TO: Framroze Virjee  
University President

DATE: May 11, 2018

FROM: Dave Mickey  
Chair, Planning, Resource, and Budget Committee (PRBC)

SUBJECT: PRBC Recommendations for FY 2018-2019

I am pleased to submit for your consideration the Planning, Resource, and Budget Committee’s (PRBC) recommendations on planning, strategic priorities, and budgetary matters for FY 2018-2019. The recommendations presented herein reflect the committee’s discussions regarding the financial context in which the University operates, the budget outlook for the next fiscal year, and the strategic and operational priorities identified throughout the past year. May the committee’s recommendations prove helpful as you work with the division heads to finalize next year’s budget.

Given the timing of this letter, it is difficult to know what the final budget impact will be for the next fiscal year. Nevertheless, at this point in time, we anticipate that reductions will be necessary and should take measures to plan accordingly. In that vein, PRBC focused much of its efforts during the spring semester on establishing priorities to assist in guiding 2018-19 budget decisions. Consensus was reached on ten strategic priorities. These priorities informed the PRBC recommendations, which were unanimously approved on May 11, 2018 during PRBC’s last regularly scheduled meeting of the 2017-18 academic year.

As you are aware, the following projections are contingent on a final 2018-19 State budget that is consistent with the May Revise and it may be several additional months before a final 2018-19 State budget is approved.

FY 2018-19 Budget Outlook

As of this writing the CSU anticipates for FY 2018-19 a budget shortfall of roughly $61M between the Governor’s January preliminary budget and funding needed for on-going cost increases such as health care premiums, employee compensation and minimum wages increases. As it stands currently there will be no funding available to support anything outside of these increases such as additional enrollment, new initiatives, and other programmatic enhancements. In the past, new funding associated with budgeted enrollment increases have been a source to fund other programs that will not be available next year. The Chancellor’s Office recently announced that it would not seek a tuition increase for 18-19.

To bridge the $61 million gap, the Chancellor’s Office has assigned a 1% reduction to the campuses, or $4,253,000 for CSUF. We will also need to address a $3,850,000 shortfall associated with the 1% salary increase last year that were funded with one-time funds and anticipated baseline cost increases associated with the 17-18 faculty recruitment plan. The sum of these components totals $8,100,000 in potential cuts next year. The final budget could change this figure but for now the working
assumption is that the campus needs to absorb this shortfall.

Recommendations

In an environment of financial uncertainty, CSUF has accomplished much with the limited resources available. The question that the committee poses is: what could we accomplish if CSUF was funded at a level comparable to similarly sized CSU campuses? The University has successfully managed the challenges it has faced and delivered outcomes better than similarly sized public comprehensive universities. For too long our limited funding situation has relied on the idealism and commitment of the faculty, staff, and administration who have repeatedly stepped up to support student success. However without adequate resources, this idealism can turn to cynicism and burnout. CSUF is at a breaking point in terms of morale and funding must reflect campus needs to continue to support students in their timely completion of educational goals and to meet CSU GI 2025 mandates.

The committee’s recommendation prioritizes categories aimed at what the campus must do to achieve university goals. Structural inequalities exist and prohibit the campus leadership from pursuing aspirations that fulfill CSUF’s mission of granting access and providing a quality comprehensive, liberal education.

Of the twenty-three CSU Campuses, CSUF has the lowest funding rate per student FTE (full-time equivalent), and that has been a detriment to our students, faculty, programs, and ultimately our mission. While we have been able to make progress by careful and strategic use of one-time savings, CSUF leaders must continue to advocate for additional state investment in the CSU, as well as for additional CSU investments in our University. At a minimum, this advocacy may slow the ongoing inequities that have negatively impacted our students and the provision of a stable funding base from which we carry out our academic mission. If CSUF were funded on par with similarly sized CSU campuses, there is no end to what this University could achieve as a model for closing the opportunity gap, ensuring success for all students, and providing the necessary support for faculty, staff, and operations required to carry out the latter.

The PRBC understands the challenge of addressing this inequity at the system-wide level because the CSU baseline budget is zero-sum in that CSUF receiving additional resources requires other campuses to receive reductions. One possible approach to address this inequity is to more fairly distribute new allocations during the CSU budget process or distribute reductions with an awareness of initial inequities. Unfortunately, the Chancellor’s preliminary budget allocations memo did not reflect this approach and therefore missed the opportunity to improve the CSUF funding rate relative to other campuses.

In addition to equitable funding, deferred maintenance of campus facilities continues to be a PRBC concern. The committee appreciates the significant investment made in classrooms and other improvements, many of which address life and safety concerns across campus and provide for a more welcoming teaching and learning environment. However, current funding only covers a limited number of university and larger division deferred-maintenance priorities. Additional deferred maintenance and facility improvement funds are needed at the college and department/program level to ensure proper and safe learning environments that do not hinder progress towards our University’s strategic goals.

After addressing mandatory costs and 2018-19 new faculty hires, if budget reductions are necessary,
the PRBC recommends that funds should be prorated across the divisions or addressed by one-time funds, divisional reserves, or unallocated year-end budget balances.

The following priorities (listed in alphabetical order) should be supported with available resources:

- **Capital and Facilities Infrastructure Projects**
  The committee recommends addressing critical university and division deferred maintenance projects and State Fire Marshall building codes. Further, to ease the high need for space, relocation costs, and facility improvement funds should be made available to backfill the valuable space becoming available from the opening of Titan Hall.

- **Core Operations Critical to Advancing Institutional Mission**
  This category includes, but is not limited to the following examples.

  As admissions targets are set, any incremental increases over baseline funding need to cover the full marginal costs.

  The University's commitment to student advising has paid dividends and the committee recommends continuing to invest in student advising. A component that is missing in the student advising tool kit is a graduate student Titan Degree Audit (TDA). The TDA is an indispensable tool to keep students on track to graduation and to record advising notes. This option will offer critical support for graduate students.

  Student advising and support, curriculum, and faculty development are reliant on the many software programs that we use such as Turnitin, TitanNet, Grammarly, College Scheduler, Curriculog, Acalog, and Interfolio. These software programs are funded on one-time monies and represent additional commitments against available OE & E. The committee recommends baseline funding for these critical tools.

  The committee recommends continued support of special academic programs, such as the Doctorate in Education, Doctorate of Nursing Practice, and Kaiser Distance Nursing.

  The committee recommends continued support of library electronic resources. Inflation perpetually increases the costs the library must bear. The committee recommends continuing the commitment to acquiring materials to support the mission of the University and to provide funds to combat inflation. In addition, the campus must account for the increased costs that accompany the University's R3 designation.

  CSUF's graduate and professional programs continue to grow, attracting talented students from around the world. However, competition is fierce. An aspiration of the committee is to sustain excellence and growth through graduate teaching associate tuition waivers.

- **Faculty and Staff Hiring, Retention, and Tenure Track Density**
  The priorities in this category intersect with those of GI 2025 and the third goal of the University's Strategic Plan. CSUF has continued to recruit and retain a diverse community of teacher-scholars who work diligently to advance our mission. To improve tenure density, the
institution should continue to hire and consider all avenues available to appoint and support new tenure track faculty members. The PRBC recommends sustaining and extending gains in net tenure track hiring and pursuing competitive lab, studio, and other startup funding for new tenure track hires. Additional financial allocations in conjunction with new faculty hires should also address staff and other support shortfalls.

Funding for faculty promotions is a recurring commitment to be addressed. Hiring over the past decade has created a larger population of faculty members who have active research programs and are eligible for sabbaticals, the committee recommends budgeting for additional sabbaticals. The continuation of the support provided for Academic Senate service is also recommended.

- **Graduation Initiative 2025**
  If additional funds are allocated, related activities may include increased course sections, remediying course and administrative bottlenecks, investing in course redesigns, increasing tenure density, continuing our investment in High Impact Practices, and strengthening academic advising and the first-year experience, amongst other efforts.

- **Mission Critical and Compliance Initiatives**
  Items that fall in this category can be considered mandatory spending. Priorities such as Title IX and the Clery Act have costs that the University cannot defer or ignore. In addition, the PRBC recommends addressing studio and lab safety compliance. Furthermore, the committee recommends prioritizing disability support in alignment with EO 926.

- **Reinvesting in Instructional & Support Infrastructure**
  The growth of the campus has placed pressure on the instructional and support infrastructure. The committee prioritizes a continued commitment to classroom refurbishment and extending that commitment to renewing and upgrading computer labs and specialized/instructional lab equipment. Not only does this funding ensure that our instructional spaces are in working order, but lab and non-lab equipment funding is critical to maintaining student learning experiences that are meaningful and valuable across all disciplines.

  The committee recommends addressing staffing needs across the campus by filling vacancies, increasing staffing, supporting opportunities for professional development, and providing in-range progressions. Since scholarly output has increased, the committee recommends investing in Research Grant Specialists and interdisciplinary research initiatives to sustain scholarship activities. In addition, the committee recommends continuing the University's investment in Faculty Support and Instructional Delivery Services, including Online Education and Training, the Faculty Development Center, Academic Technology Center, and leadership training for chairs.

  Year-Round Operation (YRO) instruction is a vital lifeline for students seeking to move steadily and expediently towards their degree objective. The committee recommends that funding for O E & E be addressed.

- **WSCUC Reaccreditation**
  The accreditation process is a time for reflection which allows the University to provide input
to and evidence of efforts of the progress made in the areas outlined by WSCUC. Consistent with each accreditation review, funds are needed to support campus efforts associated with preparing our reaccreditation.

Conclusion

In closing, the PRBC advocates that the administration maintain the principles that have guided previous budget allocations: the budget must be balanced; the budget must be aligned with the University’s strategic priorities and institutional mission; and the University reserves should be at a sufficient level to address contingencies.

Cc: Kari Knutson Miller, Provost and Vice President for Academic Affairs
    Stephen Stambough, Academic Senate Chair
    Danielle Garcia, Chief of Staff
    Stacy Mallicoat, 2018-19 PRBC Chair