

Date: May 3, 2019

To: Fram Virjee, University President

From: Stacy Mallicoat,  
Chair, Planning, Resource, and Budget Committee (PRBC)

Subject: PRBC Recommendations for FY 2019-2020

I am pleased to submit for your consideration the Planning, Resource, and Budget Committee's (PRBC) recommendations on planning, strategic priorities, and budgetary matters for FY 2019-20. The recommendations presented herein reflect the committee's discussions regarding changes in the strategic context in which the University operates, the budget outlook for the next fiscal year, and the strategic and operational priorities identified throughout the year. I hope you find the committee's recommendations helpful as you work with the division heads on the finalization of next year's budget.

### **FY 2019-20 Budget Outlook**

Based on the Governor's Preliminary Budget, the CSU system anticipates receiving for FY 2019-20 a baseline General Fund increase of \$300M to fund compensation and mandatory costs and a 2% enrollment growth, as well as \$45M for GI2025. In addition, the 2% enrollment growth will provide another \$32.M in increased tuition revenues. The final allocation of how these funds are distributed to the individual campuses will be made in June.

While these amounts are substantially higher than previous allocations, most of the fund will be needed to cover mandatory and compensation cost increases. Thus, we recognize the amount available to fund university's strategic priorities will be limited and challenging in terms of addressing all of our needs as put forth by our recommendations below.

Another challenge next year will be possible revenue shortfalls in the event the campus does not realize its headcount enrollment target. In 2018-19 the campus experienced a shortfall of \$4.2M due to multiple factors including increases in the graduation rate and average unit load (AUL). A subcommittee created by PRBC earlier this year has been working on addressing the 2018-19 baseline shortfall and its recommendation will be forth coming in a separate memo.

Long term, we need to continue to have conversations, explore options and solutions, and stay abreast of this issue.

## **Recommendations**

Over the past several years, the PRBC has drawn attention to the funding status of Fullerton in relation to the other 22 campuses across the system. Fullerton has the lowest funding rate per student FTE (full-time equivalent), a fact which has been, and continues to be a detriment to our students, faculty and staff, programs and ultimately, our institutional mission. The idealism and commitment of our faculty, staff and administration is a limited resource, and our committee is concerned about morale and burnout as the struggle for financial resources continues. We encourage you and your cabinet leadership to continue to push the Chancellor's office on the distribution of new allocations during the CSU budget process or distribute new monies with an awareness of the initial inequities.

The PRBC acknowledges that our current recommendations are couched in light of the proposed budget released by Governor Newsom in January 2019. This proposed budget included specific one-time allocations to address deferred maintenance and child care needs, GI 2025, legal services for undocumented students, faculty and staff, and basic needs of students, as well as baseline funding for Project Rebound. As such, we have ranked many of these items at a lower spending priority compared to our current recommendations. This in no way indicates a lack of importance of these items to our campus. Should these specific allocations not be reflected in the final budget, we encourage you to elevate these areas to a higher priority for funding.

After addressing mandatory costs, mission critical mandates (Clery, Title IX and Disability Support), and 2019-2020 new faculty hires, the committee has identified the following priorities. We have organized these recommendations into three categories.

### **Tier 1 priorities**

As a committee, we have identified the following areas as tier 1, or the highest priority for available resources:

#### **1. Reinvesting in instructional and support infrastructure**

The campus has recently completed a four-year classroom refurbishment process for university-wide classrooms. While this specific commitment has expired, this is an ongoing

need and should be funded for all classrooms, computer labs, specialized equipment, and laboratory spaces. The committee is also concerned about the rising costs and system-wide electronic core collection cuts to our library materials and subscription services. The library will be unable to support this burden alone. Such support is crucial to sustaining our library resources and should be maintained. We also encourage the campus to continue its investment in faculty professional development including venues such as FDC infrastructure, faculty research development, conference travel and faculty leadership training. Finally, we must continue to chip away at our urgent maintenance needs, particularly those items that are mission critical to keeping our campus open, safe, and functional.

## **2. Operationalizing the University's Strategic Plan**

Goal #1 of the 2018-2023 University Strategic Plan aims to “provide a transformative educational experience and environment for all students”. Within this goal, the campus has set forth the objective of ensuring that “all undergraduate students participate in at least three high-impact curricular or co-curricular experiences”. While we applaud the continued push across the Divisions to develop and expand the availability of high impact practices, such programs can also be resource intensive. The campus must be committed to funding these approaches as a continued commitment to student success, retention, and graduation.

As a campus committed to diversity, equity, and inclusion, we encourage a continued investment in diversity initiatives such as, but not limited to, campus cultural centers, cultural competency development and support, and campus community engagement.

Finally, we encourage the campus to invest in support for faculty-student research as part of our commitment to student success and faculty retention.

## **3. Faculty Hiring, Retention, and Improving Tenure Track Density**

The priorities of faculty hiring, retention, and improving tenure track density and diversity are embedded within Goal #3 of the University Strategic Plan. With anticipated baseline enrollment increases for 19-20, we encourage the campus to invest in additional tenure-track faculty positions to help support the teaching and service commitments of student success. We also note that the campus must provide funding for mandatory compensation increases and start-up costs. While well earned, these expenses can have a significant impact on the Division and college-level budgets. We recommend that the campus investigate ways in which these costs can be absorbed university-wide. We also encourage the university to investigate ways to increase the number of available sabbaticals to support faculty development and retention. .

#### **4. Strategically Addressing Structural Deficits**

The campus is currently facing several structural deficits that must be addressed. Of particular urgency is enrollment management and its impact on various revenue and fee streams such as enrollment revenue, student fee revenue, student support services, and ultimately student success. The campus should maintain its commitment to investing in these areas to help ensure that enrollment and GI 2025 goals are met. In addition, the state-wide mandatory increases to minimum wage must be reflected in our student assistant wages. These changes may create salary compression in other positions across campus. The campus should assess the impact of this compression and identify appropriate remedies as needed.

#### **Tier 2 Priorities**

While the following areas remain a priority for the campus, as a committee we acknowledge that there is a limited source of funding to meet the needs of the campus. The PRBC has identified the following areas as Tier 2 priorities:

##### **1. Core Operations Critical to Advancing our Institutional Mission**

The current investment in student advising and support has resulted in significant improvements to student success. Continued support should be provided in this area. Graduate education is also in need of resources and support. Areas of concern include the need for graduate TA tuition waivers to support graduate enrollment, support for graduate advising, and the implementation of a TDA (Titan Degree Audit) for graduate students. Finally, student advising and support, curriculum, and faculty development are reliant on the many software programs that we use such as Turnitin, TitanNet, College Scheduler, Curriculumlog, Acalog, and Interfolio. These software programs continue to be funded on one-time monies and represent additional commitments against available OE & E. The committee renews our prior recommendation to fund these expenditures with baseline funding.

##### **2. Student Mental Health**

Nationwide there has been an increased demand for student mental health support and CSUF is no different in this area. Our current staffing in this area is below the national recommendations. There is an increased need for campus-based support and infrastructure in this area. We also encourage the campus leadership to develop partnerships with local community agencies, student leadership, and other stakeholders to explore how to meet this demand. We know that our current budget cannot shoulder these responsibilities on its own as it is an ever-expanding area that will require continued attention and support.

### **3. Staff Hiring and Retention**

Staff provide a crucial support for the regular operations of the campus. The continued growth and demand for support is high and we encourage the campus to continue to invest in the allocation of staff resources to account for FTES (faculty and student) growth. Such investments should reflect our goals of diversity, equity and inclusion. In addition, we encourage the campus to invest in increased access and opportunities for staff development at a college and university-wide level.

#### **Tier 3 Priorities**

Within this category we include items that are already identified as key priorities within the Governor's proposed budget. However, we acknowledge that this support may still leave deficiencies in this area. In addition, pathway programs for diverse and underserved student populations should also be reviewed to help address the equity gaps in student success. Any remaining funds should be focused on providing additional support to these areas.

#### **1. GI2025**

The campus has made significant gains in our 4- and 6-year graduation rate for first-time freshmen and our 2- and 4- year graduation rate for transfer students. Available funds should be used to support these goals through initiatives such as increased course sections, remedying course and administrative bottlenecks, investing in course redesigns, increasing tenure density, continuing our investment in High Impact Practices, and strengthening academic advising.

#### **2. Basic Needs**

The Governor's proposed budget provides for one-time funds to address student hunger and housing needs. These challenges can intersect with goals #1 and #2 of the strategic plan. The committee notes that these issues will be ongoing and encourage the campus to find multi-layered approaches, including increased financial support, diversity in funding sources, and community partnerships to help meet these needs.

## Conclusion

While the proposed Governor's budget provides valuable funding in a number of areas, it still falls short of the budget request by the Chancellor's Office. As a campus, we are facing several long-term budget challenges, including our status as the campus with the lowest funding rate across the CSU system, the shortfall from declining headcount enrollment, ongoing maintenance and infrastructure needs, and overreliance on the FTES funding model. The campus also has lower Category II fees compared to our sister campuses. It is important to keep these challenges in mind.

While the items in this memo have been highlighted as the priorities of the committee, we acknowledge that there may be areas that we are unaware of or have inadvertently overlooked as part of the memo writing process. As such, we recommend that any omissions do not preclude consideration for funding.

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

Cc: Pamella Oliver, Provost and Vice President for Academic Affairs  
Mark Stohs, Academic Senate Chair  
Danielle Garcia, Chief of Staff  
Dave Mickey, 2019-20 PRBC Chair