

1988-89
ACADEMIC SENATE
California State University, Sacramento

AGENDA

Thursday, September 29, 1988
2:30 p.m.
Senate Chambers, University Union

INFORMATION

Overview of the 1988-89 Budget

The University Administration will provide a general overview of the 1988-89 budget. Particular attention will be given to how the systemwide budget reductions have been addressed by the campus.

Budget/Faculty Position Allocation Processes

The University Administration has proposed changes in the budget/faculty position allocation processes. Documents describing these processes will be discussed.

- A. "Faculty Position Allocation Process" [Attachment A] - Draft document developed by the Vice President for Academic Affairs in consultation with the Academic Deans.
- B. "Description of the allocation process and matching resources to plans (September 20, 1988)" [Attachment B] - Draft document developed by the Vice President for Finance in consultation with the Administrative Council.

REGULAR AGENDA

First Reading: AS 88-??/FPDC, Ex. FACULTY PROFESSIONAL
DEVELOPMENT IMPLEMENTATION PLAN

A specific implementation plan, describing programs, funding levels, and responsibility for administration of various programs will be presented by the Faculty Professional Development Committee for discussion (document will be distributed at the meeting). The item will be placed on the agenda of the October 13, 1988, Senate meeting for action.

DRAFT

PROPOSED FACULTY ALLOCATION PROCESS

DRAFT

PRINCIPLES OF A FACULTY ALLOCATION PROCESS

1. The instructional program should be the highest priority in the allocation of faculty resources.
2. The faculty allocation process should be based upon accepted workload factors, and agreed-upon data sources that measure those factors.
3. Academically related programs and activities may be supported with faculty resources, consistent with approved University plans, but only to an extent that does not threaten the quality of instructional programs or the meeting of campus FTE targets.
4. The process should provide appropriate initial funding as recommended through the consultative process for approved new programs, after which funding will come from within the school's base allocation.
5. The process should consider mode and level ^{and} student/faculty ratios as reasonable indicators of comparative school needs, once anomalies inherent in the formula are adjusted for.
6. The process should provide for equitable adjustments for factors that prevent schools from using their faculty resources as efficiently as would otherwise be possible, when such factors are beyond the control of schools.
7. The process should provide an incentive for schools to manage their faculty resources as efficiently as possible; this allows schools to retain positions conserved through scheduling, provided FTE targets are met and curricular integrity is preserved.

DESCRIPTION OF PROPOSED FACULTY ALLOCATION MODEL

There are five steps to the proposed faculty allocation process:

1. Set the [?]Parameters by Determining Uses of Faculty Positions in Current Year and Those Available for Next Fiscal Year

This step includes determining the use of all faculty positions in the current year. This includes the distribution of faculty among

the Schools, and other set aside positions such as those used for instructionally related activities, salary savings, University reserve. In addition, the faculty positions that are required to fund new academic programs approved for implementation during the next fiscal year, and the positions required to support approved program coordination will be calculated and listed along with the current year's usage. Finally, the positions available for the next fiscal year will be listed.

In order to provide a starting point for examining the instructional faculty allocations for the next fiscal year, it is assumed that the number of positions for the above purposes will be the same as in the current fiscal year, plus those needed to fund approved new programs and approved program coordination. This is merely an assumption to allow us to proceed to examine the highest priority--instruction. After the next three steps are taken, which all involve the need for instructional faculty, the "set aside" allocations can be finalized in light of the needs of the instructional program.

2. Adjust for Anomalies in Mode and Level Formula

The mode and level formula which generates faculty positions to the University produces a student/faculty ratio which can be calculated for each school. In general, this ratio provides a reasonable basis for comparing the relative needs of the schools for instructional faculty. However, a few anomalies in the formula distort the ratios in some cases. For example, some supervision courses generate more or less faculty resources than are typically used to support supervision. The Vice President for Academic Affairs, in consultation with school deans, will designate adjustments, up or down, in school faculty allocations to take account of these anomalies.

3. Adjust for Special Instructional Needs

The previous step adjusts for factors inherent in the mode and level formula that cause those student/faculty ratios to be unreasonable. This step adjusts for those factors inherent in the structure of the University which prevent the mode and level SFRs, however reasonable, from being implemented. There are at least four such factors which cause faculty resource requirements to differ significantly from what a school can be expected to generate for itself:

- a. departments with more tenure track faculty than the number of base instructional positions their enrollments generate under the allocation model;

- b. part-time faculty salaries which exceed the salary dollars available from vacant positions;
- c. facility constraints which artificially limit the size of courses and cause additional sections to be needed;
- d. course and programmatic factors which cause course enrollments to be considerably below or above those indicated by the funding formulas.

Based upon acceptable justification provided by school deans and the Vice President for Academic Affairs, adjustments in school faculty allocations will be made to take account of these factors. Such adjustments will provide only partial compensation for identified factors, in order to give schools the incentive to solve these problems internally.

4. Calculate Base Instructional Allocation

After the first three steps have been taken, the majority of faculty positions will remain to be allocated. These positions will be allocated to schools as an equal percentage of their mode and level student/faculty ratios, using information from the prior academic year. For example, in 1988/89 the University will receive 1,019.4 instructional faculty positions for a budgeted FTE of 18,250, i.e. our mode and level student/faculty ratio Universitywide is 17.9. If we set 90 positions aside for instructionally related uses and allocate 10 to adjust for mode and level anomalies and special instructional needs, we are left with 919.4 positions for the base instructional allocation. This equates to an SFR of 19.85, which is 11 percent higher than our budgeted SFR. These 919.4 positions, then, are enough to make base instructional allocations to each school using an SFR that is 11 percent above each school's mode and level SFR. Put in another way, we can allocate each school 89 percent of the faculty positions its enrollment generates.

5. Reexamine "Set Aside" Allocations in Light of Instructional Allocations

The highest priority for the use of faculty positions is instruction. The proposed model starts by assuming that a number of positions will be set aside for instructionally related uses in order to provide a starting point for examining the adequacy of the instructional faculty allocations. After the instructional faculty allocations have been determined, pursuant to steps 2, 3, and 4, as described above, the "set aside" positions can be finalized. If it appears that maintaining "set aside" allocations at the current-year level will threaten the instructional program or the meeting of FTE targets, then the "set aside" allocations will be

revisited and reduced accordingly. If, on the other hand, the instructional program can "afford" to transfer some positions to augment some of the special University programs that are funded from "set aside" faculty positions, then those allocations could be increased accordingly.

ADVANTAGES OF THE PROPOSED FACULTY ALLOCATION MODEL

1. The model is fair, in that after making adjustments for agreed-upon factors which affect faculty workload, all schools receive an equal percentage of their mode and level student/faculty ratios (i.e. an equal percentage of the positions they generate to the University). In addition, factors which fall unequally among the schools (e.g. facility constraints) will be shared equally under the proposed model.
2. Schools will know in advance how allocations are being determined and what factors are to be considered relevant to the decision.
3. The trade-off between instruction and the "set aside" uses of faculty resources can be demonstrated and will therefore be easier to evaluate than under the current process. For example, a proposal to allocate an additional 20 positions for faculty development would, under the previous example, reduce the base instructional faculty position pool to 899.4 and reduce the percentage of mode and level that could be funded from 89 percent to 86.6 percent. For a school that was to receive 100 positions, this would mean a loss of 3 positions. By providing the means to make such comparisons, the proposed model will foster more informed decision-making.

9-16-88
[faculty]

September 20, 1988

Description of the allocation process and matching resources to plans.

Principles for Resource Allocation

The principles upon which the resource allocation process is built are: 1) consistency with University priorities identified through the University planning process; 2) openness and accessibility to all who have an interest in it; 3) rationality (i.e., based upon data); and 4) timeliness.

Consultation and Interaction

A key element of the resource allocation process is the opportunity for interaction between the deans of the schools and other program center administrators who have responsibility for achieving results with the resources available and the vice presidents (e.g., the Vice President for Academic Affairs for the schools and the educational program).

The Council for University Planning is responsible for recommending University plans and priorities and for reviewing and commenting on proposals for resource (budget) allocation. The Council makes a budget recommendation to the President.

The staff work on the budget, based upon the stated priorities (essentially, based upon the principles listed above) is accomplished by the Vice President for Finance and other designated staff members. A small staff group is identified to do the work.

Steps in the Allocation Process

1. School and other unit plans given to the appropriate vice President. After review and discussion, plans given to Council for University Planning.
2. Council for University Planning recommendations on unit plans (and a recommended overall or integrating University plan, prepared by the Council) given to the President, along with statement of priorities.

September 20, 1988

Page 2

3. President acts on recommendations. This action--the final statement about plans and priorities--is distributed to the program center administrators and generally on the campus.
4. School deans and other program center administrators submit budget requests to the appropriate vice president (for example, VPAA for schools, library, etc.). The vice presidents submit the requests, with appropriate comment, to the budget staff for the development of preliminary allocation recommendations.
5. A faculty allocation proposal is prepared fairly early in this process. The proposal is prepared by the Vice President for Academic Affairs using the "faculty allocation model," discussed with the school deans, and given to CUP for review and recommendation to the President. President acts on this.
6. In the preparation of the preliminary budget allocations, the appropriate vice president and program center administrator will meet. The vice president can be assisted by an appropriate budget staff member.
7. A preliminary budget allocation proposal is completed. This is given to all program center administrators for further discussions and proposed adjustments.
8. Any proposed changes are given to the appropriate vice president by the program center administrators. The vice president reviews, may make adjustments, and gives to budget staff for preparation of budget proposal. The Vice President for Finance is responsible for assembling the final proposed budget and giving it to CUP for their review and recommendation.
9. The Council for University Planning reviews and comments on the budget allocation proposal, and makes a recommendation to the President.
10. At this stage in the budget allocation process, the deans and other program center administrators, normally in the context of the Council of Deans, have an opportunity to have input before a final decision is made.

September 20, 1988

Page 3

11. Adjustments may have to be made to reflect external budget changes. See 5 & 6 below.
12. The President allocates the budget. The allocation document is normally accompanied by a narrative statement about the rationale and purposes of the allocation; this is not to be a "line item" statement.

Concepts and Timing

1. The conceptual paper prepared by Deans Gregorich, Oldenburg, and Wagner is a basis for this process, and is attached.
2. The budget allocation cycle is a two-year process.
3. A "basic" faculty allocation will be made to each school prior to the end of the fall semester.
4. The Council for University Planning recommendation on the overall budget will be made prior to the end of the spring semester--normally in May.
5. The Governor's Budget is made public, normally, in early January. The Governor signs and completes the budget normally in mid to late June. This may be July, however. The Board of Trustees, in some circumstances, acts upon major changes or unanticipated directions at its July meeting, normally July 10-15.
6. Thus normally the President acts upon the budget allocations some time after the May CUP recommendations. Each year provision is made for consultation with CUP and with the Council of Deans about external changes in the budget not anticipated or included in the May CUP recommendation, before the President takes final action.

DRG:hmd

Attachment

THE 1988/89 OPERATING BUDGET FOR CSU, SACRAMENTO

Presentation to the Academic Senate
by
Mernoy Harrison, Vice President for Finance
September 29, 1988

I. The Overall Level of State Funding Provided to CSU
Sacramento in the Budget Act

As signed in July, the State budget provided CSU Sacramento with about \$92.6 million in General Funds for 1988/89 or about \$2.4 million more than last year. Although this represented an increase of roughly 2.8%, an unallocated budget cut imposed by the Legislature and Governor reduced our authorized expenditures by over \$1 million, so that our General Fund increase is in reality only 1.4%. As part of this reduction, non-faculty MSA's were not funded by the State for the fourth successive year. Also, the Governor vetoed dollars from the compensation line item, indicating that salary increases for all employees were to be postponed from January 1 to June 1, 1989.

II. Action by the Chancellor's Office After the Budget Passed in
July

In order for the CSU to reduce its budget systemwide by some \$66 million below what the formulas would have generated for the system, the Chancellor's Office took the following major steps:

- Cut General Funds in instructional equipment replacement and some instructional programs, to be filled in by lottery funds for one year;
- Withheld non-faculty MSA's;
- Used some compensation funds to off-set the overall reduction;
- Eliminated funds to account for inflation in the cost of supplies and other goods;
- Imposed an unspecified cut of \$9.6 million on the 19 campuses;
- Withheld authority to spend any excess State University fees collected by the campuses.

III. CSU Sacramento Allocations for 1988/89

A. Allocations Originally Planned for 1988/89

Last year, the 1988/89 allocations were developed in the usual way: budgets were extensively discussed and tentative allocations were approved by URPC. The highlights of that preliminary budget were:

1. Nineteen new faculty positions available for enrollment increases. Eleven had been distributed to schools in allocation tables; eight were distributed later based on final fall enrollment and program changes;
2. 14.8 new support positions available due to enrollment increases. Allocated to schools based on workload increases and to other program centers based on demonstrated and high priority needs.
3. New master's program: Public Policy and Administration.
4. Temporary Help budgets were restored to earlier levels after having taken a 5 percent reduction in 1987/88.
5. Student Assistant positions were again fully funded after a reduction of 5 percent in 1987/88.
6. The supplies and services budgets were increased by 2 percent across-the-board, but several schools and programs received additional increases based on specific, high priority proposals.
7. New equipment was allocated at about the same overall level as last year, though the specific allocations to schools and program centers differed, based on budget requests and demonstrated need.
8. Instructional replacement equipment was allocated at lower levels than last year because State funding was not projected to be as high. Again, the URPC recommended allocations were based on budget requests and need.
9. Overall, travel received a 2 percent increase except for larger increases to Arts and Sciences and Education to restore equity in travel allocations across all schools. A small reduction was made in administrative travel and a fund was established for faculty travel to system committee meetings and similar activities.
10. Postage and telephones received increases of 4 percent and 5 percent respectively.

11. An additional \$176,000 was to be available from the proposed funding for the new faculty research, scholarship, and creative leave program. This was in addition to three new FTE faculty positions allocated for research and professional development.

B. CSU Sacramento Allocations As Finally Adopted

The preliminary allocations, of course, were based on an expectation that the campus would receive roughly a 4 percent increase in State General Funds, rather than the considerably lower level finally approved in the Budget Act by the Legislature and Governor. The CSUS allocations were revised after we received a list of the cuts that had been imposed by the State and by the Chancellor's office. These revised allocations were discussed with the deans and URPC before being adopted by the President.

The most significant changes to the URPC allocations approved in May and listed above are as follows:

1. A freeze on new equipment purchases from general funds, but \$360,000 worth of spending was authorized for instructional equipment replacement mainly from lottery funds.
2. Only 5.5 months of funding would be provided for the new support positions.
3. Program centers were required to return a campus-wide total of \$90,000 beyond their normal salary savings during the fiscal year by either delays in filling vacant support positions or by reducing expenditures elsewhere.
4. General fund augmentations for Electronic Data Processing maintenance and two thirds of an augmentation for facilities management were eliminated.
5. The 3 new FTE faculty positions for research and professional development were to be supported by lottery rather than General Funds.

The following principles guided our budget adjustments:

- a. Protect instruction
- b. Provide maximum flexibility to schools and other program centers within their allocations
- c. Cut expenditures in areas where restoration can occur most easily.

Further, University priorities as identified by URPC were protected and, in several instances, allocations in these areas were actually increased. In particular: instructional and basic program needs; educational equity; professional development.

IV. Action by the Legislature in August

- A. Three weeks ago, the Legislature and Governor restored about \$18.3 million to the CSU, by lowering the amount of unallocated reductions required from the system.
- B. \$5.9 million of these funds are committed to providing salary increases on June 1, 1989.
- C. The Chancellor's Office is deciding how the additional funds will be allocated, but has stated that the highest priorities are to reduce the unallocated cuts to the campuses and to provide some funds for price increases.
- D. Negotiations are currently taking place between unions and the Chancellor's staff over the level of salary increases this year.

V. Conclusions

As passed in July, the 1988/89 General Fund budget for CSUS was increased by roughly \$1.2 million or by 1.4%. However, when you take our budgeted enrollment growth and inflation into account for this year, the campus has 4.8 percent fewer dollars per FTE student than last year.

Despite this drop in the real resources per student, we can manage for one year. Further, there are a few bright spots in the budget:

- A. New faculty and staff positions to accommodate higher enrollment levels;
- B. Increases for a faculty research and professional development;
- C. Capital outlay expenditures of \$14.6 million for three major projects--the engineering building, the library addition, and a new classroom building--facilities which are critically needed;
- D. An unexpected increase in Lottery Revenue Funds that helps mitigate the effect of General Fund cuts for one year.

In conclusion, we face a very challenging year because of these budget cuts, and we had to make difficult choices. Clearly, our ability to enroll and educate more students has been hampered. Nevertheless, we are able to maintain our commitment to a quality instructional program and to make an effective case for restoration and progress next year.

Martin M
April 21

RESOLUTION

Whereas the administration's proposed Faculty Allocation process is based in programmatic needs and is intended to fairly distribute resources and

Whereas the proposal is flexible, recognizing the realistic limitations of present situations that hinder complete implementation of the model, therefore

So it resolved that the Academic Senate endorses the proposed model for faculty allocation.

Agreed

Martin (1)
M. Powell (2)
Agreed

The Fiscal Affairs Committee met in subcommittee on September 13 and in general session on September 20 to discuss the proposed Budget Allocation Process. Fiscal Affairs Committee members expressed particular concern over the definition of CUP's role in making the final budget recommendation to the President; the proposed process primarily involves faculty through membership on CUP. Fiscal Affairs Committee does recommend the proposed process to the Academic Senate with the following changes to paragraphs 2 and 3 under "Consultation and Interaction":

Paragraph 2: The Council for University Planning is responsible for recommending University plans and priorities and for ~~reviewing and commenting on proposals for resource~~ (budget)-allocation recommending to the President a final [?] budget that reflects those plans and priorities. ^{w/ supporting narrative} ~~The Council makes a budget recommendation to the President.~~

Paragraph 3: The staff work on the a preliminary budget...

The Fiscal Affairs Committee invites a motion to endorse the process document as amended.