

2008/09

**Preliminary Budget
Reduction Information**

February 1, 2008



Summary of Chancellor's Report on Impact to the CSU if the Governor's Budget is Adopted

\$ In Millions

Governor's Budget*

Increase to CSU Budget

Enrollment growth, academic infrastructure & general ops

213.6

Reduction to CSU Budget **

(312.9)

Net

(99.3)

Unfunded Mandates

07/08 Unfunded Health & Compensation

(40.9)

08/09 Mandatory Costs:

Health Benefits, New Space, Energy, SSI

(36.0)

CFA Compensation Costs (GSI + Merit)

(37.6)

Subtotal

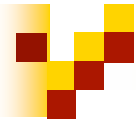
(114.5)

TOTAL IMPACT*

(213.8)

* Governor's budget assumes a 10% fee increase to the CSU but does not include a buy-out as requested by the BOT. The BOT have taken no action on a fee increase.

**The budget reduction of \$312.9M and the unfunded \$73.2M fee revenue (buy-out) leaves the Governor's budget \$386.1M short of the BOT approved budget and is the amount necessary to fund all the initiatives and new enrollment projected in the BOT 08/09 budget.



Summary of Estimated Impact to CSUF if the Governor's Budget is Adopted

\$ In Millions

Preliminary Planning Figures

CSU Budget Reductions and Unfunded Mandates	(213.8)
Governor's Budget Assumed (but Unfunded) Fee Increase*	73.2
Net CSU Shortfall Target	(140.6)

Fullerton Share - Estimated at 7% of CSU System Numbers

If Fee Increase is Not Implemented (7% of \$213.8)	(15.0)
If Fee Increase is Implemented (7% of \$140.6)	(9.8)

*The budget reduction of \$312.9 and the unfunded \$73.2M fee revenue (buy-out) leaves the Governor's budget \$386.1M short of the BOT approved budget and is the amount necessary to fund all the initiatives and new enrollment projected in the BOT 08/09 budget.

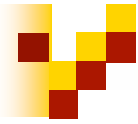


Preliminary 2008/09 Campus Budget Reduction Information

\$ In Millions

	Assumes No Fee Buy-Out	Assumes Fee Buy-Out
08/09 State Mandated Reduction	213.8	141.0
Campus Prorated 7% Reduction (Rounded)	15.0	10.0
Campus Baseline of 07/08 Unfunded Health & Comp	(2.0)	(2.0)
Subtotal	\$ 13.0	\$ 8.0
Remaining 06/07 Structural Deficit	2.3	2.3
Est. Additional Baseline Funding Needed for 08/09*	5.0	5.0
Total Campus Reduction Target	\$ 20.3	\$ 15.3
Possible Reductions		
All University	(2.0)	(2.0)
CFO Proposed Campus Reduction Target	\$ 18.3	\$ 13.3

*07/08 baseline expenditures which were covered with one-time funds and need to be covered with baseline funding in 08/09.



Divisional Reductions If Prorated By Percent of Baseline*

Division	Percentage Of		
	Baseline Budget	\$18,300,000	\$13,300,000
Academic Affairs	69.60%	\$ 12,736,800	\$ 9,256,800
Administration and Finance	11.02%	\$ 2,016,660	\$ 1,465,660
Student Affairs	9.00%	\$ 1,647,000	\$ 1,197,000
Information Technology	5.69%	\$ 1,041,270	\$ 756,770
University Advancement	2.87%	\$ 525,210	\$ 381,710
President	1.82%	\$ 333,060	\$ 242,060

- Additional All University reductions, baseline savings, or increased revenues could reduce the required budget cuts from divisions.
- These are planning figures only and we expect them to change based on legislative action, the Governor's May Revise Budget, and the outcome of discussions and recommendations from PRBC to the President.

* Proration is not necessarily recommended it is only a starting point for reduction planning deliberations.