



Developing a State of Minds

RESOLUTION

concerning

FY2002-03 INSTITUTIONAL SPENDING PLANS AND AUTHORIZED EXPENDITURE LEVELS FOR MANAGEMENT & CONFIDENTIAL PROFESSIONAL PERSONNEL AND SUOAF-AFSCME ADMINISTRATORS

June 14, 2002

WHEREAS, Pursuant to the provisions of Section 10a-89(a) of the Connecticut General Statutes, the Board of Trustees shall "...subject to state-wide policy and guidelines established by the Board of Governors of Higher Education,...(1) Make rules for the government of the Connecticut State University system and shall determine the general policies of the university system, including...the expenditure of the funds of institutions under its jurisdiction within the amounts available;..." and

WHEREAS, Board Resolution 92-31 provides that each university and the System Office shall submit a fiscal year spending plan proposal to the Board of Trustees for its approval, and

WHEREAS, The spending plan proposal is required to project overall university expenditures and proposed spending levels for full-time positions by major fund source and National Association of College and University Business Officers (NACUBO) program classifications, and

WHEREAS, Each university and the System Office has submitted spending plans for fiscal year 2002-03 to the Board of Trustees which are summarized in Attachments 1 through 3, and

WHEREAS, The Board of Trustees has reviewed and discussed the spending plan proposals with the four university Presidents and the Chancellor, and finds the FY2002-03 spending plans appropriate to the system's present fiscal circumstances, and

WHEREAS, The Board approves an overall spending level for all funds except for federal and private grants, bond funds, and intra/inter agency funds, therefore be it

RESOLVED, That each President and the Chancellor shall ensure adherence to the approved spending plan, maintaining expenditure control within the spending caps established for SUOAF-AFSCME, and Management and Confidential Professional personnel categories, and be it further

RESOLVED, That the following levels of spending for each university and the System Office/System Support/*OnlineCSU* are authorized for fiscal year 2002-03 and can be changed upon approval by the Chancellor, except for the System Office/System Support/*OnlineCSU* which must be approved by the Board Chairperson:

System Office	\$ 4,171,661
System Support	6,076,291
<i>OnlineCSU</i>	1,981,686
Central Connecticut State University	121,696,727
Eastern Connecticut State University	61,968,845
Southern Connecticut State University	121,283,930
Western Connecticut State University	62,039,857

NOTE: Excludes Telecommunications, federal and private grants, and bond funds

and be it further

RESOLVED, That the above authorized spending levels have the following effect upon the reserves of each university and the System:

System Office	\$ 0
System Support	(349,500)
<i>OnlineCSU</i>	(474,387)
Central Connecticut State University	(539,111)
Eastern Connecticut State University	(154,449)
Southern Connecticut State University	(715,851)
Western Connecticut State University	(650,000)

NOTE: Excludes Telecommunications, federal and private grants, and bond funds

and be it further

RESOLVED, That the university Presidents are authorized to establish and refill positions within approved spending caps, and be it further

RESOLVED, That the following expenditure caps are placed on the SUOAF-AFSCME bargaining unit for each university and the System Office/System Support for fiscal year 2002-03:

System Office and System Support	\$ 1,309,008
Central Connecticut State University	10,264,163
Eastern Connecticut State University	6,832,292
Southern Connecticut State University	10,605,031
Western Connecticut State University	5,815,705

and be it further

RESOLVED, That the following expenditure caps are placed on the Managerial and Confidential Professional personnel for each university and the System Office/System Support for the fiscal year 2002-03:

System Office and System Support	\$	2,992,740
Central Connecticut State University		3,591,461
Eastern Connecticut State University		2,768,265
Southern Connecticut State University		3,662,058
Western Connecticut State University		2,669,842

and be it further

RESOLVED, That for FY2002-03 each university is expected to raise projected tuition revenues, as follows:

FY2002-03 Tuition Revenue Projections

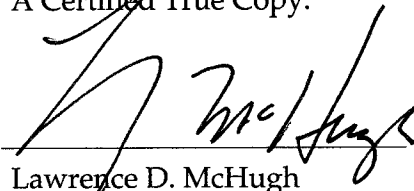
	<u>CCSU</u>	<u>ECSU</u>	<u>SCSU</u>	<u>WCSU</u>
Net Revenue	\$18,312,607	\$9,186,012	\$18,148,190	\$10,027,565

and be it further

RESOLVED, That while expenditures are authorized up to the limit of the spending plans summarized in this resolution, the Presidents and the Chancellor are encouraged to seek further economies in their operations during fiscal year 2002-03, and be it further

RESOLVED, That each university and the System Office submit a progress report on their spending plans at the first scheduled Board of Trustees meeting after February 1, 2003.

A Certified True Copy:



Lawrence D. McHugh  
Chairman

# CONNECTICUT STATE UNIVERSITY SYSTEM

Dollar & Percentage Comparison - Educational & Auxiliary Services Revenues and Expenditures  
Estimated FY 2001-02 and Budgeted FY 2002-03

	FY 01-02	FY 02-03	\$ / % CHANGE	
<b>CENTRAL</b>				
Revenues	\$114,930,568	\$122,353,616	\$7,423,048	6.5%
Expenses	114,868,705	121,696,727	6,828,022	5.9%
+/- Before Transfers	\$61,863	\$656,889		
Transfers	(\$362,435)	(\$1,196,000)		
+/- After Transfers	(\$300,572)	(\$539,111)		
<b>EASTERN</b>				
Revenues	\$59,999,618	\$63,022,072	\$3,022,454	5.0%
Expenses	59,821,705	61,968,845	2,147,140	3.6%
+/- Before Transfers	\$177,913	\$1,053,227		
Transfers	(\$151,051)	(\$1,207,676)		
+/- After Transfers	\$26,862	(\$154,449)		
<b>SOUTHERN</b>				
Revenues	\$114,154,002	\$120,268,079	\$6,114,077	5.4%
Expenses	116,104,731	121,283,930	5,179,199	4.5%
+/- Before Transfers	(\$1,950,729)	(\$1,015,851)		
Transfers	\$425,000	\$300,000		
+/- After Transfers	(\$1,525,729)	(\$715,851)		
<b>WESTERN</b>				
Revenues	\$57,861,353	\$62,753,182	\$4,891,829	8.5%
Expenses	57,963,396	62,039,857	4,076,461	7.0%
+/- Before Transfers	(\$102,043)	\$713,325		
Transfers	(\$397,000)	(\$1,363,325)		
+/- After Transfers	(\$499,043)	(\$650,000)		
<b>SYSTEM OFFICE</b>				
Revenues	\$3,807,978	\$4,271,661	\$463,683	12.2%
Expenses	3,828,815	4,171,661	342,846	9.0%
+/- Before Transfers	(\$20,837)	\$100,000		
Transfers	(\$100,000)	(\$100,000)		
+/- After Transfers	(\$120,837)	\$0		
<b>ONLINE CSU</b>				
Revenues	\$2,171,625	\$822,014	(\$1,349,611)	-62.1%
Expenses	\$2,365,625	\$1,981,686	(383,939)	-16.2%
+/- Before Transfers	(\$194,000)	(\$1,159,672)		
Transfers	\$0	\$685,285		
+/- After Transfers	(\$194,000)	(\$474,387)		
<b>SYSTEM SUPPORT</b>				
Revenues	\$7,094,430	\$5,726,791	(\$1,367,639)	-19.3%
Expenses	6,754,203	6,076,291	(677,912)	-10.0%
+/- Before Transfers	\$340,227	(\$349,500)		
Transfers	(\$725,000)	\$0		
+/- After Transfers	(\$384,773)	(\$349,500)		
<b>SYSTEM TOTAL</b>				
Revenues *	\$359,502,817	\$379,217,415	\$19,714,598	5.5%
Expenses **	\$361,707,180	\$378,953,692	17,246,512	4.8%
+/- Before Transfers	(\$2,204,363)	\$263,723		
Transfers **	(\$1,310,486)	(\$3,147,021)		
+/- After Transfers	(\$3,514,849)	(\$2,883,299)		
<b>TELECOM.</b>				
Revenues	\$4,397,924	\$4,472,013	\$74,089	1.7%
Expenses	3,869,107	4,084,140	215,033	5.6%
+/- Before Transfers	\$528,817	\$387,873		
Transfers	(\$179,500)	\$0		
+/- After Transfers	\$349,317	\$387,873		

\* Includes Consolidating Adj. FY 02 (516,757) OnlineCSU

\*\* Includes \$265,305 OnlineCSU credit to expense and offsetting transfer adjustment.

# CONNECTICUT STATE UNIVERSITY SYSTEM

Dollar & Percentage Comparison - Educational & Auxiliary Services Revenues and Expenditures  
Budgeted FY 2001-02 and Budgeted FY 2002-03

	FY 01-02	FY 02-03	\$ / % CHANGE	
<b>CENTRAL</b>				
Revenues	\$113,536,577	\$122,353,616	\$8,817,039	7.8%
Expenses	114,973,446	121,696,727	6,723,281	5.8%
+/- Before Transfers	(\$1,436,869)	\$656,889		
Transfers	(\$927,000)	(\$1,196,000)		
+/- After Transfers	(\$2,363,869)	(\$539,111)		
<b>EASTERN</b>				
Revenues	\$60,940,059	\$63,022,072	\$2,082,013	3.4%
Expenses	60,119,948	61,968,845	1,848,897	3.1%
+/- Before Transfers	\$820,111	\$1,053,227		
Transfers	(\$550,000)	(\$1,207,676)		
+/- After Transfers	\$270,111	(\$154,449)		
<b>SOUTHERN</b>				
Revenues	\$115,615,956	\$120,268,079	\$4,652,123	4.0%
Expenses	115,620,954	121,283,930	5,662,976	4.9%
+/- Before Transfers	(\$4,998)	(\$1,015,851)		
Transfers	(\$75,000)	\$300,000		
+/- After Transfers	(\$79,998)	(\$715,851)		
<b>WESTERN</b>				
Revenues	\$58,208,633	\$62,753,182	\$4,544,549	7.8%
Expenses	58,722,396	62,039,857	3,317,461	5.6%
+/- Before Transfers	(\$513,763)	\$713,325		
Transfers	\$225,000	(\$1,363,325)		
+/- After Transfers	(\$288,763)	(\$650,000)		
<b>SYSTEM OFFICE</b>				
Revenues	\$4,271,018	\$4,271,661	\$643	0.0%
Expenses	4,171,018	4,171,661	643	0.0%
+/- Before Transfers	\$100,000	\$100,000		
Transfers	(\$100,000)	(\$100,000)		
+/- After Transfers	\$0	\$0		
<b>ONLINE CSU</b>				
Revenues	\$2,146,000	\$822,014	(\$1,323,986)	-61.7%
Expenses	\$2,061,567	\$1,981,686	(79,881)	-3.9%
+/- Before Transfers	\$84,433	(\$1,159,672)		
Transfers	\$0	\$685,285		
+/- After Transfers	\$84,433	(\$474,387)		
<b>SYSTEM SUPPORT</b>				
Revenues	\$6,871,357	\$5,726,791	(\$1,144,566)	-16.7%
Expenses	6,871,357	6,076,291	(795,066)	-11.6%
+/- Before Transfers	\$0	(\$349,500)		
Transfers	(\$725,000)	\$0		
+/- After Transfers	(\$725,000)	(\$349,500)		
<b>SYSTEM TOTAL</b>				
Revenues *	\$361,072,843	\$379,217,415	\$18,144,572	5.0%
Expenses **	\$362,540,686	\$378,953,692	16,413,006	4.5%
+/- Before Transfers	(\$1,467,843)	\$263,723		
Transfers **	(\$2,152,000)	(\$3,147,021)		
+/- After Transfers	(\$3,619,843)	(\$2,883,299)		
<b>TELECOM.</b>				
Revenues	\$4,368,319	\$4,472,013	\$103,694	2.4%
Expenses	4,032,569	4,084,140	51,571	1.3%
+/- Before Transfers	\$335,750	\$387,873		
Transfers	\$0	\$0		
+/- After Transfers	\$335,750	\$387,873		

\* Includes Consolidating Adj. FY 02 (516,757) OnlineCSU

\*\* Includes \$265,305 OnlineCSU credit to expense and offsetting transfer adjustment.

# CONNECTICUT STATE UNIVERSITY SYSTEM

Management/Confidential & Administrators (SUOAF/AFSCME)

Salary Caps FY 2001-02 and FY 2002-03

## Management / Confidential

	<u>Central</u>	<u>Eastern</u>	<u>Southern</u>	<u>Western</u>	<u>System Office &amp; System Support</u>
<b>FY 2001-02 (BOT APPROVED BR 01-48)</b>	\$3,263,944 @	\$2,698,241	\$3,167,524	\$2,492,859	\$3,004,359
<b>FY 2002-03 (REQUESTED CAP)</b>	\$3,591,461	\$2,768,265	\$3,662,058	\$2,669,842	\$2,992,740
<b>Change</b>	\$327,517	\$70,024	\$494,534	\$176,983	(\$11,619)

## Administrators (SUOAF /AFSCME)

	<u>Central</u>	<u>Eastern</u>	<u>Southern</u>	<u>Western</u>	<u>System Office &amp; System Support</u>
<b>FY 2001-02 (BOT APPROVED BR 01-48)</b>	\$10,262,282	\$6,294,237	\$9,878,599	\$5,586,710	\$1,226,713
<b>FY 2002-03 (REQUESTED CAP)</b>	\$10,264,163	\$6,832,292	\$10,605,031	\$5,815,705	\$1,309,008
<b>Change</b>	\$1,881	\$538,055	\$726,432	\$228,995	\$82,295

@ Adjusted at Mid Year

**ITEM**

FY2002-03 Institutional Spending Plans and Authorized Expenditure Levels for Management and Confidential Professional Personnel and SUOAF-AFSCME Administrators

**BACKGROUND**

Pursuant to the provisions of Section 10a-89(a) of the Connecticut General Statutes, the Board of Trustees shall "...subject to state-wide policy and guidelines established by the Board of Governors of Higher Education,...(1) Make rules for the government of the Connecticut State University system and shall determine the general policies of the university system, including those concerning...the expenditure of the funds of the institutions under its jurisdiction within the amounts available;..." In addition, under the provisions of Board Resolution 92-31, dated April 3, 1992, the Board of Trustees granted to the Chancellor and university presidents authority to establish and refill positions within approved spending caps. University spending caps may be adjusted during the fiscal year upon approval of the Chancellor. System Office spending cap adjustments are contingent upon approval of the Board Chairperson. Additionally, the universities and the System Office are required to submit proposed spending plans to the Finance and Administration Committee for their review and subsequent recommendation to the Board for its approval.

**ANALYSIS**

The proposed FY2002-03 educational and auxiliary services' spending levels for the universities and the System Office were reviewed by the Finance and Administration Committee and other members of the Board during discussions with the Chancellor and his staff, and the presidents of the universities and their staffs on May 20, 2002. The discussions covered a number of issues of concern to each university and the System Office, as well as issues relating to the educational and fiscal viability of our universities. Brief highlights of the major issues are discussed in the following paragraphs.

**System Spending Projections**

Overall, FY2002-03 spending projections for the System (including the four universities, System Office, Systemwide, and *OnlineCSU*, excluding grants, intra/inter agency, and bond funds) reflect an increase of 4.8% over estimated FY2001-02 expenditures, and 4.5% over budgeted FY2001-02 expenditures, primarily due to salary increases, annualization of salary requirements for positions filled for only a portion of the current fiscal year, and staff additions (refills of vacancies as well as new positions) in such areas as Faculty, Classified, and Administrators. The implementation of the core Banner system was completed in FY2002 with only certain Banner-related enhancements remaining which will be completed in FY2003. Costs associated with normal programming activities pertaining to Banner have been absorbed by each university and the System Office.

**Student Enrollments**

For FY2002-03, full-time undergraduate enrollment is projected to increase by 1.6% Systemwide (2.0% at Central, 1.0% at Eastern, 1.4% at Southern, and 2.0% at Western). CSU is literally "bulging at the seams"; CSU's full-time student enrollment is at an all-time high,

and is continuing to grow. The National Center for Educational Statistics of the Department of Education, in its report entitled, "Projections of Educational Statistics to 2010", projects for Connecticut a 23% growth in the number of public high school graduates between 1998-99 and 2009-10. CSU has experienced growth in its full-time undergraduate enrollment of 21.9% since FY1997. Without additional State investment in higher education to fund the expansion of our educational infrastructure – faculty and staff – to accommodate this projected need, enrollment increases of the type experienced in the past five years may not be possible in the future.

#### **Enhancing the Public Awareness of the Connecticut State University System (CSU)**

In FY1995-96, the Board began a significant continuing programmatic initiative to enhance the public's awareness of and improve the image of the Connecticut State University System. The thrust of this program has been to better inform the public about the excellent educational programs the Connecticut State University System provides for them and their children, as well as the contributions CSU makes to the economic development of the State. Targeted distribution of the newsletter, "CSU Universe", radio advertising and public service announcements, an enhanced website, and participation in the Governor's "You Belong in CT" campaign, have resulted in greater media coverage across the board for CSU.

During the next fiscal year, \$166,212 will be expended for a continuing program to complement our earlier efforts. The specific activities to be undertaken are described in the budget briefing book.

#### **System Office, Information Technology Services and Systemwide Activities - General**

Spending plan proposals for the System Office and for Systemwide Activities include information technology, telecommunications, and other projects that assist the system as a whole. Funding for the proposed activities will be met through

- a) an allocation from the distribution of State general fund appropriations,
- b) new bond funds approved by the General Assembly,
- c) interest earnings on systemwide reserves which may be used without drawing down the reserve base amount,
- d) *OnlineCSU* revenue, and
- e) operating revenues (Telecommunications).

#### **System Office**

The System Office is projecting expenditures of \$4.2 million for FY2002-03, a net increase of only \$643 over the FY2001-02 budget, and \$342,846 (or 9.0%) over the estimated expenditures for FY2001-02, as reduced from budget in order to achieve savings. This funding continues the normal activities performed in the System Office and in addition will provide for a) staff merit pay increases; and b) annualization of salary requirements for positions filled for only a portion of the current fiscal year.

#### **Information Technology Services**

For FY2002-03, we are projecting expenditures for Information Technology Services (ITS) of \$8.9 million (including capital equipment bond funds), an increase of \$239,774 or 2.8% over FY2001-02 estimate and a decrease of \$125,051 or 1.4% versus FY2001-02 budget. After



transfer of capital equipment bond funding to the universities, the comparable expenditures for information technology at the systemwide level (including \$1.042 million in bond funds for all years) are \$5.7 million in FY2001-02 (estimate) and \$6.0 million in FY2002-03, an increase of 4.2%. After transfers, comparable expenditures versus FY2001-02 budget show a decrease of 2.0%. The increase versus estimate is mainly due to annualization of salary requirements for positions filled for only a portion of the current fiscal year, as well as salary increases and the addition of a Microsoft campus license agreement, formerly funded by the universities. If the Microsoft license were excluded, ITS expenditures for FY2002-03 would be only \$74,507 greater than the FY02 estimate, and would be \$290,318 or 4.8% less than FY2001-02 budget. The planned expenditure of \$6.0 million continues many of the normal Information Technology Services office activities, described more fully in the budget briefing book, including over \$1.9 million in software maintenance, licenses, and support directly for the benefit of the universities.

### **Systemwide Activities**

In addition to the projects discussed above, we are proposing to continue other systemwide initiatives to be funded from systemwide fiscal resources. These initiatives total \$705,844, a reduction of \$350,567 or 33.2% from the FY2002 estimate and include a) the completion of the SCSU master plan, b) legal counsel for personnel grievances and grievance arbitration, c) systemwide public relations and publications including the *Connecticut Review*, d) systemwide academic conferences, e) the Committee on the Arts, f) strategic planning, g) development of performance measures and assessment, h) continuation of the contract compliance unit, and i) several key surveys of student satisfaction, including a Graduate survey and an Alumni survey. Several budget adjustments contributed to the FY2003 budget reduction including the deferral of further master planning activity, the deferral of additional audit consultant activity, and the non-recurrence of the GASB 35 consultant expenditures.

Finally, \$82,500 is recommended for the Global Majority Retreat, a self-supporting enterprise.

### **Telecommunications System Activity**

The Telecommunications operation is completing its eighth year of activity. Revenues are slightly above budget this fiscal year; operating expenditure projections are also slightly above budget, resulting in an addition to reserves of \$349,317. The Telecommunications budget for FY2002-03 is projected at \$4.1 million, resulting in a surplus of \$387,873, which will be transferred to the Telecommunications plant fund in accordance with the Board's fund balance guideline requirements (BR#01-02).

During this past fiscal year, Telecommunications continued the implementation of proactive network management tools. These tools are used to manage and shape the traffic on the network, which in turn allows the management of required network bandwidth growth. In addition, the old voicemail systems were replaced at each of the four universities.

Ongoing support activities include voice services, data services, and video services for the University System, whose customers include faculty, staff and students (approaching 40,000 in total). The majority of these ongoing costs are associated with contracts for maintenance,

network access and bandwidth provision. This year's plans also include an upgrade to the Telecommunications Management Software and an upgrade to the System Office voicemail system. Software and hardware enhancements will be made to the telephone systems to increase the feature set and keep the systems current. A voice mail pilot project will be offered to resident students at one of the universities. Finally, ongoing effort and improvements will continue in the area of network management and security.

### *OnlineCSU*

A change in vendors from eCollege to WebCT will occur during FY2003, commencing with the Fall 2002 session. With this change in vendors, the registration and payment process will shift from the System Office to the universities. In the future, the System Office will only maintain a small staff to provide support for vendor management, marketing, and implementation and maintenance of a common learning platform. All vendor costs will be paid through the System Office. The universities will remit to the System Office two per-credit-hour fees, one to cover vendor costs and the other to cover *OnlineCSU* staff support, and will absorb all other costs for online courses into their overall operation. There will be substantial start-up vendor costs in the first year of transition; these will be funded from Systemwide reserves in FY2003, and will be recouped in the following two years via the per-credit-hour fees, which were developed using a three-year-average of expected costs. On a cash basis, FY2003 is budgeted to finish with a deficit of \$474,387, while subsequent years are projected to provide offsetting cash surpluses.

In FY2002, *OnlineCSU* is projected to break even prior to the new vendor start-up costs, estimated at \$194,000 for FY02. The fourth year was the most successful yet; forty courses were offered in the Fall 2001 semester, serving a total of 705 students; and fifty courses were offered in Spring of 2002, with an enrollment of 957 students. For FY2003, enrollment is expected to remain unchanged from prior year.

### **Central Connecticut State University**

Central projects educational and auxiliary services' expenditures of \$121.7 million for FY2002-03, \$6.8 million or 5.9% greater than FY2001-02 estimate, and \$6.7 million or 5.8% greater than FY2001-02 budget. The \$6.8 million increase can be attributed mainly to salary increases and the addition of faculty in response to increasing enrollment; as well as to increases in institutional financial aid, equipment, and utilities and other fixed costs.

For FY2002-03, Central projects a deficit of \$539,111, as a result of declining part-time enrollment and reduced interest income; as well as an increase in fixed expenses due not only to the standard wage legislation, but also associated with the opening of the renovated Student Center. Central's undesignated fund balance is in compliance with Board guideline requirements for FY2002-03.

### **Eastern Connecticut State University**

Eastern's educational and auxiliary services' expenditures are projected at \$62.0 million for FY2002-03, \$2.1 million or 3.6% higher than FY2001-02 estimate, and \$1.8 million or 3.1% higher than FY2001-02 budget. The \$2.1 million increase can be attributed primarily to salary increases, annualization of salary requirements for positions filled for only a portion

of the current fiscal year, and the addition of nine new faculty positions; as well as increases in utilities and food service expenses.

Eastern projects a deficit of \$154,449 for FY2002-03. Eastern's undesignated fund balance is projected to meet the Board's fund balance guideline requirements for FY2002-03.

#### **Southern Connecticut State University**

Southern projects educational and auxiliary services' expenditures of \$121.3 million for FY2002-03. This is an increase of approximately \$5.2 million or 4.5% over FY2001-02 estimate, and \$5.7 million or 4.9% over FY2001-02 budget. The \$5.2 million increase can be primarily attributed to salary increases and the addition of two new faculty lines, as well as increases in institutional financial aid, *OnlineCSU* support costs, and prior year encumbrances.

Southern is projecting a deficit of \$715,851 for FY 2002-03. Southern's undesignated fund balance is not projected to be within Board guidelines for FY2002-03; however, Southern has presented a plan to the Executive Committee of the Board of Trustees which should bring fund balance levels into compliance with guidelines within the next several years.

#### **Western Connecticut State University**

Western projects educational and auxiliary service expenditures of \$62.0 million for FY2002-03, an increase of \$4.1 million or 7.0% over FY2001-02 estimate and \$3.3 million or 5.6% over FY2001-02 budget. The \$4.1 million increase is due to salary increases, and the annualization of salary requirements for positions filled for only a portion of the current fiscal year; as well as increases in operating expenses (including rents, transportation, telecommunications expenses, and the centennial celebration).

Western is projecting a deficit of \$650,000 for FY 2002-03. Western's undesignated fund balance is projected to be within Board guidelines for FY2002-03.

#### **Summary**

The spending plan proposals have been reviewed by the Finance and Administration Committee and other members of the Board in consultation with the university presidents and their staffs and the Chancellor and his staff. The spending plan proposals are consistent with Board guidelines and reflect the allocation of resources toward the achievement of institutional strategic plan goals. Central, Eastern, Southern and Western are all projecting a deficit budget for FY2003, primarily due to collective bargaining increases and increases in fixed costs, partially offset by modest increases in student enrollment and a small increase in State support.

The proposals for the System Office, Information Technology Services (ITS) and other systemwide activities, reflect a decrease from prior year, in spite of normal inflationary increases. The ITS spending plan proposal incorporates the activities identified in several studies completed over the last six years. In addition, funding is proposed to continue a number of systemwide activities that provide a variety of services to the universities.

Because the budget for the State is not yet final, there may be a need to revisit our spending plans in the future. Further reductions in expenditures, and/or increases in revenues, may be necessary in order to respond to the challenges presented by the State's fiscal situation.

**CHANCELLOR'S RECOMMENDATION**

The proposed FY2002-03 Institutional Spending Plans and Authorized Expenditure Levels for Management and Confidential Professional Personnel and SUOAF-AFSCME Administrators be approved.