



# CALIFORNIA STATE UNIVERSITY, FULLERTON

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## MEMORANDUM

Date: April 10, 2023  
To: Fram Virjee, President CSU Fullerton  
From: Jon Brusckhe, Chair, Planning, Resource, and Budget Committee (PRBC)  
Subject: PRBC Recommendations for FY 2023-2024

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 2023-2024. 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 members of your cabinet on the finalization of the budget for the next academic year.

### **FY 2023-2024 Budget Outlook**

Based on the Governor's Preliminary Budget, the CSU system anticipates receiving for FY 2023-2024 a baseline General Fund increase of \$227.3 million to support operational costs (equal to a 5% increase) and a 1% enrollment growth (\$16 million). CSUF's share of these is \$4.4 million for operational costs (of the \$70 million that has been allocated to date in the Preliminary Budget) and estimated \$2.6 million net revenue for new enrollment. These increases are tied to a multi-year compact aimed at improving time-to-degree rates, closing equity gaps for first generation and underrepresented students, reducing total costs of attendance, and aligning curriculum with workforce needs in the areas of STEM, education, and social work. While these baseline fund increases are good news, the preliminary budget allocations are significantly lower than the request made by the CSU. As such, we recognize that there may be limited funds available to address the strategic priorities addressed in this memo. Given the resource limitations, we acknowledge that funding our recommended priorities may require cutting back in other areas, but in order to maintain standards and excellence at CSUF, we believe that revisiting funding ratios across and within divisions may be warranted. In prior budget cycles, the campus benefited from one-time money to help bridge the gap between campus needs and revenues including tuition and state funding allocations. As of this writing, we anticipate the Board of Trustees issuing the following request:

"The CSU requests \$1.3 billion of one-time funding to continue to address the growing maintenance backlog of building and utility infrastructure systems that have passed their useful life.

The \$1.3 billion one-time funding request will allow the university to address additional

systemwide deficiencies, improve the reliability of systems, and prevent costly and disruptive outages caused by system failures. Aligned with the CSU's overarching academic mission, system repairs, and replacements will provide safer and healthier environments that support teaching and learning across all 23 campuses."

Our campus currently has a deferred maintenance backlog of \$350M. While the receipt of such funding is welcomed and serves a need, such designations also limit our flexibility as well, since many of our efforts on campus are often funded with one-time money.

Another substantial challenge will be the possible revenue shortage as a result of reduced enrollment outcomes. Reductions in community college transfer applications, an increased melt between semesters, and lower retention numbers all threaten the ability to make target. This translates into a loss of faculty, low enrolled classes, and late cancellation of classes, all of which can delay student time to degree. Addressing these challenges will require a significant and concerted effort across campus including Admissions and the multiform Academic Affairs areas that enroll, attract, and retain students.

### **Budget Priority Recommendations**

The PRBC commends the administration and particularly President Virjee for vigilant and effective advocacy to address statewide SFR/FTE funding ratios. Slow but material progress appears to have been made and we look forward to more equitable per-campus funding at a statewide level moving forward. Despite recent improvements, CSUF still ranks in the bottom 2-3 campuses for state allocation per student, and state allocation plus tuition per student. As identified in the Collective Bargaining Agreement Article 20.34, resource strains put limits on educational quality.

The PRBC continues to advocate for equity in per-campus SFR funding levels. Given the forthcoming changes in leadership in the Chancellor's Office, this committee strongly recommends that we continue our advocacy efforts to improve our funding status amongst other CSUs. The lower per-student funding on our campus is especially limiting due to the cost of living in Orange County; for example, lower salary ranges exacerbate the challenges of recruiting and retaining high-quality faculty and staff and do so more starkly in high cost-of-living areas.

The most significant development of the past two years has been responding to COVID-19 challenges. Many on campus made heroic efforts to keep courses active and quality high, but it came with a toll in terms of sharply increased workloads, deterioration of work/life separation, and the development and implementation of new processes and procedures on an unprecedented scale. In particular it should be acknowledged that faculty modality conversions were time consuming and in many cases, overwhelming. Campus-wide burnout and stress is evident; morale has been strained. These pressures should be acknowledged and addressed moving forward with additional allocation of resources.

After addressing mandatory costs and mission-critical mandates, the committee has identified the following priorities for new or additional support. We have organized our recommendations into three priority tiers. All three tiers are critical to the mission of the university, however, we acknowledge that our allocation of resources is limited. We do encourage Divisions to also review these priorities to assess how we can address these issues in the coming years. Short-term priorities require immediate attention and long-

term priorities may require immediate planning, but should be addressed in an ongoing manner.

## **First Tier Priorities**

### ***Recruitment and Retention of Staff***

Almost all divisions identified a need to hire more staff and increase compensation in order to recruit and retain staff. We encourage all divisions to identify staffing priorities and address areas of acute need, share those with responsible budgeting authorities, and fill the gaps as soon as possible. In particular, student feedback, ASI, and PRBC have all identified Counseling and Psychological Services (CAPS) as a unit in need of increased staffing. The campus is encouraged to meet the nationwide benchmark of 1 counselor for every 1,500 students.

Equally important is the retention of our current staff. As an ongoing issue, the strategic plan identifies that we should establish benchmarks for faculty and staff retention and encourages the pursuit of an “inclusive campus culture.” We encourage campus leadership to explore opportunities for competitive and equitable salaries to help support the mission of staff recruitment and retention.

### ***Deferred Maintenance***

Deferred maintenance continues to be a high priority need across the campus. The current deferred maintenance needs far exceed the university's available resources. The state and/or the Chancellor's office has not provided consistent funding for addressing this issue. In most cases, one-time funds were used to address the deferred maintenance issues. To compound the issue, the longer a deferred maintenance issue exists or is not addressed, the more expensive and complex it will become. Furthermore, deferred maintenance will adversely impact the useful life of a building/facility and/or its efficient operation. Therefore, PRBC continues to recommend the provision of sufficient funds from the university budget to cover deferred maintenance needs across the campus, including the maintenance of many performance and exhibit spaces, classrooms, labs, studios, and specialized equipment and machinery.

### ***Restoring Baseline Funding to Divisions and Programs that Suffered Cuts***

Restoring baseline funding to Divisions and programs that suffered cuts during the pandemic was identified as a high-ranking need. The enrollment surge of AY 2020-21 was replaced with an enrollment plunge for AY2021-22; gaps have been filled temporarily with HEERF and other one-time sources. It is important to return these groups to their pre- pandemic budgets to ensure stability. In addition, the campus should address any potential shortfalls resulting from compensation increases above and beyond CSU funding levels. The current staffing in the Library is inadequate to meet the needs of students and faculty. Recent PPR recommendations show there is a need for a larger library budget to meet teaching and research needs that match the FTEs and population of the current campus, particularly one aspiring to achieve Research-2 status. Budget cuts not restored since 2008 and rising costs of academic resources make staffing decisions come at the expense of maintaining database subscriptions, which in turn, hurt student and faculty research. The campus has only a single confidential advocate for all sexual harassment and assault issues that might arise; this is a

dangerously inadequate circumstance. An area of conjunction between the top priorities are situations where one-time funding has been used for staff hiring; these positions should be made permanent where appropriate and funded at a baseline level.

### ***Recruitment and Retention of a Diverse Faculty***

The recruitment and retention of a diverse faculty was identified as a key priority. This encourages investment in the Strategic Plan goal of “Increase the number of tenured or tenure-track faculty, with concentrated attention to those from historically underrepresented groups, and report annually.” We encourage the campus to continue to expand and provide funding for additional tenure-track faculty. In addition, we note that roughly two-thirds of the faculty are lecturers, and the power of diversity is in the ideas and experiences of those leading classes and discussions. Students benefit from faculty of color regardless of faculty rank, and the largest and most immediate gains are in the lecturer ranks. To this effort, we argue that recruitment and retention should be a faculty-wide goal. The Guiding Principles for Social Justice defines “equitable” as including “access, opportunity, and advancement” and as such should not focus only on the most privileged positions.

### **Second Tier Priorities**

#### ***Consistent and Predictable Baseline Funding for the Actual Cost of Teaching and Learning***

Current baseline funding levels to the colleges are FTES-based. It is often insufficient for the colleges to cover the actual cost of instruction and operations. There is a heavy reliance on one-time funds to cover unfunded/underfunded baseline needs. Consistent and predictable baseline funding reflecting the actual cost of instruction and operation will enable the Deans to adequately staff the colleges and their constituent departments at appropriate levels, and thus support curricular innovation and ensure impactful student learning. Additionally, colleges such as the Arts, ECS, HHD and NSM have a high percentage of required classes with labs and/or experiential learning components that will require additional baseline funds to maintain, fix and/or periodically upgrade labs, studios and equipment. Other colleges, such as HSS and COMM, face historically inadequate SFR levels that need adjustment. Furthermore, accreditation requirements put a limit on class size for various academic disciplines. These considerations should be factored into the actual cost of teaching and learning for providing consistent and predictable baseline funding to the colleges.

#### ***Faculty-led Advisement***

Funding assigned time for faculty-led advisement was also noted as a second-tier priority. Adequate advisement is an ongoing issue and nobody understands the curricula more than faculty, and faculty are key in ensuring student retention and graduation. Failure to utilize faculty expertise in this area misses the opportunity to leverage a key asset, and we encourage campus-level planning and support for department-level major advisement.

#### ***Increased Support for the Office of Research and Sponsored Projects (ORSP)***

The work done by ORSP is critical in that it produces resources other than state support and tuition for the University. While faculty publications and grant submissions and awards are on the rise, the junior/senior grant program has not had funding increases for

decades, RSCA matching grants strain the budget, and there is only a single compliance employee. Grant supported research helps many faculty achieve tenure and promotion. Teaching loads can be impediments to these activities. Course reassignments to engage in them, therefore, benefit both faculty individually and the University as a whole. In addition to additional support, bureaucratic procedures and reporting requirements should be streamlined.

### ***Increased Support for High Impact Practices (HIPs)***

The campus should provide assigned time for faculty working on high-impact, equity-focused activities. The Guiding Principles for Social Justice lays out an aggressive agenda that the PRBC fully endorses; we note that faculty time is limited and ambitious goals require time and resource commitments. The Principles seek “real, sustainable, systemic change at all levels of our campus community” and systemic change includes budget systems. A theme the committee heard was that even applying for resources was a form of cultural taxation. Campus leadership should seek to centralize means for faculty to access resources for the crucial equity work they are engaged in. Individual programs seek funding across a number of programs, including Instructionally Related Activities funds, grant opportunities, EATC applications, CCF requests, sabbatical applications, etc. This dispersal of responsibility for support makes it difficult for programs to receive adequate and sustained support where appropriate. Funding for High Impact Practices should be streamlined and clarified in ways that reduce application and reporting burdens (a portion of funds might be assigned directly by Deans or equivalent offices), and multi-year or baseline awards should be considered. Without ongoing resource support, the danger of cultural taxation might frustrate our equity goals amongst our faculty who are best positioned to make a meaningful difference. Finally, there is some tension between a program being high-impact and scalable; some clarification would help. While this is listed as a “second tier” priority in terms of ranking against other issues, we cannot underscore enough its importance in terms of attention and funding.

### ***Baseline Funding for Student Support Centers***

Finally, the campus should pursue baseline funding for state-support centers that are currently supported by one-time funds or that simply lack adequate support. Programs such as University Honors and the Faculty Development Center are areas that will be stronger with permanent funding. Centers in Student Affairs like Title IX and Gender Equity, Male Success Initiative, and Disability Support Services accommodations would greatly benefit students if awarded baseline funding. The Women’s Center is another crucial area where inclusivity and campus culture can be enriched; it can be invigorated with stable and permanent funding. The PRBC encourages campus Leadership to explore ways to house the Women’s Center program in Academic Affairs in connection with the Women and Gender Studies department. Progress has been made since last year but the need for enhancements is ongoing.

### ***Enhanced Support for Graduate Programs***

Support for graduate education is also key for student success. The Strategic Plan asks the campus to “Implement a graduate studies task force to identify and articulate benchmarks and recommendations for graduate education.” We encourage planning at this level to include conversations about equitable funding models for Post-Baccalaureate and Graduate level programs. Graduate assistantships and fee waivers should be provided to make graduate programs more competitive. Not only would this be a low-cost

item for the campus, but results in a significant benefit for students and programs and takes advantage of currently under-utilized intellectual resources.

### ***Fund Information Technology Requests***

IT requires funding for information security; ongoing baseline needs for cloud computing; and ATI which is currently an unfunded mandate. Funding for instructional designers should be reviewed and resized appropriate to end user needs.

### ***Increase Number of Sabbaticals Supported***

The annual number of sabbaticals should be augmented. This is a highly-ranked priority of this PRBC and has historical precedent on the campus. It is a key component of faculty recruitment and retention as elaborated in the Strategic Plan. It is an opportunity for rejuvenation and innovation, and highly competitive processes have lowered morale and discouraged faculty and their projects. The PRBC encourages adding more funds for additional sabbaticals beyond the minimum number required by the CBA. The selection process should be examined and efforts made to make sabbaticals available evenly for faculty members of all disciplines.

### **Third Tier Priorities**

#### ***Increased Support for Assessment***

Funding for assessment should be provided on an ongoing basis. Although the Office of Assessment and Educational Effectiveness has highly professional staff and can offer assistance, there is little support for department- or unit-level data collection or analysis nor are there many resources for the implementation of assessment findings. It is not realistic to expect departments to engage in widespread data collection and analysis, nor to be able to implement changes based on findings, if few resources are available. Simply put, there is not a free and easy way to link data to student learning outcomes that is more meaningful than grading. With funding it might truly enable the 6-step process to be an important part of curricular planning.

#### ***Administration and Finance Requests***

The university is dedicated to ensuring the safety of the campus. Therefore, PRBC considers it important to continue funding the division of Administration and Finance on installing more lighting and security cameras across the campus. PRBC recommends the continuation of funding this multi-year project.

### **Process and Planning Recommendations**

In addition to priorities for funding, the PRBC discussed and discovered a number of process-planning improvements that would advance university goals, the strategic plan, and serve our roadmap for advancing Social Justice. In short, the PRBC believes these changes will help us make better use of the resources we have. Five items deserve special attention and the rest are contained in an Appendix. The items below are presented in roughly ranked order by the PRBC found all to be valuable and worth pursuing.

1. The committee highly recommends that the campus review the lecturer appointment

processes to promote career advancement. A past PRBC report completed by Laleh Graylee discovered that hiring fewer lecturers with higher entitlements could save a seven-figures cost in benefits. This data was confirmed by Chair Brusckke, which underscores that lecturer stability advances the goal of faculty retention and enhances a sense of belonging among lecturing faculty. This cost savings would largely self-fund lecturer advancement, extend security for lecturers, and advance the social justice goals of the campus. Providing stable and continuous employment incentivizes high-quality teaching, capitalizes on instructor experience, advances the University goal of equity-minded practices that can address marginalization due to class and rank, and supports the retention goals of the Strategic Plan. Developing a consistent policy with a tracking process, deadlines, and a value placed on lecturer career advancement would be efficient, improve the quality of the student experience, and better align campus practice with its values. Transparent budgeting processes would need to track the reallocation of benefits savings to the Division that generates the resources. Additional details are provided in the attached Lecturer Stability White Paper.

2. In light of the severe challenges faced by the University regarding the hiring and retention of faculty and staff, flexible telecommuting was deemed the highest reallocation or low-cost priority by the committee. As campus salaries are 10-15% below market, 20% of the staff turnover regularly. HRDI is combating this trend with other benefits like flexible telecommuting, 9/80 shifts, and benefits packages that include vacation, sick time, wellness programs, and a pension. VP Forgues confirmed for the committee that the biggest reason people leave the University is due to salary, the second is personal issues. With inadequate state support for increased salaries, flexible telecommuting is a strategic solution with the ability to provide a better employment experience at little to no cost. Administrators are encouraged to take advantage of these recent initiatives and consider taking additional steps towards more telecommuting flexibility.

3. To address bottlenecks and improve the flow of hiring and retention, the committee recommends streamlining Human Resources training and processing with a central website. The average time required to fill an open position during recent years is significantly longer than before the pandemic. Training workshops on hiring procedures, requirements, and best practices may help hiring supervisors and search committee members avoid common delays and accelerate the overall hiring process. Recorded training workshops can be hosted on the site for easy access to campus. Support for a robust data management system for HRDI would allow the campus to better strategize and convey the big HR picture for the entire University. This solution could also be extended to the campus as a dashboard that would allow hiring managers to keep abreast of the open positions in their departments and recruitment progress. This recommendation may include expansions of the CHRS system or another compatible software solution.

4. Students, faculty, and staff alike have expressed preferences for reduced waitlists for child care and lower child care tuition rates. The Children's Center's capacity to achieve these goals is unknown. The PRBC recommends a review of ways to expand capacity and more study to explore additional support for parents, potentially by creating relationships with off-campus child care providers.

5. Extension and International Programs (EIP) reimbursement for Student Affairs Services during winter and summer sessions. Extension courses during the summer and winter sessions can facilitate time to graduation but may be cost prohibitive for students. We encourage Extension and International Programs and Student Affairs Services to work together to explore ways to make intersession courses more accessible and affordable for students.

## **CONCLUSION**

The PRBC believes that recent positive trends at the system-wide level, and in terms of per-campus funding, make now a crucial time to establish priorities and improve processes. While our resource scarcity difficulties are far from over, it is possible to make meaningful progress towards our campus goals and be even better stewards of the resources that we have. Attention to these issues can improve the campus overall.



## **APPENDIX: REQUESTS FOR REALLOCATIONS OR LOW-COST CHANGES**

As noted above, the PRBC feels that process improvements are crucial and there is considerable progress to be made even if no additional sources of revenue are forthcoming. The list below is presented in rough priority order, although the top two items received especially strong support from the committee. We acknowledge that some changes are difficult and few issues can be resolved in a single year; many issues require cross-divisional cooperation. These items are intended to document ongoing issues and serve as guideposts for directions in which the campus should be moving.

First, as the campus implements strategic enrollment and college-based admissions, it is crucial that enrollment planning is linked with SFRs, targets, and actual costs. Since all these parts work together any substantial change to enrollment processes should intentionally and transparently incorporate all elements in a way that stakeholders can understand and use. Existing shortcomings to the budget process should be addressed as part of the plan. An ideal system would give colleges and departments their target semesters in advance when courses are scheduled, guarantee a budget to meet that target, review and adjust SFR funding rates to meet actual needs, and adjust enrollment and admissions to maximize the ability of the units to meet their targets. Such a plan should be developed with input from all stakeholders and be clearly presented and readily available.

Second, the PRBC recommends a strategic approach for establishing online programming that incorporates student demand and pedagogical appropriateness. We must move beyond asking what percentage of classes are or should be online and more carefully assess student needs and academic appropriateness. The campus should explore the possibility of offering most sections in multiple modalities, allowing greater flexibility in modality shifts after registration begins, streamline processes to adopt degree programs and pathways, and create some analysis of the overall budget impacts and a transparent accounting of savings and redistribution of those funds. We recommend a task force on this issue charged with developing an implementable plan. This plan should be completed as soon as possible since the campus is already in danger of falling behind the online opportunities offered by competing campuses. This priority is consistent with the “design for digital” guiding principle outlined in the Strategic Plan.

Third, we should seek a transition from 1-year budgetary cycles to multi-year planning. Making decisions on an annual basis frustrates effective operations independently of resource scarcity or availability. While the state-level budget process largely remains on annual cycles, this year’s proposed budget and the multi-year compact offer opportunities to think about how and where we could start to align our budget to the multi-year enrollment and strategic plan. We encourage the Division of Administration and Finance to work with campus partners to expand our opportunities and infrastructure/conversations to reflect multi-year goals. Our memo and its recommendations help to support these efforts through the identification of short term and long term goals. The PRBC recommends adopting multi- year planning as soon as possible.

Fourth, the PRBC recommends transparent and consistent budget reporting down to the department level. Prior budget reports detailed TADCP, CCF, PTF funding and OE&E totals for each department. This allowed a transparent tracking of cross-year trends and cross-department differences. Having all the information in a single and standard report facilitates idea-sharing and shared understanding of budget processes. At present it appears the information is available but needs consolidation.

In particular, the FTES model generates revenue via enrollment and expends revenue via sections, but there are few reports explicitly linking the two with consistent units. Some are presented as dollar amounts, others as FTES, others as SFR. Over-enrollment funds are not presented in a way that makes their implications obvious, and it is not clear how salary savings and open positions impact department budgets. Further, transactions do not arrive in the OBIEE system until much later the bulk of expenditures are kept in offline record systems, often spreadsheets. This situation frustrates strategic resource use. The necessity for adding or removing course sections is generally not documented.

If funding sources for departments, areas, and divisions is significant those should be transparently included in budget reports. Reports should, for example, include TADCP, CCF, and foundation revenues and expenditures to provide a complete picture of available funding sources and what they can be used for to provide a complete picture of the resources available to end users.

Ultimately, the budget reports at present are centered around system-level CMS coding. It is the observation of the PRBC that these codes rarely match the day-to-day operational needs of end users and almost all end users must maintain offline and *ad hoc* record-keeping to continue functioning. More support for end users would improve processes and present information in a way that would allow strategic decision-makers (Deans, Vice Presidents, the President, and the PRBC) to better understand and direct campus resources.

Fifth, the timing of firm budget totals is a barrier for units that rely on enrollments for budgets, particularly departments and colleges. If budgets are based on annualized FTES totals that are not fixed until after the spring census expenditures are based less on strategic concerns and more on efficient use of available balances in the shorter window between the spring census and the end of the fiscal year. We encourage the exploration of budgeting processes that guarantee predictable funding levels for colleges and departments.

Sixth, the spending process needs to be streamlined. The the lag times for Q#s, lack of clarity about necessary documentation, differing rules and rule interpretations across different budget offices, and multiple levels of approval slow the process. The Concur and PCard systems are part of the process but are not by themselves solutions, and in some cases contribute to user frustration. IRA programs in particular suffer from byzantine processes and a disjoint between Student Affairs and state-side accounting and travel procedures. The system appears to be driven by the source of funds and the process used to expend them and not what the end user needs to make programs successful. While administration and finance staff work hard and are professional there appears to be a culture that emphasizes compliance over program needs that, in the opinion of the PRBC, is frustrating the campus' ability to meet its goals.

Seventh, effort should be made to create a tighter link between development efforts and state-side baseline needs. While University Advancement appears to be quite successful and is expanding external funding, those funds are not widely reaching programs that have considerable needs. This creates a situation where acquiring external funds can expand additional programming but cannot address the core campus needs. The PRBC recommends a review of ways that development efforts can assist core funding shortfalls.