



California State University
Dominguez Hills

University Budget Committee, Dr. Barbara Chrispin, Chair
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MEMORANDUM

To: James E. Lyons, Sr.
President

From: Dr. Barbara Chrispin, Chair
University Budget Committee

Date: June 12, 2003

Subject: University Budget Recommendations for Fiscal Year 2003/04 -- Net Budget Reduction Plan

In response to our charge to make recommendations regarding budget allocations for the 2003-04 fiscal year, the University Budget Committee has reviewed the proposals submitted by each of the divisions and is hereby forwarding our recommendations to you via this report. We would like to express our thanks to the vice presidents, the PECs and the campus community for their very important contributions to the budget process.

The severity of the California budget crisis has had a significant impact on the CSU in general and CSUDH in particular. After initiating a call to all university divisions for assessment, planning and resource allocation requests and embarking on the 2003-04 budget process for reviewing budget allocation requests, we encountered a changed budget situation in December. In light of the state budget crisis, the UBC, in consultation with you, determined that it was unrealistic to have a budget allocation process followed by a budget reduction process. In January, the UBC met with the Operation's Group and discussed a plan to combine the allocation and reduction process into a revised budget process for 2003-04 consisting of 1-7% Net Reduction Plans (NRPs). The concept behind the Net Reduction Plan is that the total 2003-04 General Fund allocation plus the new enrollment money is estimated to be less than it was for 2002-03, thus requiring the campus to plan for a net budget reduction. Our working assumption always has been that the net reduction for each division could be different based on impact. The NRPs allow divisions to request new allocations but require that they be offset by budget reductions in order to reduce the baseline budget of the division from 1-7%. It was expected that the revised process would continue to support the over-arching principles of openness, transparency and full participation on the part of all parties affected by the budget process. Moreover, by combining allocation and reduction proposals into one plan tied to the baseline budget of the division, UBC hoped to reduce our baseline budget while encouraging divisions to redirect monies into the areas of highest priority. Furthermore, UBC felt, and still feels, that submitting recommendations to you in the form of net reductions plans allowed us enough leeway to move forward with the budget process not knowing the extent of the final cuts, the exact enrollment targets or the changes in the student fee structure.

Budget Recommendations for FY 2003-04

In making our recommendations, UBC has tried to protect academic programs and meet enrollment targets while at the same time maintaining the basic infrastructure and operational integrity of the campus. Our recommendations for a 4 percent, 4.3 percent, 5 percent, and 6 percent Net Reduction Plans (NRPs) for the campus are contained in Table 1 on the following page. Should the net budget reduction for the campus exceed 6% (baseline reductions offset by new enrollment growth), UBC feels that further campus consultation will be required.

Our rationale for divisional reductions under each campus NRP is as follows:

Four Percent NRP:

- Academic Affairs NRP at 3.02%; below the point where division would have to increase SFR.
- Administration and Finance NRP at 5.80%; below the point where the special repairs budget would be reduced again.
- Student Affairs NRP at 5.16%; below the point where layoffs begin.
- University Advancement NRP at 7%; OE monies and salaries from vacant or student assistant positions affected.
- Office of the President NRP at 7%; no positions affected below this point, only OE monies affected.

4.3 Percent NRP:

- Academic Affairs NRP at 3.5%; point at which SFR becomes affected and enrollment target may become unattainable.
- Other divisions at same NRP as above.
- Point above which campus may go into layoffs.

Five Percent NRP:

- Academic Affairs NRP at 3.9%; point at which additional sections will be cut.
- All other divisions at 7% NRP.

Six Percent NRP:

- Academic Affairs NRP at 5.41%; point at which additional sections will be cut.
- All other divisions at 7% NRP.

Beyond Six Percent NRP:

- UBC does not feel it can make a recommendation without further campus consultation.

Other budget recommendations:

- Allocate funds to cover 2004 graduation costs from one-time monies available from surplus 2002-03 centrally monitored funds.
- Allocate up to \$1,008,000.00 held in reserve as one-time allocation to help offset the 2003-04 reduction, based on the division's percentage of 2003-04 budget allocation (if campus does not go beyond 6% NRP).
- Hold back any other monies from centrally monitored funds as reserve for 2004-05.
- UBC supports the request for 22 faculty positions requested by Academic Affairs but recommends that the 12 positions requested for CAS be used to support departments anywhere on campus where enrollments justify need.

- UBC supports the request for an additional Police Officer and believes this request should remain a campus priority. The Division of Student Affairs is encouraged to seek other revenue sources to fund this position.
- The President's Office appears to need another assistant to share workload and provide emergency backup capability.
- Cross-divisional items should be housed in specific divisions for budget purposes (e.g., graduation expenses in Academic Affairs and Instructional Technology in Administration and Finance).
- All state funds, including lottery funds should be part of the allocation process.

While the task of planning for budget reductions is not a task that anyone welcomes, we commend the divisions for the hard work that went into their proposals and for the effort they made to hold positions vacant and to redirect monies to areas of higher priority. Should the state budget crisis continue to worsen next year as is currently projected, the probability is high that the campus will face a layoff situation. If that is the case, we hope that the process started this year has initiated a change in campus thinking about redirecting existing funds into areas of high priority in accordance with the strategic planning process and university goals.

Please let us know if you have any questions about our recommendations.

Attachment: **Table 1: Net Reduction Plans for 4%, 4.3%, 5%, and 6% Divisional Budget Reduction Plans:**

Academic Affairs 1-7% NRP (no revised PEC report submitted w/NRPs)
 Administration and Finance 1-7% NRP, incl. PEC report
 Student Affairs 1-7% NRP, incl. PEC report
 Univ. Advancement 1-7% NRP (no revised PEC report submitted w/NRPs)
 Office of the Pres. 1-7% NRP (no revised PEC report submitted w/NRPs)

cc: Operations Group
 UBC Members
 Co-Chairs of UPC

Table 1

University Budget Committee 2003/04 Campus Net Reduction Plans (NRP)

	Academic Affairs	Administration and Finance	Student Affairs	University Advancement	President's Office	Total Divisional General Fund Allocation
2002/03 Base Budget	39,723,195.00	12,452,810.00	8,965,612.00	1,255,563.00	686,758.00	63,083,938.00
4 Percent Campus Net Reduction Plan						
Divisions	Amount of Reduction	2003/04 Proposed NRP	2003/04 Revised Base Budget	New % Budget	Old % Budget	Difference
Academic Affairs	1,200,000.00	3.02%	38,523,195.00	63.61%	63.00%	0.61%
Admin and Finance	722,494.64	5.80%	11,730,315.36	19.37%	19.70%	-0.33%
Student Affairs	462,872.84	5.16%	8,502,739.16	14.04%	14.20%	-0.16%
University Advancement	87,902.00	7.00%	1,167,661.00	1.93%	2.00%	-0.07%
President	48,073.00	7.00%	638,685.00	1.05%	1.10%	-0.05%
Total	2,521,342.48	4.00%	60,562,595.52	100.00%	100.00%	0.00%
4.3 Percent Campus Net Reduction Plan						
Divisions	Amount of Reduction	2003/04 Proposed NRP	2003/04 Revised Base Budget	New % Budget	Old % Budget	Difference
Academic Affairs	1,390,311.83	3.50%	38,332,883.17	63.49%	63.00%	0.49%
Admin and Finance	722,494.64	5.80%	11,730,315.36	19.43%	19.70%	-0.27%
Student Affairs	462,872.84	5.16%	8,502,739.16	14.08%	14.20%	-0.12%
University Advancement	87,902.00	7.00%	1,167,661.00	1.93%	2.00%	-0.07%
President	48,073.00	7.00%	638,685.00	1.06%	1.10%	-0.04%
Total	2,711,654.31	4.30%	60,372,283.69	100.00%	100.00%	0.00%
5 Percent Campus Net Reduction Plan						
Divisions	Amount of Reduction	2003/04 Proposed NRP	2003/04 Revised Base Budget	New % Budget	Old % Budget	Difference
Academic Affairs	1,549,200.00	3.90%	38,173,995.00	63.73%	63.00%	0.73%
Admin and Finance	871,696.00	7.00%	11,581,114.00	19.33%	19.70%	-0.37%
Student Affairs	627,592.00	7.00%	8,338,020.00	13.92%	14.20%	-0.28%
University Advancement	87,902.00	7.00%	1,167,661.00	1.95%	2.00%	-0.05%
President	48,073.00	7.00%	638,685.00	1.07%	1.10%	-0.03%
Total	3,184,463.00	5.05%	59,899,475.00	100.00%	100.00%	0.00%

6 Percent Campus Net Reduction Plan

Divisions	Amount of Reduction	2003/04 Proposed NRP	2003/04 Revised Base Budget	New % Budget	Old % Budget	Difference
Academic Affairs	2,150,000.00	5.41%	37,573,195.00	63.36%	63.00%	0.36%
Admin and Finance	871,696.00	7.00%	11,581,114.00	19.53%	19.70%	-0.17%
Student Affairs University	627,592.00	7.00%	8,338,020.00	14.06%	14.20%	-0.14%
Advancement	87,902.00	7.00%	1,167,661.00	1.97%	2.00%	-0.03%
President	48,073.00	7.00%	638,685.00	1.08%	1.10%	-0.02%
Total	3,785,263.00	6.00%	59,298,675.00	100.00%	100.00%	0.00%