



Date: May 16, 2021

To: Fram Virjee, University President

From: Maria Estela Zarate, Chair, Planning, Resource, and Budget Committee

Subject: PRBC Recommendations for FY 2021-2022

I am pleased to submit for your consideration the Planning, Resource, and Budget Committee's (PRBC's) recommendations on planning, strategic priorities, and budgetary matters for FY 2021 - 22. 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 PRBC's recommendations helpful as you work with the division heads on the finalization of next year's budget.

These recommendations take place in the context of the unanimous approval of the [Academic Senate Resolution for Equitable Funding](#) (ASD 21-47). The resolution expressed the urgency for the California State University (CSU) to address the current funding disparity between campuses, where CSU Fullerton (CSUF) is consistently the lowest funded campus (per FTE). The committee views the positive budget outlook for FY 2021-22 as an opportunity to advocate for the goals of the resolution and recommends pressing this issue. To that end, PRBC members are available in the summer to support the university in advancing this recommendation, if needed.

### **FY 2021-22 Budget Outlook**

In stark contrast to a year ago, the state's budget outlook is more positive for 2021-22. In the January preliminary budget proposal for the CSU, the Governor proposed an incremental, ongoing baseline General Fund increase of \$144.5 million for the California State University (CSU). The proposal included a \$111.5 million base increase (3%) for CSU operational costs, \$15 million for the Basic Needs Initiative component of Graduation Initiative 2025, \$15 million for student mental health and technology needs, \$2 million for a common learning management system, and \$1 million for enrollment growth at CSU Stanislaus' Stockton Center.

The 2021-22 Governor's Budget also includes \$225 million of one-time General Fund augmentations for CSU deferred maintenance, including \$175 million for energy efficiency and facility improvement projects; \$30 million for student emergency

assistance grants; \$10 million for professional development and \$10 million for Monterey Bay's Computing Talent Initiative.

Since the January announcement of the Governor's preliminary budget proposal, the governor and legislative leaders also reached an agreement in principle to restore \$299 million to the CSU's General Fund, starting in 2021-22, reversing a previously enacted reduction due to COVID-19. This agreement in principle is yet to be included in the Governor's budget proposal and there is currently no information with regards to the parameters of how it can be spent. If the Governor's preliminary budget proposal and the proposed restoration are both adopted, the state's proposed 2021-22 budget for the CSU's General Fund would provide an incremental ongoing budget increase of \$443.5 million. To date, the portion allocated to CSUF has yet to be determined.

CSU is also expecting federal funds from the CARES Act III Coronavirus Response and Relief Supplemental Appropriation Act, 2021 (CRRSAA). CSU Fullerton, specifically, has been allocated \$67 million, of which \$47 million will be for institutional spending (not student financial aid). All federal CARES funds are limited and restricted in use. They must be spent only for reimbursement for or to cover costs directly associated with the effects of COVID-19. Such recoverable funds would include, but not be limited to, lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff training, student support activities, and payroll.

## **Recommendations**

While the anticipated budget looks favorable, compared to last year, most of the funds will be used to cover mandatory and compensation costs increases. In addition, the Governor's proposed incremental and one-time general fund budget proposal has specifically allocated funds to deferred maintenance, restoration funds, and student and mental health. COVID-related funds (e.g. CRRSAA/HHERF) will serve to absorb some of the ongoing costs associated with COVID-19, but have strict spending requirements.

Both the short-term and long-term priorities set out herein are in support of the [university's strategic goals](#). For the purpose of this recommendation memo, "long-term" indicates on-going priorities that extend beyond the following 2 years. Short term priorities are grouped into two tiers: 1) priorities that are opportunities for strategic investments and 2) priorities that sustain excellence. While all priorities are linked to the university's strategic goals, they are also specifically targeted at addressing three areas: post-covid reentry conditions for faculty, staff, and students, continued faculty support, and infrastructure contributing to student success.

## Short-Term

### ***Strategic Investments***

In preparation for a gradual return to working on-campus and in-person instruction, the committee recommends that the university prioritize students', faculty's, and staff's safe and healthy transition to campus, ensuring that all have adequate access to equipment, materials, and physical accommodations to remain safe. In addition, returning to campus also implicates funding for staffing for in-person university services, e.g. library staff to serve students' in-person use of library resources. Recognizing that the pandemic has impacted students, faculty, and staff in multiple and different ways, we also recommend that funds be used to support the mental health of faculty, staff, and students and student economic well-being. We also acknowledge that transitions to and from online instruction has brought greater demand for Disability Support Services and the committee views this as an important component of students' success post-COVID. Funding the additional demands for accommodations related to the return of faculty, staff, and students is imperative to maintaining a positive campus climate and to serve our community.

Avoiding structural deficits has been prioritized by PRBC and CSUF for several years. As we move forward from COVID, CSUF must mitigate revenue losses as well as avoid creating and continue to remediate any ongoing structural deficits. Depending on eligibility criteria, we recommend using COVID related funds to address the above priorities.

The university's articulated commitment to upholding and enhancing a just and welcoming environment for all is in alignment with its strategic goal of hiring and retaining highly qualified and diverse faculty and staff. To that end, the committee recommends that the university expand faculty and staff hiring around diversity and social justice objectives, including interdisciplinary cluster hires that bring diverse perspectives to disciplines. Also, this is a timely goal given the integration of an ethnic studies requirement to the general education requirements. As the university continues to examine ways to address inequities in policies and practices, we encourage the university to study gender- and racial identity-based service taxation and allocate funds to address these inequities. In addition to supporting the university's strategic plan goal around faculty recruitment and retention, these efforts will also help support our strategic goals towards GI 2025.

The committee recommends funding to study the use of strategic enrollment management more broadly, including identifying the processes for equitable implementation of strategic enrollment management and support for data analytics. This approach has the potential to improve instructional planning and address the problem of offering sufficient course sections to meet student demand.

The university's physical infrastructure, including deferred maintenance, remains a top funding priority. In particular, the committee recommends addressing infrastructure needs that impact students' learning and on-campus experiences, and

specially infrastructure that will expand equitable access and inclusion. While the Governor's proposal includes allocations for facility improvements and deferred maintenance, the portion allocated to CSUF will not address all of the campus infrastructure needs.

### ***Sustained Excellence***

In the second tier of short-term spending priorities, the committee recommends investment in faculty development and academic technology and to incentivize instructional and program innovation. The extraordinary adjustment to online teaching and learning in the past year illustrate the importance of having a robust faculty development program and responsive information technology unit. As the university transitions back to in-person instruction, support for faculty development and academic technology remains critical to meeting the university's strategic goals and funds should be allocated to continuing instructional and technological support. This is particularly true for instructional and technological initiatives that expand equitable access and inclusion for all students.

COVID-19 greatly impacted faculty's scholarship and creative activities and the university should support faculty's resumption of scholarly and creative activities. For example, funds for fieldwork, conference attendance, and discipline-specific professional development opportunities are critical for faculty promotion and advancement in the field, as well as the development of future CSUF leaders.

The committee recommends that the university invest in graduate programs as a venue for revenue growth and to increase regional presence. One suggestion is to support graduate students and programs by increasing graduate student assistantships or by offering tuition waivers.

### **Long-term**

In the area of long-term recommendations, the committee had both *funding* recommendations and budget *process* recommendations.

The committee views growing reserves as a long-term and ongoing priority to be balanced with more immediate needs. Funding to improve retention of faculty of color and other underrepresented faculty remains an ongoing recommendation, and the committee recommends developing and implementing a 3–5-year tenure-track faculty hire plan.

Budget allocation processes can be examined to find ways in which budget allocations could be more timely to allow departments and colleges to more effectively plan resources allocation. In addition, the committee suggests the exploration of a more sustainable funding model that includes a review of the SFR allocation processes. Furthermore, the role of graduate programs remains unclear, and the committee suggests that a long-term graduate studies growth plan be identified and developed. This way, resource allocation to graduate programs can be guided by a strategic plan.

The committee appreciates the advocacy efforts for a higher and more equitable funding rate for CSU Fullerton and encourages continued work on that front. Finally, we are constrained by the timing of this memo, before the May budget revision, to provide substantive input on the final budget. We recommend that the university consider implementing a process for this committee's input (or a subcommittee) in the summer.

Cc: Carolyn Thomas, Provost & Vice President of Academic Affairs  
Stephen Stambough, Academic Senate Chair  
Danielle Garcia, Chief of Staff  
Maria Estela Zarate, 2020-2021 PRBC Chair