

Fiscal Policy Committee Working Recommendations, Spring 2016

I. Summary

Given the minimal amount of new revenues allocated to our campus for the 16/17 fiscal year, the Fiscal Policies Committee focused energies on evaluating the University's overall budget process and formulating recommendations to update the budget process to serve the needs of our growing institution. As a result, we have developed, long term recommendations for the University's budget process and immediate recommendations for the University's annual budget cycle. We have also included plans for streamlining processes and operational structure for the Fiscal Policies Committee. These recommendations are made with the spirit and intent of the charge given to the Fiscal Policies Committee, as set forth in the Senate Policy, included below. Additionally, these recommendations aim to focus the University's prioritization of resources to align with its strategic priorities, also included below. FPC invites feedback from the Senate.

II. Long Term Recommendations for the University Budget Process:

A. Campus Structural Changes

We propose the following three changes to campus structure:

1. *As we adjust to new leadership, institute a different model at the top: something along the lines of an Executive VP of Academic Affairs/Provost, with oversight over the entire budget. A first among equals model.*
2. *Support the senate resolution for Senate Chair on Cabinet.*
3. *Request a faculty representative involved with budget process decisions in F&A, or similar mechanism to allow faculty input on budget processes.*

B. Access to Revenues and Expenditures

Without multi-year and University-wide planning we are unable to establish patterns of growth across the campus and do not have an accurate picture of priorities of operational need of the University as a whole. In order to fulfill the Fiscal Policy Committee charge, the committee members need access to key information that can only be examined through evaluation of previous years' closed out budgets that include detailed revenues and expenditures. *We are requesting a plan from the Strategic Resource Planning Committee and Business & Finance on how this revenue and expenditure information can be accessed by the Fiscal Policies Committee.*

C. University-wide Budgeting

Fiscal Policies recommends a collaborative effort with the Strategic Resource Planning committee to **create a budget environment decentralized by division and shift the campus to multi-year budgeting with University-wide prioritization (a "One Campus approach")**. This is absolutely necessary for planning to successfully support new student FTE enrollment growth. Moving to a One Campus approach would further

increase transparency in budget conversations and decision making so that everyone is working from the same information and understanding of budget allocations. This would also allow the campus to maximize resources by:

- Identifying opportunities for sharing commonly needed resources across divisions and promoting collaborative efforts. This would also help eliminate duplication of efforts across divisions.
 - **Examples:** “Learning Through Experience” request duplicates efforts in Academic Affairs; writer position or contractual writing services requested in multiple budgets; web design and advertising, etc.
- Examining requests for new positions University-wide to avoid duplications and even share positions across divisions when feasible, and institute multi-year hiring plans for staff, faculty and MPPs.
- Evaluating ways to increase efficiencies, eliminate outdated practices, and streamline regular processes.
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- Encouraging consistent budget practices throughout the University.
 - **Examples:** Division budget requests assume different rates of growth; budgeting for staff salary increases varies between divisions; professional growth and travel funds built into the budget for certain staff positions; facilities renovation requests
- Allowing the University more leverage to move necessary recurring expenses being covered repeatedly by temporary funding into the permanent budget. **The campus needs to find ways to provide stable and sustainable budgets for existing areas before pursuing new initiatives that require general funds.**
 - **Examples:** Annual NMR maintenance contract; financial aid software applications (AcademicWorks, BorrowerConnect and Financial Aid TV), tutors, technology refresh, lab techs, etc.

D. Budgeting within historic context

To increase accountability for budget requests, the Fiscal Policies Committee also recommends that *part of the budget request process for the fiscal year include a detailed (not overall) account of where last year’s new funds are being allocated and how they were utilized at the Division to ensure that they align with the previous year’s request.*

III. Immediate Recommendations for the University Budget Process:

A. Distinction of Funding Sources

There needs to be a *clear distinction and accompanying policy provided for what falls under general funds, what is self-sustaining, and what is funded by student fees.* For example, the requests for Housing Residential Education (an Auxiliary Enterprise Fund,

which are considered self-supported units but not separate legal entities) should be clearly distinguished from Division of Student Affairs requests that are general fund. There are also requests to move things from GD915 (fee money) to GD901 (general funds) without a clear understanding of why items previously funded by student fees should move to a permanent general fund allocation. This distinction is necessary for additional accountability in the resource allocation process. If self-sustaining areas are unable to support themselves, an audit of expenditures and revenue is recommended to identify ways to reconcile their budgets.

B. Postpone New Initiatives

At this critical juncture in the University's development, the Fiscal Policies Committee urges the Cabinet to *postpone the funding of new initiatives* (i.e. those first presented in this budget cycle such as LTE, and underrepresented student initiative) until the University shifts to an overall prioritization of funding or "One Campus" approach, stabilizes funds for existing areas, and new administration is in place.

This will help align budget resource allocations with strategic planning for the short and long-term, including careful planning to support a sustainable operating environment. To further align budget allocations, only Divisional requests should be submitted and considered through this process. *All University initiatives should fall under one or more of the divisions*; there are several existing cross-division efforts (TLI, Title IX) that do not submit their own budget request to SRPC and Cabinet but are incorporated into the budget requests for the Divisions collaborating. LTE should be the same.

C. Additional Accountability

The Fiscal Policies Committee recommends the *incorporation of additional accountability into the resource allocation process for areas charged with securing money for the University* (RSP, Advancement, HSI Initiatives). The operating budgets and growth of these areas should have some relation to funding secured that is available to the university's core educational mission in the short-term, and should be secondary to financial stability and growth for areas directly engaged in student learning, high impact practices, and the Student Success and Completion Initiatives. These three areas have been unevenly resourced in relation to revenues generated.

IV. Plans for streamlining Fiscal Policies Committee operations:

Evaluating a campus budget requires substantial time and research. To help the Fiscal Policies Committee perform its charge in a timely manner, we plan to implement the following procedures:

- Develop a committee timeline based on the campus budget timeline for meetings with administrators, reports to Senate, recommendations to the Provost and President
- Determine a process for engaging in budget activities that take place during summer

- Develop a standard archiving system to provide continuity and memory as committee membership changes
- Develop a process for annually reviewing budget practices on other CSU campuses

V. References

Senate Policy outlining the charge of the Fiscal Policies Committee

The responsibilities of the Fiscal Policies Committee shall include:

1. Providing recommendations through the Senate regarding areas that may warrant emphasis in the budget planning and allocation process;
2. Reviewing the University's annual budget and providing information on budgetary issues to the Executive Committee of the Academic Senate;
3. Reviewing the proposed annual Academic Affairs budget with the Vice President for Academic Affairs;
4. Providing prospective policy recommendations to the Senate and subsequently to the President;
5. Reviewing, as appropriate, the fiscal implications of pertinent planning documents, including tactical plans;
6. Reviewing and making recommendations regarding local fees that have university-wide impact;
7. Providing advice through the Senate on fiscal policy implications of campus physical planning and development and, as appropriate, the maintenance of physical facilities;
8. Reviewing and making other policy recommendations concerning the optimum utilization of resources in the achievement of university academic objectives.
9. When functions of the Fiscal Policies Committee also fall within the areas of concern of other committees, the Committee will work in conjunction with those committees.

University Strategic Plan Strategic Priorities

Facilitate Student Success

- Provide University access to students who bring diverse perspectives
- Provide a mission-driven education that prepares students for individual success as they become contributing members of society
- Provide support for student persistence toward degree completion and opportunity for timely graduation

Provide High Quality Education

- Hire and support high quality faculty and staff who are committed to the mission of the University
- Infuse integrative approaches, community engagement, multicultural learning, and international perspectives into all aspects of learning
- Engage undergraduate and graduate students in research and creative activities

Realize Our Future

- Build infrastructure capacity

- Leverage the use of technology
- Seek, cultivate, and steward resources both public and private
- Implement collaborative planning and accountability processes

For a list of FY17 Budget Requests by division, see:

<http://www.csuci.edu/financial-services/budget/fy17-budget-requests.htm>