

MEMORANDUM

DATE: November 30, 2016

TO: Dr. Willie J. Hagan
President

FROM: Dr. Theodore Byrne *TJB*
Chair, University Budget Committee

SUBJECT: Recommendations of the University Budget Committee (UBC) for Base Budget and One-time Funding Allocations for Narrowing the Base and Current Year GAPS in Each Division's 2016-17.

The University Budget Committee (UBC) charge for the Fall Semester 2016 was to recommend the allocations from Centrally Monitored for the uncommitted new base funding from the CSU allocation and one-time funding from uncommitted 2015-16 carry forward. These allocations are provided to fill the divisional GAP created by the combination of historical spending and the reduction of the amount of one-time carry forward in the divisions. These uncommitted amounts were identified after all campus commitments had been funded from the new base and 2015-16 carry forward funds. The uncommitted base funding totaled \$2,455,881 and the uncommitted one-time funding totals \$1,860,452.

During UBC's first meeting, on October 11th, the committee was presented reports showing the following items; 1) budget and actuals for the Operating and Student Success fee trust from 2015-16; 2) \$12.4M GAP in the operating trust base funding and strategies for eliminating this GAP were reiterated; 3) new base funding resources from the CSU Budget Memo for 2016-17, along with the base commitments against these resources, resulting in the unallocated base amount the committee could make recommendations to allocate; and 4) carryforward balances from divisions and their impact in the divisional GAP. The uncommitted 2015-16 carry forward in Centrally Monitored was identified for allocation by the UBC to the divisions as one-time funding. The staff presented initial recommendations of possible allocations methodologies that could be considered for both uncommitted base and one-time resources. The discussion of these options was tabled until the next meeting.

On November 9th, the UBC met again to discuss the allocation methodologies and voted on acceptance of Option 2 for the base allocation and created and approved a new Option 5 for the allocation of one-time funding. There are 18 voting UBC members, two Students were not present at the November meeting to vote. The student's availability was discussed and the committee will adjust the meeting time to better accommodate the participation of all three student representatives for Spring meetings.

\$2,455,881 Base Funding Allocation to Divisions to Reduce the Base Gap.

Three methodologies were presented for consideration. Discussion of additional options was invited.

- Option 1: Pro-rata distribution based on the \$12,378,168 GAP established in January of 2016.
- Option 2: Pro-rata distribution based on the \$9,099,055 Adjusted GAP on July 1, 2016.
- Option 3: Division head request to UBC to address existing funding shortfall/GAP (i.e., not for new programs, initiatives, or positions).
- Option 4: Other Suggestions by UBC? (There were none)

Recommendation #1

After minimal discussion the members focused on Option 2 as the best method. This methodology took into consideration the current base GAP of each college/division and allocated to each a pro-rata share of the available uncommitted base funding. In effect filling the GAP of each college/division at the same rate towards full base funding. **The total amount recommended under Option 2 for each college/division (as shown in slide #8 in November 9th UBC PowerPoint) is as follows: Central Academic Affairs \$291,193, CBAPP \$245,415, CAH \$66,543, CNBS \$172,377, CHHSN \$214,792, subtotal for Academic Affairs is \$990,318; Administration & Finance \$100,600; Student Affairs \$118,324; Information Technology \$528,285; University Advancement \$202,371; Office of the President \$6,425; Athletics \$343,757; Centrally Monitored funding for, Marketing \$163,777; University Events \$2,023. Total of \$2,455,881. Motion passed with vote of 15 yes and 1 no.**

\$1,860,452 One-Time Funds for Filing the Gap in 2016-17

Four methodologies were presented by staff. A fifth option was created by the UBC.

- Option 1: Pro-rata distribution based on 2016/17 one-time GAP of \$6,531,505 after 2015-16 Carry forward funds applied.
- Option 2: Pro-rata distribution based on the \$9,099,055 Adjusted GAP on July 1, 2016.
- Option 3: Pro-rata distribution based on divisional base funded personnel FTE.
- Option 4: Division head request to UBC to address existing funding shortfall/GAP (i.e., not for new programs, initiatives, or positions).
- Option 5: Created by UBC. Option 1 with the additional allocations to Colleges/Divisions from the \$1,408,949 prior year un-allocated carry forward.

Recommendation #2

Discussion focused on Option 1 to allocate the available one-time funds based on the adjusted GAP (after Base funding is allocated). Because the Prior Year funding allocation of \$1,408,949 was not included in the calculation of the GAP for each college/division in Option 1, the UBC created Option 5 to do so. This adjustment reduced the one-time GAP allocation from the

\$1,860,452 in those divisions that received a portion of the PY funds and redistribution of Marketing and Events overage of \$165,800 Option 5 coupled with the allocation of the PY \$1.4M PY funds reduces the current GAP in those colleges/division that have the greatest need (See Slide #13 in November 9th UBC PowerPoint). **The total amount recommended under Options 5 for each college/division (as shown in slide #13 in the November 9th UBC PowerPoint) is as follows: Central Academic Affairs \$39,254, Library \$6,115, CBAPP \$325,499, CAH \$125,194, CNBS \$240,993, CHHSN \$311,774, subtotal for Academic Affairs is \$1,048,830; Student Affairs \$169,880; Information Technology \$481,259; University Advancement \$175,431; Athletics \$150,852; Marketing and University Events (\$165,800); Total of \$1,860,452. Motion passed with vote of 16 yes and 0 no and the adjustment for Marketing and University Events.**

Summary

The Base Allocation of the \$2,455,881 reduces the initial \$12.4 GAP from the July 1 amount of \$9,099,055 to \$6,067,466. This keeps the campus on course to completely close the GAP in roughly two annual budget cycles. The allocation of the \$1,408,949 of prior year funds plus the \$1,860,452 carry forward will close the one-time GAP for 2016-17 to roughly \$2.5 M. The Divisional carry forward amounts plus other campus resources (Lottery, Innovation Grant, and other campus resources) will be utilized to fully close the remaining GAP in the division for 2016-17.

Attached are the minutes of both UBC meetings and the PowerPoint presentation from the November 9th meeting showing the outcomes of each methodology recommended by the UBC. The UBC requests your review of these recommendations for allocation of base and one-time resources for 2016/17. If you have any questions for the UBC, please let me know. The UBC awaits your decision to approve, reject, or modify these recommendations. Thank you for your continued support of the UBC.

Sjm

C: Cabinet Members
UBC Staff

Enc: FY 2016/17 UBC Membership Roster
Minutes of October 11th UBC Meeting
Minutes from November 9th UBC Meeting
UBC PowerPoint Slide #8 Baseline, & #13 One-Time, from November 9th Meeting
Allocation of the PY \$1,408,949
FY 2016/17 Recommended GAP Funding Strategies