projections*		
	Projected FTE	Projected Annualized Target
Summer 2005	1,400.0	700.0
Project Fall 2005	8,300.0	
Spring 2006 Project (97% of Fall)	8,051.0	
Sub-Total for Fall and Spring	16,351.0	8,175.5
Projected Annualized Target		8,875.5
Budget Expenditure Plan Target		9,261.0
FTE Potential Shortfall		(385.5)
Potential 2005/06 State University Fee Shortfall if FTE Target of 8,875.5 is achieved		(\$1,351,563)

* As of 6/8/05

UBC Recommendations:

- Divisions hold back a percentage of their 2005/06 budget allocation in anticipation of a possible mid-year budget reduction.
- Home Depot Center monies should be used to help offset any 2005/06 State University fee shortfall (see Table 2). No monies can be allocated until 2005/06 enrollment targets are met.
- When Home Depot Center funds become available to the campus, insure that these funds are used for the betterment of the university, in ways consistent with the intended use articulated by the President and the Academic Senate, and that the process for the expenditure of HDC funds follows the principles established under the UBC resource allocation process.
- Allocate \$150,000 in one-time monies to the centrally monitored accounts to cover commencement costs. The Commencement Committee will provide a final accounting of expenditures of funds to the UBC by June 15, 2006.
- The campus investigate possible budget savings from centralizing Information Technology and Director of Development positions.
- Continue to improve the link between campus planning, goal setting and resource allocation.
- Provide continuing workshops on the budget process, targeting new staff, faculty, deans and other administrators, to insure that the university community is aware of and compliant with the CSUDH assessment, planning and resource allocation process.

The UBC commends all those involved in the 2005/06 budget process for their valued contributions to the process.

We look forward to your review of these recommendations and your final approval of the 2005/06 budget plan.

Cc: Operations Group
UBC Members
Campus Community
UPC Members