



California State University
Dominguez Hills

President

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Memorandum

To: Michael P. Ernst, Chair
University Budget Committee

From: James E. Lyons, Sr., President

Date: November 18, 2005

Subject: Approval University Budget Committee Recommendations for Fiscal Year
2005/06

I support the budget recommendations submitted by UBC regarding baseline allocations for Fiscal Year 2005/06. This plan requires that divisional allocations for 2005/06 be reduced by one percent on a one-time basis and that these funds should be held centrally. Divisions should then plan for a minimum of a one percent permanent reduction in 2006/07 to be held centrally until enrollment targets are completely met. Everyone should be aware that the permanent percent reduction for 2006/07 may be greater than the one percent. Although I realize that not all of the funds generated from the 1% divisional reduction may be needed for the anticipated fee shortfall, I support the unused balance being used to re-establish the campus reserve fund. I agree that the funds generated from the Home Depot Center (approximately \$1,215, 877) and \$600,000 of 2004/05 campus reserves should be used to off-set the fee shortfall in FY 2005/06. I am further authorizing \$150,000 of 2004/05 one-time funds to support the costs of the 2006 Commencement activities. These funds will be allocated to the Division of Academic Affairs for expenditure. Attached is a recap of my decisions.

In order to offer a robust Spring 2006 schedule and reach an annualized enrollment target of at least 8,850 FTE, it will be necessary to provide a loan to the Division of Academic Affairs for up to \$900,000. An accounting for these expenditures will be required by June 30, 2006. This loan is to be repaid by Academic Affairs within the first quarter of FY 2006/07. Academic Affairs is still expected to contribute 1% of their budget in FY 2005/06 to help offset the State University Fee shortfall.

I know a great deal of time and deliberation has gone into the formulation of these recommendations and I would like to thank the Committee for its hard work on behalf of the University.

Cc: Operations Group
UBC Members
Campus Community

**Attachment 1
2005/06 Final Budget Decisions**

1. Funding of Fee Shortfall

Funding Sources*	Applied to University Reserve	Applied to 05/06 Fee Shortfall
UBC Set Aside		608,466
Fee Mix Set Aside		450,000
Campus Reserves		600,000
HDC Revenue through 05/06		1,215,877
1% Budget Reduction -All Divisions (\$577,375)		
Applied to 2005/06 Fee shortfall		204,327
Applied to 2006/07 Replenishing of Campus Reserve	373,048	
Funds need to Fund Shortfall at 8,639 FTE	373,048	3,078,670

* Funding Sources are One-time Only

2. Allocate \$150,000 to support 2006 Commencement from Campus Reserves