

April 25, 2002

RE: Budgetary Savings Target

Dear Colleague,

Following consultation with the Deans and Vice Chancellors, in a letter dated January 18, 2002, Provost and Executive Vice Chancellor Hinshaw announced her decision to permanently assign the budgetary savings target (target), while allowing units to meet the target each year using one-time savings. Permanently assigning these targets has the advantage of providing budgetary certainty while providing the flexibility to use one-time savings to meet the target.

The target will be assigned permanently for 2002-03 and will be equal to your 2001-02 target. Your unit's permanently assigned Budgetary Savings Target is \$xxxxxxx. A spreadsheet detailing the permanent base budget subject to the target is attached. The target can be met using a combination of all the state funds used to calculate the target (e.g., Instructional Use of Computer and Instructional Equipment Replacement funds).

Should you choose to meet your target using funds other than General Funds (OP Fund 19900) the Office of Resource Management and Planning will work with you to facilitate a fund exchange. Budgetary Savings Targets will be assigned, and fund exchanges accomplished, as outlined in the following steps.

1. The Office of Resource Management and Planning will prepare a DaFIS Base Budget Allocation document debiting an account number you designate for the amount cited above. Thus, the base budget will permanently have a deficit equal to the amount of the assigned target. Please provide your ORMP Budget Analyst with the General Fund account (target account) you would like the target assigned to no later than May 15, 2002. If we do not hear from you by May 15, we will use the account number your unit has used for previous BST transactions.
2. During the course of fiscal year 2002-03, and each year there after, you will be able to transfer funds into your target account, on either a current or base budget basis, to avoid ending the year with a current year deficit in the target account.
3. Should you choose to meet your annual target with current year or permanent funds from an OP Fund other than 19900, please notify your ORMP Budget Analyst of the amounts and accounts by September 15 of the current year.

Please contact your ORMP Budget Analyst assigned to your area with any questions or concerns.

Sincerely,

Diane Davies-Conley

