MEMORANDUM

DATE: November 12, 2008

TO: Stephen L. Weber
President

FROM: Sally F. Roush
Chair, President’s Budget Advisory Committee

SUBJECT: President’s Budget Advisory Committee
Recommendation of October 30, 2008

Attached is the Recommendation from the President’s Budget Advisory Committee (PBAC) Meeting of October 16, 2008 for approval to take the $2,461,300M budget reduction from the $7,877,696M previously recommended and approved to hold centrally.

If you have any questions, please let me know.

SFR:nl

Attachments
PRESIDENT’S BUDGET ADVISORY COMMITTEE
October 30, 2008

RECOMMENDATION

1. Take $2,461,300M budget reduction from $7,877,696M previously recommended and approved to hold centrally.

Approved by:

[Signature]
Stephen L. Weber, President

[Signature]
Date
11/13/08
I. Call to order
   a) Call for amendments to agenda

II. Funding Requests
   a) None

III. Information Item
   a) None

IV. Reports
   a) 2008/09 Budget Act Reconciliation Reduction
   b) Mid-Year Reductions - Attachment 1
   c) 2008/09 Reserves - Attachment 2
   d) 2008/09 Revenue Estimates - Attachment 3

V. Watch List
   a) Unfunded Compensation Items
   b) Master Plan Costs
      ▪ Litigation Costs
   c) Alumni Center
      ▪ Maintenance and Utilities
      ▪ Furniture
   d) BioScience Maintenance and Utilities
   e) Legal Claims Reserve
   f) Student Affairs Aztec Nights
   g) Student Affairs Judicial Issues

VI. Voting Items
   a) None

VII. New Business
   a) 

VIII. Reminder
   a) Next Meeting Date – November 20, 2008 at 2:00 p.m. in MH 3318
MEMORANDUM

Date: October 23, 2008

To: CSU Vice Presidents
    Business and Administration

From: Benjamin F. Quillian
    Vice Chancellor
    Administration and Finance

Subject: 2008-09 Budget Act Reconciliation Reduction

As we have discussed, California is experiencing very difficult economic times, which have had a significant impact on the 2008-09 budget recently signed by the Governor. State revenues received in the first quarter of the fiscal year were $1.1 billion below the Budget Act forecast. It is now estimated that the total shortfall for fiscal year 2008-09 will be between $3 billion and $4.6 billion.

In that context the Department of Finance has informed state agencies and departments, including CSU and UC, that receive “state operations” General Fund appropriations of the need to cut a total of $390 million from the current budgets. The CSU’s budget reduction will be $31,314,000. Attached is a table showing the allocation of the CSU reduction across campuses and the Chancellor’s Office. The reductions equal about 1.1 percent of the state General Fund allocation for each campus and the Chancellor’s Office. We shared this table with campus presidents on Monday at the Chancellor’s Executive Council.

We expect to be able to manage this reduction without disrupting campus operations or impacting instruction, student services or public safety. However, campuses are encouraged to take measures such as reducing travel, deferring non-critical purchases and delaying the filling of new and vacant positions that will not impair critical mission functions.
Vice Presidents, Business and Administration
October 23, 2008
Page 2

The state's worsening budget situation also brings the possibility of additional reductions during the 2008-09 fiscal year. Additional cuts would require action by the legislature in a special session. Governor Schwarzenegger has announced plans to call such a session in the near future.

To facilitate planning and determine the impact of additional budget reductions, I suggested at our last CABO meeting that you develop models for possible cuts of 3 percent, 5 percent and 7 percent measured against the state General Fund allocations you received last month based on the signed budget act. I have also begun to work with a group of provosts and CFOs to brainstorm the issues and explore strategies the campuses may wish to consider. The generated data will not only help us prepare for probable additional cuts; they will provide us with information we can share with the legislature and Governor. It will be important that the decision makers fully understand the impact additional budget reductions will have on CSU's ability to continue delivery of quality educational programs.

A message from the Chancellor to all CSU employees regarding the $31.3 million budget reduction will be distributed tomorrow. If you have questions, please contact me or Robert Turnage.

Attachment

BQ: kg

c: Executive Vice Chancellor and CFO Richard P. West
Executive Vice Chancellor and CAO Gary Reichard
Assistant Vice Chancellor, Budget Robert Turnage
CSU Budget Officers
### CSU Allocation of Budget Act Statewide Fund Reconciliation Requirements

Allocation of $31,314,000 Funding Cut  
(based on prorated share of CSU 2008/09 FIRMS General Fund Allocation)

<table>
<thead>
<tr>
<th></th>
<th>B 08-03 Final Budget</th>
<th>B 08-03 Adjustments</th>
<th>Budget Reduction Base</th>
<th>Budget Act Fund Reconciliation Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General Fund Allocation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bakersfield</td>
<td>61,239,052</td>
<td>61,239,052</td>
<td>($679,500)</td>
<td></td>
</tr>
<tr>
<td>Channel Islands</td>
<td>43,032,603</td>
<td>43,032,603</td>
<td>(479,100)</td>
<td></td>
</tr>
<tr>
<td>Chico</td>
<td>119,890,742</td>
<td>119,890,742</td>
<td>(1,334,000)</td>
<td></td>
</tr>
<tr>
<td>Dominguez Hills</td>
<td>71,927,143</td>
<td>71,927,143</td>
<td>(798,500)</td>
<td></td>
</tr>
<tr>
<td>East Bay</td>
<td>89,778,621</td>
<td>89,778,621</td>
<td>(998,900)</td>
<td></td>
</tr>
<tr>
<td>Fresno</td>
<td>153,592,512</td>
<td>153,592,512</td>
<td>(1,706,600)</td>
<td></td>
</tr>
<tr>
<td>Fullerton</td>
<td>179,775,337</td>
<td>179,775,337</td>
<td>(1,997,800)</td>
<td></td>
</tr>
<tr>
<td>Humboldt</td>
<td>76,210,440</td>
<td>76,210,440</td>
<td>(848,600)</td>
<td></td>
</tr>
<tr>
<td>Long Beach</td>
<td>204,868,758</td>
<td>204,868,758</td>
<td>(2,279,700)</td>
<td></td>
</tr>
<tr>
<td>Los Angeles</td>
<td>133,080,149</td>
<td>133,080,149</td>
<td>(1,481,200)</td>
<td></td>
</tr>
<tr>
<td>Maritime Academy</td>
<td>19,018,281</td>
<td>19,018,281</td>
<td>(212,900)</td>
<td></td>
</tr>
<tr>
<td>Monterey Bay</td>
<td>53,009,703</td>
<td>53,009,703</td>
<td>(588,700)</td>
<td></td>
</tr>
<tr>
<td>Northridge</td>
<td>194,191,936</td>
<td>194,191,936</td>
<td>(2,160,700)</td>
<td></td>
</tr>
<tr>
<td>Pomona</td>
<td>145,896,192</td>
<td>145,896,192</td>
<td>(1,622,100)</td>
<td></td>
</tr>
<tr>
<td>Sacramento</td>
<td>165,622,497</td>
<td>165,622,497</td>
<td>(1,841,300)</td>
<td></td>
</tr>
<tr>
<td>San Bernardino</td>
<td>106,451,088</td>
<td>106,451,088</td>
<td>(1,183,700)</td>
<td></td>
</tr>
<tr>
<td>San Diego</td>
<td>221,267,746</td>
<td>221,267,746</td>
<td>(2,461,300)</td>
<td></td>
</tr>
<tr>
<td>San Francisco</td>
<td>170,761,449</td>
<td>170,761,449</td>
<td>(1,897,600)</td>
<td></td>
</tr>
<tr>
<td>San Jose</td>
<td>167,277,822</td>
<td>167,277,822</td>
<td>(1,860,100)</td>
<td></td>
</tr>
<tr>
<td>San Luis Obispo</td>
<td>148,796,428</td>
<td>148,796,428</td>
<td>(1,653,400)</td>
<td></td>
</tr>
<tr>
<td>San Marcos</td>
<td>67,185,822</td>
<td>67,185,822</td>
<td>(748,400)</td>
<td></td>
</tr>
<tr>
<td>Sonoma</td>
<td>63,925,273</td>
<td>63,925,273</td>
<td>(710,800)</td>
<td></td>
</tr>
<tr>
<td>Stanislaus</td>
<td>63,303,857</td>
<td>63,303,857</td>
<td>(704,600)</td>
<td></td>
</tr>
</tbody>
</table>

| Campus Total | $2,720,103,451 | $0 | $2,720,103,451 | ($30,249,500) |

|                | Chancellor’s Office | 75,136,554 | 75,136,554 | (836,100) |
|                | CalStateTeach       | 1,531,735  | (1,531,735) | 0         |
|                | International Programs| 2,660,496  | (2,660,496)| 0         |
|                | Summer Arts         | 106,800    | (106,800)  | 0         |
|                | Systemwide Provisions| 171,166,964| (150,471,657)| 20,695,307| (228,400) |

| CSU System Total | $2,970,706,000 | ($154,770,688) | $2,815,935,312 | ($31,314,000) |
**Mid-Year Reduction Scenarios**

<table>
<thead>
<tr>
<th>2008/09 General Fund Allocation (B 08-03)</th>
<th>3% General Fund Reduction</th>
<th>5% General Fund Reduction</th>
<th>7% General Fund Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008/09 Unallocated Budget</td>
<td>221,267,746</td>
<td>(6,638,032)</td>
<td>(11,063,387)</td>
</tr>
<tr>
<td>Budget Act Reconciliation Reduction (3)</td>
<td>7,877,696</td>
<td>7,877,696</td>
<td>7,877,696</td>
</tr>
<tr>
<td></td>
<td>(2,461,300)</td>
<td>(2,461,300)</td>
<td>(2,461,300)</td>
</tr>
<tr>
<td></td>
<td>(1,221,636)</td>
<td>(5,646,991)</td>
<td>(10,072,346)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2008/09 Divisional Budget Allocations (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>President's Office/Diversity/KPBS</td>
</tr>
<tr>
<td>Academic Affairs</td>
</tr>
<tr>
<td>Athletics - Operational Fund</td>
</tr>
<tr>
<td>Business &amp; Financial Affairs</td>
</tr>
<tr>
<td>Student Affairs</td>
</tr>
<tr>
<td>University Relations &amp; Development</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
</tbody>
</table>

(1) Excludes Instructionally Related Activities fee, Student Health Services fees, and other revenue-based departmental expenses.
(2) For information: A one-percent salary increase across all bargaining units = $2,783,000 (Salary and Benefits)
(3) SDSU reduction based on 2008-09 Budget Act Reconciliation Reduction memo (October 23, 2008)
| 2008/09 Beginning Balance | 524,395 |
One-Time Reserve

2008/09 Beginning One-time Balance 4,960,752

**Estimated 2008/09 Revenue Over Budget**

Fee Revenue Over Budget 3,089,335
(as of 10/13/08)

Total Estimated 2007/08 One-Time Balance 8,050,087

2007/08 Approved Funding Requests

**Academic Affairs**

Fall over enrollment course sections (1,430,936)
(Approved 10/16/08)

Balance as of 10/16/08 6,619,151
### SAN DIEGO STATE UNIVERSITY
2008/09 Revenue Estimates
As of October 13, 2008

<table>
<thead>
<tr>
<th></th>
<th>2007/08 Budget</th>
<th>2007/08 Actual</th>
<th>Over/(Under) Budget</th>
<th>2008/09 Budget</th>
<th>Year to Date as of 10/13/08</th>
<th>Term End Estimate</th>
<th>Over/(Under) Budget</th>
<th>Over/(Under) Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State University Fee</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Summer</td>
<td>5,571,375</td>
<td>5,353,849</td>
<td>(217,526)</td>
<td>5,587,352</td>
<td>5,777,632</td>
<td>5,778,000</td>
<td>(1) 190,648</td>
<td>3.41%</td>
</tr>
<tr>
<td>Fall</td>
<td>44,278,563</td>
<td>47,166,005</td>
<td>2,887,442</td>
<td>49,268,875</td>
<td>48,726,419</td>
<td>50,504,703</td>
<td>(2) 1,235,828</td>
<td>2.51%</td>
</tr>
<tr>
<td>Spring</td>
<td>41,680,243</td>
<td>43,847,785</td>
<td>2,167,542</td>
<td>46,019,412</td>
<td></td>
<td></td>
<td>46,019,412</td>
<td>0</td>
</tr>
<tr>
<td>Sub-Total SUF</td>
<td>91,530,181</td>
<td>96,367,639</td>
<td>4,837,458</td>
<td>100,875,639</td>
<td>54,504,051</td>
<td>102,302,115</td>
<td>1,426,476</td>
<td></td>
</tr>
</tbody>
</table>

| **Non-Resident Tuition** |                |                |                     |                |                             |                   |                     |                     |
| Summer                | 216,263        | 299,337        | 83,074              | 357,211        | 269,952                     | 269,952           | (1) (87,259)       | -24.43%             |
| Fall                  | 3,781,789      | 4,172,885      | 391,096             | 3,509,107      | 3,883,880                   | 4,321,030         | (2) 811,923        | 23.14%              |
| Spring                | 3,137,636      | 3,353,770      | 216,134             | 3,696,109      |                            |                   | 3,696,109          | 0                   |
| Sub-Total NR Tuition  | 7,135,688      | 7,825,992      | 690,304             | 7,562,427      | 4,253,832                   | 8,287,091         | 724,664            |                     |

| **International Tuition** |                |                |                     |                |                             |                   |                     |                     |
| Summer                | 359,989        | 333,629        | (26,360)            | 299,303        | 406,853                     | 406,853           | (1) 107,550        | 35.93%              |
| Fall                  | 2,859,046      | 3,277,452      | 418,406             | 2,940,246      | 3,688,473                   | 3,770,891         | (2) 830,645        | 26.25%              |
| Spring                | 2,592,332      | 3,080,517      | 488,185             | 2,806,129      |                            |                   | 2,806,129          | 0                   |
| Sub-Total International Tuition | 5,811,367 | 6,691,598 | 880,231             | 6,045,678      | 4,095,326                   | 6,983,873         | 938,195            |                     |

**TOTAL FEE & TUITION**
104,477,236
110,885,229
6,407,993
114,483,744
62,853,209
117,573,079
3,089,335
2.70%

**Application Fee**
2,234,000
2,935,532
701,532
2,294,000
70,235
2,294,000
0

**TOTAL APPLICATION FEE**
2,234,000
2,935,532
701,532
2,294,000
70,235
2,294,000
0

**TOTAL**
106,711,236
113,820,761
7,109,525
116,777,744
62,923,444
119,867,079
3,089,335
2.65%

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(1) Summer year end - Actual Collections to date
(2) Fall Term Estimates - Estimates developed using average % of prior two years actual achieved collections
(3) Spring Term Estimates - Estimates developed using average % of prior two years actual achieved collections
PRESIDENT’S BUDGET ADVISORY COMMITTEE
October 30, 2008
MINUTES

Voting Members Present: Sally Roush
Edith Benkov
Kathy LaMaster
Val Renegar
Jim Kitchen
Betsy Kinsley
Mary Ruth Carleton

Area Budget Reps Present: Ethan Singer
Linda Lewiston
Eric Rivera

Staff Present: Stephanie Casenza
Ray Rainer
Crystal Little

Guests Present:

Voting Members Absent:
Nancy Marlin
James Poet

I. Call to order

VP Roush called the meeting to order at 2:02 p.m.

a. Call for Amendments to Agenda - VP Roush inquired if there were any changes to the agenda. There were none.

II. Funding Requests - None.

III. Information Items – None.

IV. Reports

a. 2008/09 Budget Act Reconciliation Reduction – VP Roush provided the memo from Vice Chancellor Quillian that stated the total State of California shortfall for the current year will be between $3 billion and $4.6 billion. The CSU reduction of $33,314,000 is allocated as shown on the attached table. VP Roush stated she is hoping we can vote today on a recommendation to President Weber on how to handle our $2.4M budget reduction. BRAT had recommended we take this reduction from the $7.8M we previously recommended to hold centrally. It is not yet known if the $2.4M is a 1x or base budget cut.

b. Mid-Year Reductions (Attachment 1) – VP Roush presented three possible mid-year reduction scenarios, along with the allocations to each division. AVP Singer requested we prepare an abbreviated document that is easier to explain to faculty and staff. Director Rainer agreed to provide it by next Tuesday morning, November 4th. VP Roush said she will be preparing a budget update to be released in the next few days.
c. **2008/09 Reserves (Attachment 2)** – There was no discussion.

d. **2008/09 Revenue Estimates (Attachment 3)** – There was no discussion.

V. **Watch List**

   a. **Unfunded Compensation Items** – No update.

   b. **Master Plan Costs (Litigation Costs)** – No update.

   c. **Alumni Center** – No update.

   d. **BioScience Custodial Services** – No update.

   e. **Legal Claims Reserve** – No update.

   f. **Student Affairs Aztec Nights** – No update.

   g. **Student Affairs Judicial Issues** – No update.

VI. **Voting Items**

   a. **Budget Reductions**

      Associate Dean LaMaster moved to recommend to President Weber to take the $2.4 budget reduction from the $7.8M previously recommended to hold centrally, VP Kitchen seconded and the motion passed unanimously.

VII. **New Business** – None.

VIII. **Reminder**

    The next meeting is on Thursday, November 20, 2008, at 2:00 p.m. in MH-3318. VP Roush said we will discuss the results of the Governor’s special session from November 5th. VP Roush also mentioned the Board of Trustees will meet in November to discuss next year’s budget. There is also a special presidents’ meeting scheduled for November 19th.

    Director Reneger inquired about the “off the top” items such as the Sweetwater compact. VP Roush responded we may need to revisit them in our deliberations on the 2009/10 budget. The meeting was adjourned at 2:25 p.m.