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MEMORANDUM

TO: George Pardon, Vice President
Administration and Finance

FROM: Kathleen Hughes, Chair
Administration and Finance
Program Effectiveness Committee

SUBJECT: Report and Recommendations for 2003-04 Budget Review Cycle

The Program Effectiveness Committee (PEC) completed its review of the Program Effectiveness and Budget Review Reports submitted by departments in the Division of Administration and Finance in December 2002. The departments provided: 1) mission statements, 2) goals, 3) functions performed, 4) services performed, 5) recognized measurements/benchmarks, 6) functions/services that could have a perceived need for increase of efficiency and ways to increase efficiency, 7) one-time and on-going budget requests were linked to University Goals, 8) potential impact if funding was not received, and 9) for departments who received additional funding in 2002-03, each addressed the use of the funding.

In December 2002, department hearings were held and committee deliberations were conducted to formulate the PEC recommendations. It is now recognized, however, that the current budget environment has created new budget challenges for the departments within the division of Administration and Finance as well as the entire campus. The departments in the division may now want to revisit their augmentation proposals and/or prioritization. This PEC's opinion and recommendations of 'critical need' might also then be modified. With this said and as requested by the University Budget Committee (UBC), this report giving recommendations for budget augmentations is being submitted to you now based upon the information everyone had in November and December of 2002.

It is clear that the Division of Administration and Finance primarily provides support and regulatory compliance services for the campus. There are no programs that can be discontinued. Indeed, if additional campus funding becomes available, additional augmentations should be considered in a number of the departments within the division i.e. Physical Plant and Information

Technology. The PEC assessed and made recommendations for augmentations based upon two primary factors 1) the service and/or function of the request and 2) was this request based upon a 'critical need.'

The PEC did not want to limit budget allocation recommendations by prioritizing items. The committee submits to you these recommendations as a guide. It recognizes that budgetary needs shift and reprioritizations do occur. It was again the consensus of the PEC that you have demonstrated a logical and equitable distribution of funds within the division. And, therefore, it yields to your judgment to make allocations and reallocations as the need arises.

It was determined that certain augmentation requests needed special identification 1) joint requests that were identified with other campus divisions (JR), 2) campus-wide budget issues that should be considered by the University Budget Committee or other campus-wide PEC (CW), and 3) required service maintenance contract increases that support campus-wide services (MC). Only a few requests have been given special identifiers. It is recommended that in future budget process cycles the campus revisit how certain types of budget requests should be processed. It was the opinion of the PEC that maintenance contract cost increases for campus-wide services, i.e. Network Management Software Maintenance Contract, should automatically receive a budget augmentation off-the top of the university's budget. This type of service is required and supports the entire university.

Below is a listing of the PEC's recommended augmentations. These recommendations reflect, in the opinion of the PEC, items of 'critical need.' It is also noted that the funding requests for positions included benefit costs. Again, the PEC's recommendations are not in any priority order. Should funding become available, this list could be expanded to include other items you deem are of a 'critical nature.'

Physical Plant – The PEC supports all budget requests from Physical Plant due to the department currently being understaffed and overall under funded. It was noted that initial divisional budget reductions for 2002-03 reduced the Physical Plant budget by \$283,944. To meet this reduction, the department did not fill vacant positions, reduced its supplies and services budget, and reduced its training budget. The PEC recommends the following budget augmentations. (Not in priority order)

1. \$2,800, for safety clothing and safety equipment. (baseline augmentation)
- 1A. \$60,000, for roof repair to eliminate leaks. (one-time request)
2. \$5,000, equipment maintenance costs, reinstate lost funds. (baseline augmentation)
- 3*. \$49,000, painting of SBS building. (one-time request)
- 3A. \$4,500, heating/air conditioning maintenance increased costs. (baseline augmentation)
4. \$47,062, sidewalk sweeper to save time and labor costs. (one-time request)
5. \$42,369, Grounds Worker, reinstate lost position. (baseline augmentation)
6. \$60,342, Electrician, reinstate lost position. (baseline augmentation)
7. \$29,595, Small backhoe to do repair/replacement of irrigation. (one-time request)

8. \$3,124, Small trencher to do trenching for waterlines and other deep ground repairs. (one-time request)
9. \$31,529, Electrician's truck to carry electrical equipment. (one-time request)
10. \$36,038, Custodian/mover, reinstate lost position. (baseline augmentation)
11. \$45,762, Mechanic's Helper, reinstate lost position. (baseline augmentation)

* Although this request is important in order to maintain the already much improved aesthetics of the campus, it is not considered to be as critical as other requests.

Information Technology – It was noted that initial divisional budget reductions for the 2002-03 fiscal year reduced the IT budget by \$118,308. To meet this reduction, the department did not fill vacant positions, reduced its supplies and services budget, and reduced its training budget. The PEC recommends supporting the following most 'critical need' budget augmentation requests. (Not in priority order)

1. \$39,744, Intecom Maintenance Contract, maintenance contract cost increase for campus telephone service. MC (baseline augmentation)
2. \$90,000, Voice Response Software, student registration. JR with Student Affairs (one-time request)
3. \$20,000, Network Management Software Maintenance, campus-wide network contract cost increase. MC (baseline augmentation)
4. \$15,238, Infrastructure Asset Management Software Maintenance Contract, campus-wide maintenance contract cost increase. MC (baseline augmentation)
5. \$20,000, CISCO Hardware Maintenance Contract, campus-wide maintenance contract cost increase. MC (baseline augmentation)
6. Additional T1 lines for telephones, student registration. \$6,295 for lines (one-time request) and \$4,980 for monthly cost of additional lines. (baseline augmentation)
7. \$50,000, Replacement of two network printers, printers running reports for all campus units. (one-time request).
8. \$90,000, Blackboard License and service fee, supports faculty and classroom usage. JR with Academic Affairs (baseline augmentation)
9. \$250,000, Additional 10 mediated classrooms. (one-time request)
10. \$21,000, Purchase 3 portable enhanced technology media carts. The department request was to purchase 5 media carts at \$7,000 per cart (\$35,000). (one-time request). The PEC recommends the purchase of 3 carts.
11. \$25,000, Relocation of ERC data communication equipment, environment in current location has caused damage to equipment which in turn creates added maintenance costs and potential down time for campus communications. (one-time request)
12. \$25,000, Supplies to support enhanced technology classrooms, need replacement and repair items to keep classrooms functioning. (baseline augmentation)

13. \$100,000, Campus-wide three-year cycle PC upgrade for faculty and staff – catch-up costs. CW (one-time request) This request should be considered by a campus-wide PEC and/or UBC.
14. \$100,000, Campus-wide three-year cycle PC upgrade for faculty and staff, on-going costs. CW (baseline augmentation) This request should be considered by a campus-wide PEC and/or UBC.
15. \$65,000, Network Analyst position, there is currently only one position to support the campus Network functions, reinstate lost position. (baseline augmentation)
16. \$70,000, Back-up Database Systems Analyst, there is currently only one position for the campus database maintenance and system recovery. (baseline augmentation)
17. \$20,000, Purchase digital media material and upgrade older media material for faculty and student use. (baseline augmentation)
18. \$65,000, Network Security Analyst, to monitor and address campus network security breaches and Network attacks. (baseline augmentation)
19. \$50,000, Help Desk Consultant, needed to address increased service call requests for computer and other IT related problems/issues. (baseline augmentation)
20. \$65,000, Visual Basic Programmer/Analyst, programmer needed to create specialized programs. The PEC recommends consideration of doing a chargeback for specialized programming services. JR with Academic Affairs (baseline augmentation)
21. \$30,000, Technology staff training, to maintain currency of knowledge for campus hardware and software. The department request was made for a baseline augmentation. The PEC is recommending this be approved as a one-time augmentation in this budget cycle.

Human Resources Management – The following was determined to be the most critical need. It was noted that initial divisional budget reductions for fiscal year 2002-03 reduced the Human Resources Management Budget by \$33,812.

1. \$34,266, Administrative Support Assistant, reinstate lost position. (baseline augmentation)

Risk Management and Environmental Health and Occupational Safety – The following was determined to be the most critical need. It was noted that initial divisional budget reductions for fiscal year 2002-03 reduced the Risk Management/EHOS budget by \$3,9312.

1. \$4,000, Emergency preparedness equipment. (one-time request)

Budget Administration and Financial Reporting – The following was determined to have the most critical need.

1. \$16,785, State Controller’s increased charge for Payroll computer access, required access to process campus Payroll. CW and MC (baseline augmentation)

Facilities Planning and Construction Management – The following was determined to have a critical need.

1. \$150,000, Campus Master Plan, needed for strategic planning for the campus. (one-time request)

The departments presented budget augmentation information in such a manner that it provided the committee a clear understanding of the impact on the respective department and campus if additional funding was not received, i.e. if funds to support the State Controller’s cost increase for the processing of campus payroll were not received, the campus would not be able to process payroll checks. Again, even though other budget requests had merit, the PEC considered the items supported as being the most critical.

A number of departments had conducted self-evaluations of functions and services; and, some had solicited input from external sources. There had been modifications to how services/functions were performed as a result of the internal and external evaluations.

The departments identified ‘a perceived need for increase of efficiency and ways to improve the efficiency.’ Included in this section, again this year, are suggestions as to how the campus community could contribute to the efficiency of various functions, i.e. timely and accurate submission of monthly payroll sheets. This type of collaborative campus effort to increase efficiency should be considered throughout the institution.

For your information, the following are those budget augmentation requests that are not being recommended for funding in this budget cycle:

Information Technology

1. \$3,900, System-wide Specialty Centers Subscription Augmentation, specialized software for academic departments. (baseline augmentation) The PEC recommends that interested departments provide the funding for specialized software/hardware.
2. \$1,200, License for Simulation WinServer for UNIX, special license for academic departments. (one-time request) The PEC recommends that interested departments provide the funding for specialized software/hardware.

Human Resources Management

1. \$50,000, Computer hardware/software for recruiting and electronic files. (one-time request. Although this request is noteworthy, it does not appear to be a critical need at this time.
2. \$25,000, Campus-wide in-service training. (one-time request) Although this request is noteworthy, it does not appear to be a critical need at this time.

Please let me know if you have questions or would like additional information.

C: PEC members

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David Andrews

Deborah Veady

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Larry Gray

Barbara Chrispin, Chair, University Budget Committee