



To:	President Joseph F. Sheley
From:	Eileen Hamilton, Chair University Budget Advisory Committee (UBAC) <i>Eileen Hamilton</i>
CC:	Member, University Budget Advisory Committee
Date:	June 23, 2016
RE:	Fiscal Year 2016-17 UBAC Recommendations

After considerable review and deliberations, the University Budget Advisory Committee (UBAC) is pleased to provide its budget recommendations concerning the 2016-17 fiscal year budget. These recommendations have been reached by consensus within the committee after considerable review and discussion of University financial reports and Governor's budget proposals.

UBAC would like to thank each of the division Vice Presidents for the time and effort in presenting their respective division priorities, responding to specific information request and ongoing attendance to meetings.

As chair of UBAC, I would like to thank the members of the committee who once again dedicated considerable time and effort to gain an in-depth understanding of the current budget environment for the University. The committee works collaboratively with the intent of protecting the University mission and strategic goals, as well as student, faculty and staff success. In addition, I would like to thank Associate Chair Julia Reynoso, Michelle Legg of the Budget Office and Mary Van Eyk for their services to the committee.

Through their dedication, hard work and concern for the University, the committee has once again developed a thorough understanding of the University Budget situation and has provided prudent recommendations for the 2016-17 year for your consideration.

Members:

Ms. Julia Reynoso, Associate Chair, Director of Facilities Planning & Finance
Dr. Elaine Peterson, FBAC Representative, Department of Economics, Agricultural Studies, and Social Sciences, College of Arts, Humanities, & Social Sciences
Dr. Dave Colnic, Professor, Political Science and Public Administration, College of Arts, Humanities, & Social Sciences
Dr. Stuart Wooley, Professor, Biology Department, College of Sciences
Ms. Lori Phillips, Administrative Analyst, College of the Arts, Humanities & Social Sciences
Ms. Andrea Martin, Administrative Analyst, Housing & Residential Life
Ms. Sandra Loza, ASI Vice President
Ms. Cymoril-Jessica P. Sonico, ASI Board of Director member for the College of Science
Dr. James Tuedio, Dean, College of the Arts, Humanities & Social Sciences
Dr. John Tillman, Director of Institutional Research

University Budget Advisory Committee 2016-17 Recommendations

Introduction and background on UBAC process for 2016-17 recommendations

The University Budget Advisory Committee (UBAC) was reformulated in July 2013 and given the charge to “*advise the President on financial planning and budget allocation matters based on the University mission and strategic plans.*” The reformulation document indicated the make-up of the committee would contain a diverse membership and that the committee would have the “*primary responsibility to represent the entire campus (faculty, staff, students and administration)*”.

The committee was assigned two primary charges:

1. advise the President on matters of financial and other resource management and
2. consult with and inform the University community about budget and other resource issues.

To address these responsibilities, this year’s University Budget Advisory Committee began its deliberations by reviewing a broad range of data pertaining to the University budget, including the 2014/15 end-of-year financials, the 2015/16 Governor’s budget and corresponding budget allocations to the campus. The committee directed special attention to reviewing the various campus reserves funds, with special focus on the base-funded reserve, various reserve accounts containing one-time funds, and one-time allocations drawn from these funds. The committee also reviewed documents pertaining to the marginal cost of instruction and multi-year summaries of enrollment and employee data.

UBAC also examined the committee’s 2014-15 recommendations, which were addressed to the 2015/16 budget, and reviewed 2015/16 allocations associated with these recommendations. These recommendations were formed under the expectation of modest growth in our base allocation, pending finalization of the 2015-16 Governor’s Budget and decisions at the Chancellor’s Office. The final Governor’s Budget provided a higher allocation to the California State University, and the System’s allocation to our campus was augmented by funds tied to a growth rate of 4.6%, which exceeded the budgeted system-wide growth rate of 3%. This afforded increased access to allow more students in the region to enroll at Stanislaus and also provided the campus with a corresponding increase to our general fund allocation and student tuition revenue. Unfortunately, allocations tied to this additional funding were constrained by significant increases in mandatory costs, limiting the amount of “new” funding available to address priorities outlined in our 2014-15 UBAC recommendations.

The committee prepared two presentations for the University community summarizing budget information gathered through our meetings and research. The first presentation was dedicated to reviewing prior-year financials, UBAC recommendations addressed to the 2015-16 budget cycle, and subsequent 2015/16 allocations. The second forum focused on soliciting input from the University community. Prior to each forum, multiple invitations were sent to the campus community to encourage broad participation. The Faculty Budget Advisory Committee Chair presented FBAC’s recommendations on budget priorities (distilled from a Sense of the Senate resolution) and the campus CFA Professional Rights Advocate spoke in support of funding a faculty salary equity program.

The committee also requested input from division leaders, offering the following focal points for their presentations and follow-up discussion:

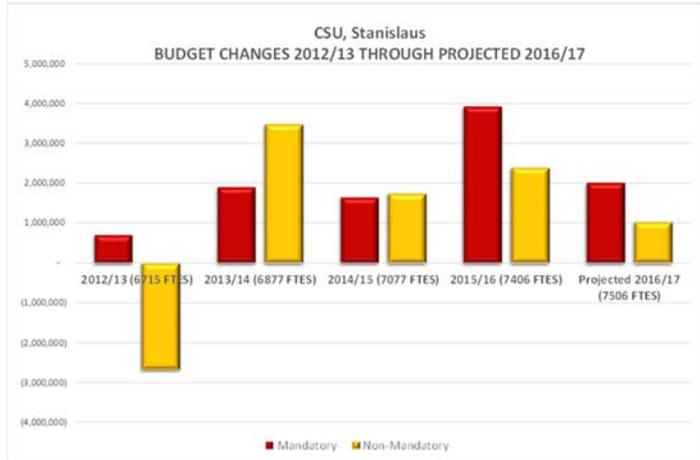
- New budget priorities and update on unfunded prior-year priorities/requests,
- New and continuing budget priorities and budgetary implications for your division specific to the 2016-18 Strategic Planning Goals & Measures,
- One-time and on-going budget implications of the Academic Advising Task Force Report and Student Success Initiatives,
- Temporary funding for positions within the Division, and the status of the funding (e.g., grants, one-time allocations, salary savings):
 - Services provided to the community by grants or other temporary funding
 - Estimated number of students affected;
 - Salaries for permanent positions utilizing temporary, non-base funds;
 - Commitments for institutionalizing services supported by temporary funding;
- Enrollment-growth impact on: funding the schedule to achieve enrollment targets, funding direct & indirect student services, and funding mandatory services. Strategies to address these areas in cases involving increased funding, stable funding, or decreased funding,
- Strategies or contingencies for adjusting campus enrollment growth and/or increases to student services and campus support services achieved since the passage of Proposition 30 if base funding is reduced in response to the sunset of Proposition 30,
- Current and long-term strategies for increasing alternative sources of funds:
 - International Student enrollment,
 - University Extended Education program development,
 - Auxiliary Enterprises,
 - Crowdsourcing,
 - Other options
- System-wide Reserve requirements and recommendations; update on status of Proposition 30 funding and potential impact on the CSU budget when the proposition sunsets, (requested of the VP of Business and Finance only)
- Strategies for rebuilding psychological counseling services for students. (requested of the VP of Enrollment and Student Affairs only).

The committee received reports on each division's priorities for 2016/17 and discussed how these relate to the strategic planning goals and measures. This input and relevant data on the requested topics was then thoroughly discussed in committee for the remainder of the semester.

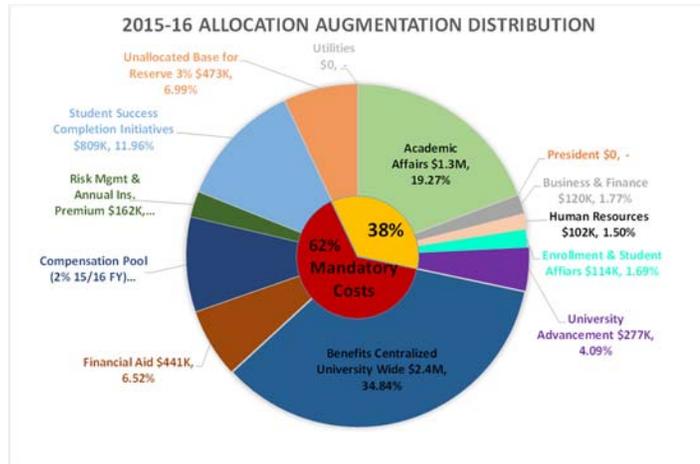
From the desire to establish a proper context for the committee's recommendations in synch with the University's mission and strategic priorities, the committee invited Provost Strong to speak to the committee regarding the results of the work of the Committee to Implement and Prioritize the Strategic Plan (CIPSP). The Provost briefed UBAC on the open process the committee followed and directed attention to the University "Strategic Goals, Objectives, and Action Items, 2016-18" approved by the President on January 1, 2016 along with the "Two-Year Goals – Task List by Responsible Party," framed by a start date of January 1, 2016 and an end date of December 31, 2017. The Provost urged the committee to review and become familiar with the documents and to factor the strategic goals into the committee's analysis. UBAC members agreed that the process for arriving at these Strategic goals was important and should have significant influence on the budget allocation process.

In reviewing multiyear financial information, the committee discerned that augmentations to campus budgets have been restricted over the years. The committee developed for presentation at the open forum a summary of CSU Stanislaus Budget Changes covering the period from 2012/13 through 2015-16 and including projected data for 2016/17. The goal was to depict funding allocations over the past four years that were immediately set aside to cover mandatory costs, and remaining funds available for allocation to campus priorities.

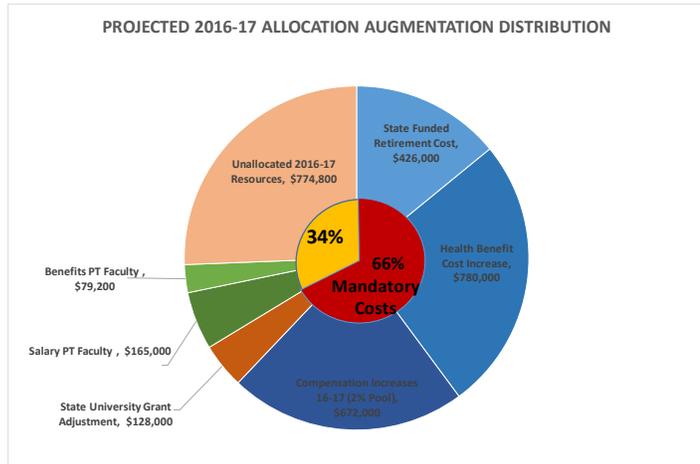
A close examination of 2015/16 allocations revealed that the current year's budget growth was immediately reduced by 62% to cover mandatory costs for increases in benefits, financial aid, compensation, risk management, annual insurance premiums and funding earmarked for student success and degree completion initiatives. As a result, expenses to address some critical University functions have been covered from the renewable general fund base reserve and additional reserves comprised of funding from contingent or nonrenewable sources. Unfortunately, the 2016/17 funding projection received from the Chancellor's Office in Coded Memo B2016-01 (which was based on the Governor's January 2016 Proposed Budget) is forecasting more of the same. The Governor's recent "May Revise" budget does not forecast any significant changes for the CSU budget. Therefore, we should anticipate only modest growth in our enrollment target and base budget allocation, with a significant portion of any growth funds we receive likely to be earmarked for mandated expenses.



Multi-year financial analysis of mandatory and non-mandatory expenses in budget augmentations. Source: University Budget Office (See Appendix 1 for larger image)



Analysis of mandatory and non-mandatory expense associated with budget augmentation for 2015-16 allocation. Source: University Budget Office (See Appendix 1 for larger image)



Analysis mandatory and non-mandatory expense associated with budget augmentation for 2016-17. Source: University Budget Office (See Appendix 1 for larger image)

UBAC spent a considerable amount of time discussing various “reserve” accounts, with attention to funds held in designated and undesignated reserves, their intended purposes, and how to distinguish these funds from the “University Base Reserve” and its intended purpose. These conversations were framed by the loss of permanent funding prior to Proposition 30, and by uncertainty related to the continuation or replacement of those state funds once Proposition 30 sunsets in 2018. One-time reserves accrued from multiple years of savings from the annual base reserve and operational savings were reviewed along with projected rates of expenditure, and this information was presented at the open forums. UBAC came to understand the reason for the growth of the one-time savings among our designated and undesignated reserves and came to recognize the importance of retaining these reserve funds to enable the campus to respond to operational emergencies as diverse as electrical outages or instructional equipment failures. The committee also discussed pending proposals from the Chancellor’s Office that could require the campus to assume a greater role in co-funding future infrastructure and major capital projects. The wisdom of carefully planning one-time expenditures and establishing a base reserve available for unforeseen demands on our permanent base funding was recognized by the committee and deemed critical to any strategic thinking about campus priorities. The committee is determined to help the campus community gain a clear understanding of the needs and uses of these reserve funds, and is committed to further reflection and analysis in the coming year regarding the scope and role of our campus reserve funds.

The 2015/16 UBAC Recommendations

In the 2015/16 UBAC recommendations, the committee recognized that instruction is the primary function of the University and the top priority for the campus should be funding high quality instruction and providing an efficient schedule that addresses program priorities and enrollment demand. In this priority, UBAC recognized the importance of tenure-track faculty lines and requested the minimizing of delays in replacing tenure-track positions vacated by resignations or retirements. The committee also advocated for careful planning to stabilize and improve student/faculty ratios and to increase the percentage of faculty (FTEF) in tenure-track positions to 75%. The addition of a budget line item be established for part-time faculty allocations tied to the delivery of core, recurring needs in the schedule that are typically covered by part-time faculty was also requested at a level of 15% of the overall faculty FTEF. The allocations reflected increases of two faculty positions at Stockton (\$170,004), funding for faculty promotions (\$71,448), faculty salary adjustment programs (\$406,200) and 5.4 FTE in faculty sections (\$605,000). In addition, it was indicated that attention would be devoted to *“increasing the ratio of permanent to temporary faculty and, to the extent possible and practical, decrease instructional student-faculty ratios.”*

The base reserve allocation was presented as the second priority with support to continue to grow the reserve to the goal of reaching a 3% annual base budget reserve and continuing the past practice of splitting year-end balances 60% to the one-time contingency reserve and 40% back to the division Vice Presidents. The campus base budget reserve increased to 3.1% of the annual budget and the practice of splitting the distribution of year-end balances on a 60/40 basis continued with 2014/15 carryforward balances.

Due to the restrictions on new sources of funds, and in order to meet the high priority demands of the University, permanent ongoing expenses were addressed by allocations from the base reserve

and additional one-time sources of funding, creating a significant structural deficit. Fortunately, the funding sources for some of these reserve funds have been relatively stable and reliable; nonetheless, UBAC's third priority recommendation emphasized the importance of working to gradually shift permanent employees to permanent base funding or relatively secure ongoing funding. UBAC strongly supported transitioning positions contingent on one-time funding in 2014-15 onto base funding in 2015/16 wherever feasible and appropriate, and the committee continues to support this priority on the basis of our current year's deliberations.

In addressing vacated positions, UBAC advocated for careful backfilling based on mission-critical needs, alongside ongoing assessment of the CSU budget situation. In addition, the committee recommended returning salary savings to the Colleges and Divisions. In response to this recommendation, the President indicated that informed choices would be made with regard to filling vacancies and that the University was "not yet at a point at which we can decentralize disbursements." While some 2014/15 permanent positions funded from reserve accounts were moved to base funding, significant on-going commitments in 2015/16 have remained dependent on reserve funds, requiring allocation of \$1.9 of the \$3.1 million in our base reserve.

Student Success Initiatives were another priority for UBAC, with the committee recommending that if initiatives have proven successful in supporting persistence rates, reducing time to degree or improving student success, they should be given strong consideration for ongoing funding. The CSU earmarked specific funding for Student Success Initiatives and the University Task Force on Advising recently finalized a set of recommendations which await allocation decisions.

UBAC also indicated that a high priority should be given to deferred maintenance and critically needed equipment replacement in support of our academic and functional priorities. The committee continues to believe that on-going upgrades and replacement of instructional equipment need to be addressed on a consistent basis if the campus is to continue improving the student learning experience, and if the campus is to maintain its competitive edge. To this end, the campus set aside one-time (non-renewable) funds in the amount of \$1.2 million to establish an Instructional Technology and Equipment Reserve fund, and recently initiated a process to identify qualifying needs which are to be addressed over the next three to four years. In addition, \$1,250,000 in deferred maintenance allocations were released to address critical needs (\$750,000 from one-time reserves and \$500,000 from utility savings).

The final UBAC recommendation addressed to the 2015/16 budget year supported growing non-state revenue as a significant priority for the University. The President's response communicated that the University would "*continue to pursue opportunities to add revenue streams to those provided by the state.*" Consistent with this response, UBAC was also informed that all non-resident student fee revenue will be allocated to support the ongoing development of our International Education Program over the next few years.

The 2016/17 UBAC Recommendations

In developing recommendations on priorities to address in the 2016/17 budget cycle, UBAC evaluated priorities identified by the lead administrator from each Division. The committee found the priorities presented in this process to be of critical importance and appropriately vetted to identify top tier priorities within the divisions. The committee recognizes that these presentations

were not exhaustive, and also recognizes the likelihood that other genuine needs are likely to warrant consideration as further discussion of these priorities develop. In an atmosphere of limited resources, the committee believes it is unrealistic to presume the campus will receive sufficient resources to cover all of the priorities presented, and therefore recognizes the importance of careful prioritizing within the scope of base and one-time funds available for possible allocation. UBAC's discussion of input received from the divisions led to the creation of a sorting scheme to help committee members categorize and rank the relative importance of disparate priorities. The committee adopted three overarching kinds of priorities, listed here in order of priority:

- mandated or mandatory,
- necessary to University functions,
- strategic for the University.

In addition, it was determined to arrange the priorities around nine major themes:

- reserve/structural deficit
- mandates, risk & compliance
- instruction
- student success
- program success
- staff support
- operations and maintenance
- the University and the community
- cultivation of new funding sources.

The committee found that many of the priorities identified would actually address multiple needs and fall under multiple themes. In addition, priorities presented from different divisions were found to share important commonalities.

Reserve and Structural Deficit

The committee gained some in-depth understanding on the reasoning behind the University's practice of maintaining a base-line reserve, and reaffirmed the importance of sustaining a three percent (3%) base-funded reserve. The current base-reserve approximates \$3.1 million, but also provides on-going one-time support totaling \$1.9 million to support various critical functions and personnel across the University. This means only \$1.2 million is dedicated as true base reserve and available for one-time allocation or base reduction in the event of unforeseen budget impacts. Hence the current base reserve has only about 1.2% of the University base budget available for its intended purpose. In order to achieve a true 3% base reserve, one readily available as a hedge against possible future budget reductions or unanticipated emergencies and one-time needs, on-going (proto-permanent) base expenses currently assigned to the base reserve would need to be transitioned to other permanent base funding or shifted onto relatively stable on-going (proto-reliable) funding. The committee does not recommend increasing the base-line reserve percentage above its current level (roughly 3.1%), at least not at this time, but the committee does recommend working towards clearing these ongoing commitments from future reliance on annual allocations from the base reserve. The committee discussed the option of migrating some of these commitments to base-line funding, recognizing this would reduce the percentage of funding held

in base reserve, but would reflect more accurately the character of these commitments within the larger budget picture. Views were mixed, with no formal recommendation surfacing from the discussions. The committee anticipates continuing these discussions in the coming year.

Mandates, Risk & Compliance

The committee recognizes that mandates, much like mandatory costs are difficult to dislodge from top-tier consideration for new funding. The committee accepts the urgency behind identifying the Information Security Officer as a top priority required to fulfill an audit mandate. The committee also recognizes the importance of a Strength and Conditioning Coach to fulfill an NCAA Division II requirement. These searches were already in process at the time of our review, but funding sources were still in question. The committee recommends permanent funding for these top priorities.

Several risk management and compliance priorities also warrant support and attention. The ability to lock down classrooms has been a national and campus topic of discussion. Given the campus decision to commence expanding electronic lockdown abilities, together with the critical confidence we must entrust to the person in the locksmith position, the committee believes this request ranks as a campus necessity with high priority for base funding. The addition of University Police Officer was also discussed as a risk and compliance priority. It was understood that our campus is low in officers compared to universities of similar size within the CSU. While the committee recognizes the importance of providing adequate police staffing, support for funding this priority was tempered by higher priority concerns when viewed within the scope of new resources likely to materialize in the short term. Another high ranking necessary priority with risk and compliance implications was presented from the division of Faculty Affairs and Human Resources as a request for one-time operating funds to support implementation of efforts to meet ADA requirements. To the extent these requirements reflect mandates, we strongly urge the allocation of one-time funding to address the need.

Additional necessary but longer term priorities reflecting risk and compliance concerns were also presented, including requests for one-time funding of operating funds to support ongoing campus diversity programs and affirmative action workshops and critical programs to provide safe working and learning environments free from discrimination and other unwarranted behaviors. The committee determined these to be important priorities.

Instruction

As in prior years, the committee continues to stress that the primary mission of the University is instruction and therefore places high priority on achieving appropriate funding levels for instruction. In particular, the Academic Affairs priority for ongoing restoration of base funding for part-time lecturer salaries was ranked as the highest necessity amongst the presented priorities related to instruction. Next it was recognized that in response to multiple years of reductions operating expense budgets were significantly impacted and have received little attention during the recent years of base budget growth. In particular, the Academic Affairs priority seeking base funds for an instructional equipment maintenance and replacement fund for the College of Science resonated with the committee as a high ranking necessity. It was noted that other colleges such as the College of Arts, Humanities and Social Sciences are also facing the urgency of addressing this high-ranking necessity, and other Colleges of the University may as well. The committee reviewed

and confirmed its support for related recommendations from the Faculty Budget Advisory Committee (FBAC) urging funding commitments to ensure an adequate course schedule and relevant services to support full-time enrollment and academic success for students who accept admission. The committee also discussed the input presented by CFA recommending funding for a Faculty Salary Equity Program. UBAC did not arrive at a recommendation regarding this funding priority. In addition, the importance of salary equity for staff was also brought to the committee's attention. Funding for both staff and faculty salary equity should remain on the committee's agenda for discussion.

Another important priority was reflected in the FBAC strategic goal to fund adequate assigned time for tenured/tenure track faculty, ideally to allow an average 18 wtu teaching assignment. Related to this, the committee discussed FBAC's goal of raising the percentage of tenured/tenure track FTEF to 75% (consistent with ACR 73). The committee identified this as a necessary goal, but also recognizes it to be a long-term strategic priority that would be rather costly to implement. The committee supports the important contributions to quality instruction and student success the campus would achieve by accomplishing this goal. But given the costs and logistics involved in accomplishing this goal, UBAC recommends this be viewed as a long-term strategic goal to accomplish over time.

Student Success Initiatives

It takes a holistic approach to run a university that supports students, and campus priorities can often be seen as a reflection of support for student success from one perspective or another. But direct investment in student success is increasingly important. The University received \$809,000 in the 2015/16 budget for expanding student success initiatives. Among the priorities presented to UBAC for 2016/17, UBAC found that specific direct efforts to support student success were reflected in numerous priorities.

The highest ranked necessary priorities for student success were contributed by FBAC through its resolution on funding priorities. One key priority is to provide an adequate course schedule and relevant services to support full-time enrollment and academic success for students who accept admission. Another is to institutionalize activities previously funded by grants that contribute to student success, such as those modeled successfully by CEGE, PACE, and STEM.

In addition, the committee discussed FBAC's recommendation to increase the number of counselors to a level that would meet the ratio recommended by the International Association of Counseling (IAC) Services. VP Espinoza reported that the University is in the process of filling currently funded counselor positions to a level that would enable the campus to serve students within the IAC standards. The committee concluded that it should be a necessary long term priority to ensure stability of counseling services at adequate levels and that these levels should be continually monitored and maintained within those standards, and that any abnormal turnover should be addressed to reestablish stability in the timely delivery of counseling services to students in need.

The committee also supports the request for one time funding to relocate the Psychological Counseling/Disability Resource Center to a more confidential setting is both reasonable and urgent. The committee also discussed the Student Affairs priority to increase support services for

diverse students. We noted the close affinity with FA/HR requests and encourage continuing support for these priorities.

Program Success

Academic Affairs presented an important priority calling for base funding to support a Director of Graduate Programs and Office of Research and Sponsored Programs and one staff position to improve support for graduate programs. The need for a Director of Graduate Programs and staff support has been discussed by recent UBAC committees and the consensus remains that these positions would make a significant contribution to the success of students in graduate programs. In addition, the committee discussed the FBAC recommendations to adequately fund non-instructional faculty and staff positions to a level that supports the central mission of the University more effectively, specifically including secure, permanent psychological counselor appointments, librarian faculty, and Career Services advisors. The committee recommends these be viewed as necessary long-term priorities for the university, calling for permanent base funding.

Staff Support

UBAC places a high level of importance on staff contributions in meeting the University's mission. It should be noted that it takes the dedicated staff at this University to ensure the proper flow of activities on campus required to support instruction and student success. In particular, the Business and Finance funding priority for a contracts/procurement position reflects a critical need, and the committee considers it to be the highest necessary priority presented to UBAC for the upcoming funding year. The committee recognizes that it takes a certain level of fluidity in the procurement process to ensure delivery of timely materials and services across every division of the University. The committee also discussed the Academic Affairs request to fund the position of Executive Assistant to the Provost. It was agreed that this position is critical to the functioning of the Office of the Provost and Academic Affairs.

Additional longer term priorities identified under the theme of staff support included the Student Affairs request for necessary staff support and the strategic request from Faculty Affairs and Human Resource for one-time funding to expand staff training and development programs in support of job related skill enhancements and career development for our staff. The committee recognizes the critical importance of staff training and development, and recognizes an ongoing management responsibility to ensure that current available resources are well utilized while additional resources continue to be pursued. Related to this, the committee recognizes the importance of addressing any issues with staff salary equity on our campus.

Operations & Maintenance

The need for ongoing funding in operations and maintenance, as noted earlier in regard to the Academic Affairs request for the College of Science equipment and maintenance fund, is recognized as a necessary priority integral to delivery of instruction. The committee views the Business & Finance request for a new Contracts and Procurement position the same way. A few requests for base allocations of O&E funding can be viewed as necessary priorities justifying the request for base funding, but are not ranked as high as other priorities addressed in this report. O&E requests are recommended for one-time funding until the campus can make larger gains in our general fund base budget or in stable sources of on-going funding. The Faculty Affairs and Human Resources requests for one time operating funds to support ADA requirements were ranked

as high priorities. The Enrollment and Student Affairs and the University Advancement requests to move ongoing O&E budgets to base funding are considered long term strategic goals.

University & Community

Outreach to the surrounding community over the last few years has been critical in elevating the perception of the campus and gaining support from the community as can be seen from the success of efforts presented by VP President of University Advancement Shirley Pok with regards to the One Purpose efforts.

New Funding Sources

Growth of additional programs to support the mission and strategic goals of the University continues to be recognized as important. UBAC continues to support the continuing endeavors to expand non-resident student enrollments, University Extended Education delivery of self-support programs, and fundraising. The committee also strongly supports ongoing cost-savings and revenue-generating efforts conducted by Auxiliary and Business Services.

Conclusion

The Governor's May Revised budget indicated he would continue to support the CSU within his multi-year plan, which provides funding to the CSU for mandatory costs and modest growth opportunities. While we were fortunate to receive additional enrollment growth funding in the 2015/16 fiscal year, the latest revenue growth projections from the Chancellor's Office for the 2016-17 fiscal year suggest our funding allocation for enrollment growth will be in line with the standard CSU growth distribution. With these facts in mind UBAC continues to advocate for a prudent approach to budgeting in the upcoming years. The academic mission and strategic goals of the University should continue to be paramount in all decisions as should protecting the financial stability of funding dedicated to permanently ongoing expenses. The committee continues to support the goal of having a 3% base reserve and advocates for the gradual correction of the structural deficit which results from assigning ongoing expenses for critical functions and personnel against those funds. In recognizing the importance of the emerging needs of the University, UBAC reviewed the priorities presented by the divisions and those that emerged from the campus forums with sober acknowledgement that the core elements of these requests embody truly significant priorities critical to support functions of the University. UBAC recognizes there are additional priorities critical to operations that were not presented during the current cycle of our review. The committee recognizes and appreciates the efforts of the entire University community in continuing to support the campus mission at high levels of quality within the limited scope of our existing resources.

Committee Members

Structure

- 3 Faculty Members, including one member of FBAC, selected by the COC
- 2 Student Members selected by ASI
- 2 Staff Members selected via nominations
- 2 MPP Members, including one dean (no Vice Presidents)
- 1 Chair, not a Vice President; two-year term appointed by the President (votes only in case of a tie)
- 1 Associate Chair; two-year term appointed by the President (non-voting member who becomes Chair after two years)
- University Budget Manager (as a non-voting member)

Chairs

Ms. Eileen Hamilton, Chair, Alumna/Community Representative

Ms. Julia Reynoso, Associate Chair, Director of Facilities Planning & Finance

Faculty Representatives

Dr. Elaine Peterson, FBAC Representative, Department of Economics, Agricultural Studies, and Social Sciences, College of Arts, Humanities, & Social Sciences

Dr. Dave Colnic, Professor, Political Science and Public Administration, College of Arts, Humanities, & Social Sciences

Dr. Stuart Wooley, Professor, Biology Department, College of Sciences

Staff Representatives

Ms. Lori Phillips, Administrative Analyst, College of the Arts, Humanities & Social Sciences

Ms. Andrea Martin, Administrative Analyst, Housing & Residential Life

Student Representatives

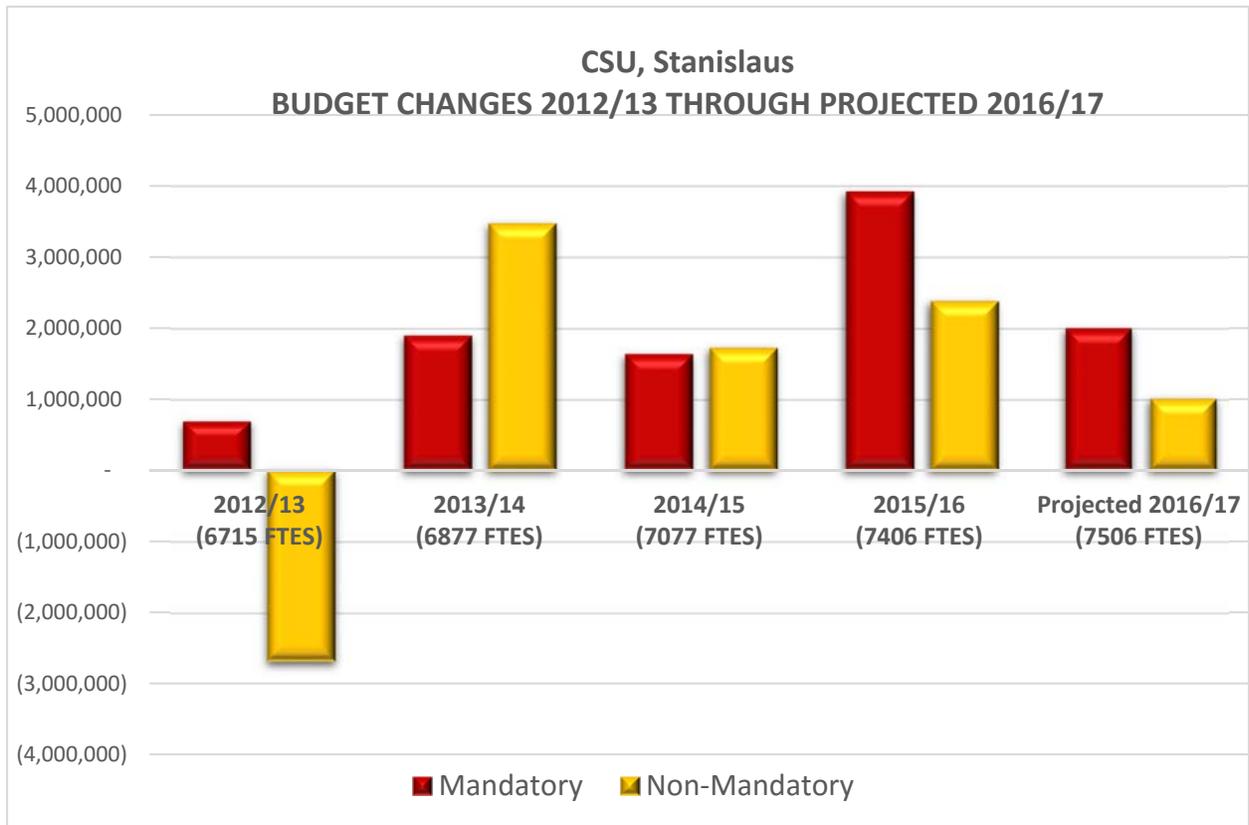
Ms. Sandra Loza, ASI Vice President

Ms. Cymoril-Jessica P. Sonico, ASI Board of Director member for the College of Science

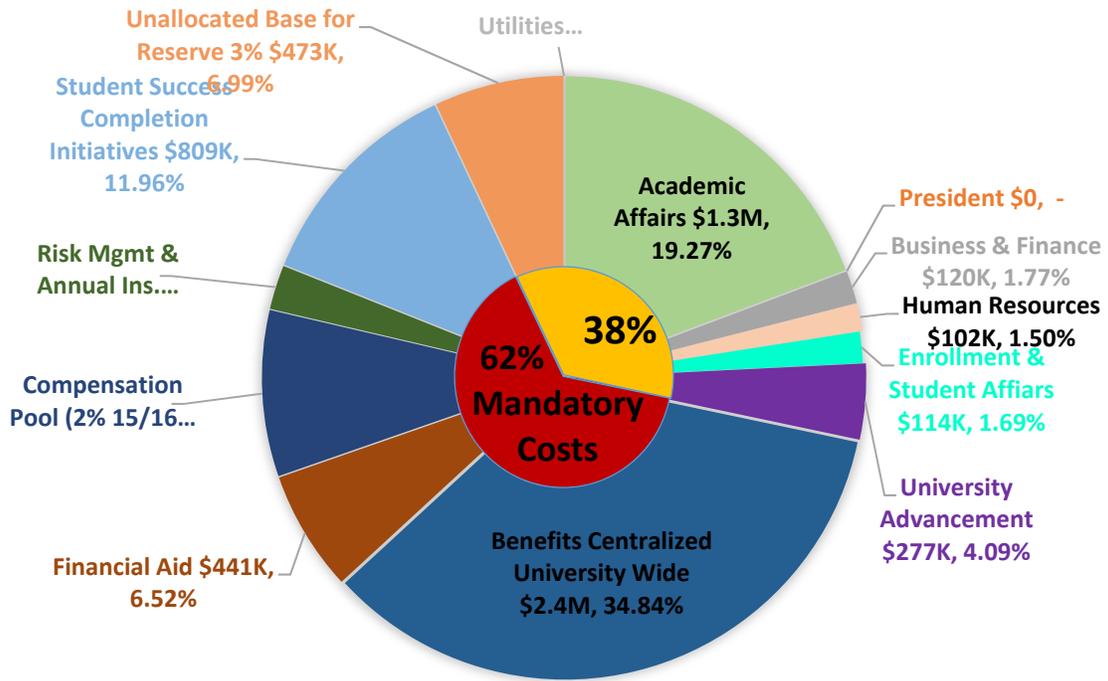
Administrative Representatives

Dr. James Tuedio, Dean, College of the Arts, Humanities & Social Sciences

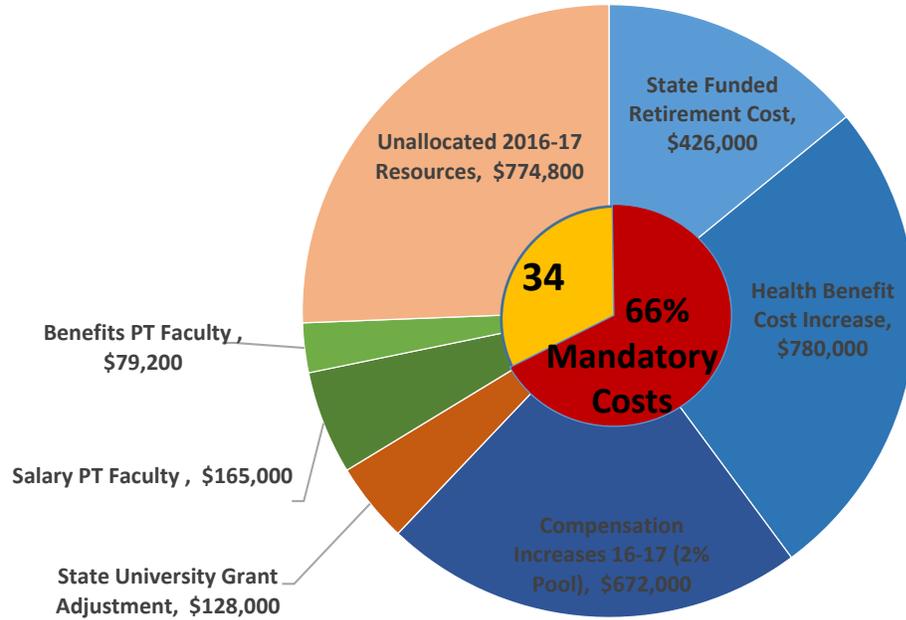
Dr. John Tillman, Director of Institutional Research



2015-16 ALLOCATION AUGMENTATION DISTRIBUTION



PROJECTED 2016-17 ALLOCATION AUGMENTATION DISTRIBUTION





OFFICE OF THE PROVOST

MEMORANDUM

DATE: April 25, 2016
TO: Ms. Eileen Hamilton, Chair, University Budget Committee
FROM: Dr. James T. Strong
Provost and Vice President for Academic Affairs
SUBJECT: Division Presentations to the University Budget Advisory Committee – Academic Affairs and Athletics

The following is the response to your April 4, 2016 memo and the subject of my presentation on April 25, 2016. The italicized sentences are from the UBAC April 4 memo.

New budget priorities and update on unfunded prior-year priorities/requests.

General Comment on Priorities of the Division

The following priorities are based on the need to provide base budget funding for a number of needs and or requirements that face the Division of Academic Affairs and Athletics. Some of these needs have been covered by one-time funding in the past and providing funding in that manner is challenging.

Priority 1: Strength and Conditioning Coach (Department of Athletics)

The NCAA is now requiring all Division II teams to have a full-time Strength and Conditioning Coach. This is not an optional hire. The University is committed to remaining in NCAA Division II. The need is for this hire to be in place by July 1, 2016. Therefore, the hiring process has begun.

CIPSP: Goal 5: Continue the tradition of engagement to enhance the overall success of a diverse body of students. (Framing the Future, 2007, Strategic Action 1.1).

Funding: Base budget.

Priority 2: Executive Assistant to the Provost (Division of Academic Affairs)

This position is no longer funded from the base budget and needs to be replaced as a base budget line. If the funding cannot be replaced with net new funding, funding from another open vacancy will have to be redirected to support this position in the base budget.

CIPSP Goal 1: Continue to provide excellent undergraduate and graduate programs in the liberal arts and professions. (Framing the Future, 2007, Strategic Action 1.2)

Funding: Base budget.

Priority 3: Partial Restoration of Base Budget Funding of Part-time Lecturers.

Base budget funding for part-time lecturers was reduced significantly in the budget cut of summer 2009. Federal one-time stimulus funding was used for a number of years to replace the base budget dollars that were cut. Over the last four years some base budget funding was restored but there remains an over reliance on salary savings from faculty separations to fund the hiring of part-time lecturers who are crucial to the delivery of the schedule. If there is a reduction from year to year in faculty vacancies that generate salary savings, a deficit would arise and/or replacing separated faculty would need to be delayed one, two, possibly three years.

CIPSP Goal 1: Continue to provide excellent undergraduate and graduate programs in the liberal arts and professions. (Framing the Future, 2007, Strategic Action 1.2)

Funding: Base budget.

Priority 4: Director of Graduate Programs and Office of Research and Sponsored Programs (ORSP) and One Staff Person.

These two positions are necessary. The Director position is currently being filled for the most part with an interim hire. However, it is necessary to make this a permanent position. This position is crucial to the operation of ORSP and critical to the further growth and development of most graduate programs and students.

CIPSP Goal 1: Continue to provide excellent undergraduate and graduate programs in the liberal arts and professions. (Framing the Future, 2007, Strategic Action 1.2)

CIPSP Goal 3, Action 2: Within two years, each major will develop a plan (that may include workshops, internships, and other activities) to transition interested graduates to careers or graduate school.

CIPSP Goal 4: Recruit and retain a diverse and engaged faculty (Framing the Future, 2007, Strategic Action 2.1)

Funding: Base budget.

Priority ~~4~~⁵: Start an Equipment Maintenance/Replacement Fund for the College of Science.

There is an inadequate approach to budgeting for equipment maintenance and replacement in the College of Science. This is in part due to a new building and equipment being purchased a decade ago and equipment is beginning to reach the end of the life cycle. Also, serious budget cuts put this need in a lower priority status but it must be addressed very soon. And, there is a need for creating these budgets across most Colleges.

CIPSP Goal 1, Objective 3, Action 3: Within two years, the University (Departments and Colleges) will plan for maintenance of instrumentation and technology.

Funding: Base budget.

New and continuing budget priorities and budgetary implications for your division specific to the 2016-18 Strategic Planning Goals & Measures.

Goals, objectives and actions items in the 2016-18 Strategic Planning Goals & Measures document that require new funding sources will be challenged to achieve the levels desired without the allocation of additional resources whether net new or reallocation of resources from other sources.

One-time and on-going budget implications of the Academic Advising Task Force Report and Student Success Initiatives.

The Student Success and Completion Initiative was funded from the Chancellor's Office with \$809,000 of base funding. These funds can be used to also cover many of the initiatives of the Task Force on Advising report and recommendations.

Temporary funding for positions within the Division, and the status of the funding (e.g., grants, one-time allocations, salary savings).

The biggest change for Academic Affairs regarding this issue is the need for more base budget allocations devoted to the cost of part-time instructors. There are other needs but this need far outweighs the others.

Enrollment-growth impact on: funding the schedule to achieve enrollment targets.

This is currently being covered adequately but the need for base budget increases for part-time instruction is present and could easily have an impact on the ability to fund an adequate schedule to meet enrollment targets and maintain needed growth.

Strategies or contingencies for adjusting campus enrollment growth and/or increases to student services and campus support services achieved since the passage of Proposition 30 if base funding is reduced in response to the sunset of Proposition 30.

This information was provided last year and the tactics and approaches to manage a budget cut remain the same.

Current long-term strategies for increasing alternative sources of funds

International Students

Progress is being made with an average enrollment of 90 students. A permanent director is being recruited. This is an excellent opportunity but a very competitive market which will require a University wide commitment. A more detailed report will be provided if desired.

University Extended Education program development.

New Dean Helene Caudill is progressing very well. UEE is bring in more revenue and more programs are being created. A more detailed report will be provided if desired.

Auxiliary Enterprises

Not Applicable to Academic Affairs. Athletics has significantly increased gate receipts.

Crowd Sourcing

There has been no activity using this tactic.

Other options

Grant funding and contracts are other good sources of revenue. Progress is being made in both but they are competitive markets. A more detailed report will be provided if desired.

Conclusion

I am happy to provide any additional information that UBAC would like to have.

m15

**PROPOSED
2016-17 Division Budget Priorities**

Division: Business & Finance

General Comment on Priorities of the Division

With the understanding that resources for requests will be very limited, the Business and Finance Division discussed the many needs with the focus on the following themes:

- Life safety and risk mitigation
- Productive learning environments
- Efficient procurement, accounting and budget support for the campus community

Although the Division has many pressing priorities we ask that the following three priorities be considered.

Priority 1: Information Security Officer (Office of Information Technology)

Due to the audit recommendation detailed below, the University was mandated to hire the position.

We recommend that the campus appoint a full-time information security officer dedicated to fulfilling information security responsibilities and clearly define and document security responsibilities for this individual or other individuals assuming the roles of the information security officer function.

OIT has begun the search process to meet deadlines established by the Chancellor's Office Audit organization. The hiring of this position will not only clear this audit finding, but will clear multiple others.

CIPSP: Goal 1; Objective 3

Funding: Base level funding is required for this request

Priority 2: Restore Contract/Procurement Position (Financial Services)

The loss of personnel within the procurement area has had a significant detrimental impact on contract processing and management. The area is currently operating with 3.65 FTEs when it had 5 FTEs in 2010. With the reduction of personnel and ever increasing demands on procurement our institution does not or cannot provide appropriate time for the following:

- Contract review timeliness
- Thorough contract management (renewals)
- Procurement representation at CSU
- Maintenance of a contract repository

Because of the limited personnel, contract management has been detailed as the top risk last fall by the University's Risk Management Workgroup. The Workgroup provided the following in its report to Cabinet:

The following is a risk identification assessment for contract management provided by the Risk Management Workgroup members:

Lack of coordination, central oversight, and timely attention to all types of campus contracts leaves the University exposed and potentially liable for financial loss on several fronts from law suits, inadequate legal language, inadequate insurance provisions, safety/risk reduction, non-compliance with policy/laws, and non-delegated signature authority.

The term "contracts" refers to and includes: memorandums of understanding, procurement agreements, internship agreements, international agreements, facility use/lease agreements, independent contractors, consultants, performers, partnerships, donations, and all other types of legally binding documents.

CIPSP: Goal 6

Funding: Base funding is required for this request

Priority 3: Security Positions (Facilities Services and University Police)

Due to recent tragedies on campuses nationwide, our campus community has requested the ability to lock-down classrooms and buildings in a timely manner. The installation and maintenance of such an involved system, in addition to the existing traditional key system across most of the campus, is more workload than can be addressed by the one existing locksmith. A locksmith position will support the ability to begin the installation of a card access system which is a university-wide priority.

Additionally, our institution has the lowest amount of police officers per capita compared with similar CSU campuses. An additional position will provide adequate staffing to ensure better service to the campus community, especially in the event of an emergency.

CIPSP: Goal 4

Funding: Base funding is required for this request

Update from 2015-106 Funding

The Division continues to support moving to base the "On-Going One Time From Reserve G0106" that was allocated in 2015-16 for police officers' salary and benefits.

PROPOSED
2016-17 Division Budget Priorities

Division: Enrollment and Student Affairs

General Comment on Priorities of the Division

Throughout our budgeting exercise this year, we remained mindful of the fact that there will likely be very few new resources to appropriate to University operations. Thus, the priorities listed below represent some of the most critical areas in the division.

Priority 1: Psychological Counseling/Disability Resource Center

This is an ongoing item that continues to be a top priority in the division. We continue to track the mental health service needs of students and the times in the semester that service demands are acute and to provide necessary services to students according to IACS standards. We are also making progress on other recommendation of our external consultant including moving the counseling center to another suite of offices to provide for more confidential services. This move will be coordinated with a move of the DRS as these students require confidentiality as well. This physical move will require resources for the modest renovation of the new offices.

One time funding

Priority 2: Moving Ongoing Expenses to State Funding

For several years, Enrollment and Student Affairs has been using one time funding to support ongoing budget expenses. Examples of this include the increased demand for tutors in the tutoring center, subscriptions of various software applications such as Radius, Maxient and Org Sync as well as increasing expenses related to outreach and recruitment. There is risk, however, associated with addressing these ongoing expenses with funds that are available on a year by year basis, especially when it is possible that the availability of these resources can fluctuate significantly from one year to the next. Therefore, base level funding is required to address these important programmatic priorities.

Base level funding

Priority 3: Staff Support

There is an urgent need in several departments to increase staff in various capacities to improve our services to students. These departments include student leadership and development, the registrar's office, and disability student services. This priority would allow for the addition of key staff to provide for better services to students.

Base level funding

Priority 4: Services for Diverse Students

Throughout the year, various student groups request funds in order to meet or augment their special programming. Examples include AB 540 students, promise scholars, student athletes, EOP students, PACE students, Veteran's students, etc. Meeting the needs of these groups is an important priority of the division.

Base or one time funding

DIVISION OF FACULTY AFFAIRS AND HUMAN RESOURCES

UBAC PRESENTATION REGARDING DIVISION BUDGET PROPOSAL AND PLANS

FIRST PRIORITY

The campus in compliance with CSU Executive Orders and controlling legislation has made a commitment to a policy and programs in support of affirmative action, diversity, outreach to campus and communities, conducting searches to achieve diversified applicant pools and sponsoring programs for the campus to announce, celebrate and create a campus-wide awareness to the issue of a comprehensive and successful approach to the many issues of diversity for all of our constituent groups and individuals. The division also supports the campus Affirmative Action and Diversity Committee, several support groups and the many individuals who sponsor AA&D programs.

Consistent with the campus commitment and the campus strategic plan making diversity related policies and programs a priority and a priority as identified by FBAC I am proposing to UBAC that the first priority of the Faculty Affairs and Human Resources Division is support for funds to continue our support for a comprehensive campus diversity and affirmative action program.

Funding requirements - One time funding

SECOND PRIORITY

In compliance with CSU executive orders, the campus supports the policies, programs and services to implement the requirements of the Americans with Disabilities Act (ADA). The campus also supports the requirements to fully implement the legal requirements regarding Accessible Technology. The Division of Faculty Affairs and Human Resources, the Student Disability Resources Center along with the Office of Information Technology all join in efforts to fully implement the requirements of the ADA.

My second priority is for funding to support the implementation of the requirements of the ADA.

Funding requirements - One time funding

THIRD PRIORITY

The Faculty Affairs and Human Resources Division has a responsibility to provide the leadership in terms of implementing the Executive Orders and legal requirements to provide a safe and discrimination free working and learning environment. The Executive Orders regarding non-discrimination, harassment and sexual violence all require program implementation and mandatory training. I am seeking UBAC support for on-going funding to support these critical programs.

Funding requirements - One time funding

FOURTH PRIORITY

The campus requires continued attention to the provision of training and development for our staff. Both job related and career development training is an important investment to assure the availability of a support staff in meeting our academic and administration goals. Success in the recruitment and retention of our staff is directly linked to the provision of a comprehensive training program. I request support from UBAC for the continued availability of one time funds to support our training and development programs.

Funding requirements - One time funding

Dennis Shimek
Vice President for
Faculty Affairs & HR



**PROPOSED
FY2016/2017 Division Budget Priorities**

Division: University Advancement

General Comment on Priorities of the Division

The Division of University Advancement moved through the budgeting process with the objective to continue advocating the University’s regional position, in order to foster opportunities to build and sustain private support and alumni engagement. While committed to this charge, we were mindful of the uncertainty of next year’s budget. Thus, we set forth the most important priority to growing a comprehensive advancement operation.

Priority 1: Base Funding for Ongoing Operational Expenses

Over the course of the last three years, the base budget allocations to University Advancement have gradually restored funding to cover the cost of salaries and benefits. All other annual operating expenses are being supported by one-time funding. Examples of this include the increased demand for subscriptions of various sophisticated software applications such as Raiser’s Edge, Blackbaud Target Analytics and Reeher as well as increasing expenses related to branding, advocacy and fundraising. These operating expenses are consistent with the campus strategic plan to increase relationships and regional partnerships, and the campus’ commitment to invest in building a pipeline of donors and financial support. This priority sets forth that over time the campus would transition these operating expenses from one-time funding to base budget.

Funding: Base level funding is required for this priority

16/AS/15/FBAC – Budget Priorities Resolution
Sense of the Senate

PREAMBLE: *The budget priorities of the CSU Stanislaus for 2016-17 must recognize the primacy of our central mission: educating the people of our region. While universities often take on additional missions and acquire properties that are peripheral to their central mission, the size and role of CSU Stanislaus--as a public university in an under-educated, poorer part of a much better educated and wealthy state--makes our central mission that much more prominent. The budget lines that relate directly to educating our students both through instruction and the support of instruction should be enhanced.*

BE IT RESOLVED: That the Faculty of California State University, Stanislaus affirm the commitment of the CSU to public access to affordable high-quality instruction, and be it further

RESOLVED: That the Faculty's major priorities for the University are the following mutually dependent items, equally essential to the central mission of CSU Stanislaus:

- Maintain maximum possible access for qualified students, including admission to campus and access to courses required for degree completion;
- Raise the percentage of tenured/tenure track faculty FTEF (as per ACR 73) to 75% (most recently measured at 62.9% as of fall 2014) with the intention of reducing the student/faculty ratio;
- Adequately fund non-instructional faculty and staff positions to effectively support the central mission, specifically including tenure-track psychological counselors, tenure-track librarians, and career services advisors;
- Fund adequate assigned time for tenured/tenure track faculty to allow an average of 18 wtus teaching assignment thus allowing time for expected research, scholarship and creative activities, professional development, and community engagement;
- Make progress toward attaining enough counselors so the number of students per counselor is below the maximum ratio recommended by the International Association of Counseling Services which is 1,500 students per counselor. As of Fall 2015 we have 2,653 students per counselor.
- Institutionalize activities previously funded by grants that contribute to student success such as CEGE, PACE, and STEM;
- Fund campus activities that honor and promote diversity on campus and the neighboring communities;
- Provide support staff in graduate school/Enrollment Services to assist graduate programs and centralize graduate education processes.

RESOLVED: That the Academic Senate, the Faculty Budget Advisory Committee, and the faculty members of the University Budget Advisory Committee should serve as the Faculty's representatives in the budget planning process and

should participate in all budgetary discussions and decisions through the entire process of budget planning, allocation, and re-allocation of the university budget, including the apportioning of its budget among specific university divisions;, and be it further

RESOLVED: That the Faculty Budget Advisory Committee (FBAC) is established in the Constitution of the General Faculty and the priorities listed in this resolution should be given the same consideration as those of any other budget advisory committee; and be it further

RESOLVED: FBAC is viewed as the advisory committee to the administration on fiscal decisions. The faculty is primarily responsible for all academic and pedagogic areas, and has ultimate academic responsibility for the programs, and be it further

RESOLVED: That any major change affecting the central mission be made only after consultation with appropriate faculty governance committees and include open and consensual processes that consider the viewpoints of all affected parties, an analysis of the costs and benefits, and the effects on CSU Stanislaus as a whole, and be it further

RESOLVED: That the priorities above shall be applied to all considerations of budgetary decisions, effective immediately.

RATIONALE: The Faculty of CSU Stanislaus wants to affirm our budget priorities, which can contribute to strategic planning and everyday budget decisions. The first two resolved clauses deal with priorities for the institution, and the next four involve procedures to ensure faculty input in decisions related to the budget. FBAC has provided statements of faculty budget priorities as follows:

16/AS/15/FBAC Approved by the Academic Senate on 1/26/15

3/AS/14/FBAC Approved by the Academic Senate on 4/8/14

10/AS/10/FBAC

22/AS/08/FBAC

10/AS/07/FBAC

21/AS/05/FBAC

20/AS/04/FBAC

17/AS/03/FBAC

24/AS/01/FBAC

1/AS/01/FBAC