Date: June 1, 1973
From: Office of the Vice Chancellor for Finance and Business
Subject: 1973-74 Revenue and Expenditure Projections

Last week we sent you a comparison of the revenue projected and the actual revenue received from each campus during the past fiscal year. Earlier in May, we also provided the Chief Business Officers with a comparison of the estimated expenditure projections and the actual expenditures for the past fiscal year. It is evident that in many cases, there is need for more thorough analysis in the projection process for both revenue and expenditures.

We have been requested by the State Budget Office to submit a financial plan for the 1973-74 fiscal year. This plan must contain a projection of both revenues and expenditures. We anticipate that the revenue projections will be maintained at a level consistent with the projections forwarded in your 1973-74 Final Budget Request. These should be adjusted, however, to include any changes that have occurred since last September. As mentioned in my May 21 letter, we must generate sufficient revenues this year to cover both the debt service costs and the $92 million allocated to operations. The effect of the tuition waiver limitation imposed by the Legislature in the Supplemental Budget is currently being analyzed to determine individual campus effects. Additional data on this subject will be sent you next week and should be considered in your tuition revenue projections. For planning purposes, the residence hall utilization plan submitted during the past month should also be considered approved for the purposes of projecting the dormitory revenues.

Initially, your approved total appropriation level will serve as your preliminary expenditure ceiling for the 1973-74 fiscal year. We will, however, require expenditure projections by the major function categories that were included in the budget bill.

May I again remind you of the need for careful analysis of the projections being made. They are basic to the financial plan. In addition, these projections are utilized for our cash flow management as we maintain adequate controls on the cash balances in the University funds to allow the payment of the necessary debt service and operating program expenses.
We are forwarding under separate cover to your Business Officer a set of financial reports (and instructions) that must be completed and returned to us. Along with these reports we will need a brief summary statement of the important program priorities you are establishing for the current fiscal year. This statement can be similar in form to the highlight letter that accompanies your annual final budget submission but should reflect the program directions that can be accomplished within the approved budget allocations for this year. We would appreciate receiving this information by June 15.

Thanks very much.

Harry Spindler

cc Chancellor Boyer

This memorandum addressed to:
- Presidents, State-operated Campuses
- Deans, Statutory Colleges

Copies for information only sent to:
- President Miles
- Vice Provost Risley

bc Executive Staff