

CALIFORNIA POLYTECHNIC STATE UNIVERSITY
San Luis Obispo, California 93407
ACADEMIC SENATE
805.756.1258

MEETING OF THE ACADEMIC SENATE EXECUTIVE COMMITTEE
Tuesday, January 15, 2002
UU220, 3:00 to 5:00pm

- I. Minutes:
- II. Communication(s) and Announcement(s):
- III. Reports:
- IV. Consent Agenda:
- V. Business Item(s):
- VI. Discussion Item(s):
Discussion on Budget: The purpose of this meeting will be to obtain the most recent budget information and to begin a discussion concerning principles and strategies that the campus will use in dealing with the expected budgetary shortfall. President Baker, administrators, faculty, and Budget & Long Range Planning Committee members will be in attendance for this discussion.
- VII. Adjournment:

Adopted:

**ACADEMIC SENATE
of
CALIFORNIA POLYTECHNIC STATE UNIVERSITY
San Luis Obispo, CA**

AS-__-02/

**RESOLUTION ON
BUDGET PRINCIPLES AND STRATEGIES**

1 **Background:** During the early 1990s the State of California experienced a significant economic
2 downturn. As a result of the economic problems during this period of time, the financial support
3 for the CSU was substantially reduced. Many areas of this campus are still feeling the effects of
4 this reduction in support. The attached *Budget Principles and Strategies* are an attempt to create
5 strategies for minimizing the impact on Cal Poly resulting from the reduction in support from the
6 state.

7
8 WHEREAS, The State of California has entered a difficult financial period; and

9
10 WHEREAS, The financial difficulties of the state will likely result in a reduction of support for
11 the CSU; and

12
13 WHEREAS, The CSU has asked all of the campuses, including Cal Poly, to plan for significant
14 cuts in support; and

15
16 WHEREAS, Careful planning will be essential if the campus is to minimize the harmful effects
17 of these budgetary cuts; therefore, be it

18
19 RESOLVED: That the Academic Senate urge the Cal Poly administration to include all
20 constituencies in budgetary discussions; and be it further

21
22 RESOLVED: That the Academic Senate endorse the attached *Budget Principles and Strategies*;
23 and be it further

24
25 RESOLVED: That the Academic Senate urge the Cal Poly administration to use these *Budget*
26 *Principles and Strategies* in the budget process.

Proposed by: Academic Senate Budget and
Long Range Planning Committee
Date: December 18, 2001

Budget Principles and Strategies

Principles

- Priority shall be given to maintaining the quality and character of education at Cal Poly.
- Enrollment must be consistent with available resources.
- The University should adhere to an enrollment policy that stabilizes enrollments and minimizes enrollment oscillations.
- The University budgetary process should be open and include all constituencies.
- Faculty, students, and staff are entitled to timely financial information.
- Faculty, students, and staff are entitled to enrollment information that is made available at the time enrollment decisions are made.

Strategies

A. Short-term strategies

- Impose a hiring freeze.
- Defer maintenance.
- Reduce discretionary spending.
- Reduce equipment purchases.
- Defer library acquisitions
- Reduce or eliminate campus-wide initiatives that are expensive to run and not widely used by faculty or students.
- Reduce or eliminate non-essential non-classroom activities such as non-essential workshops.
- Examine administrative positions, including those that have been added since 1990, to determine whether they are necessary.

B. Longer-term strategies

- Merge colleges.
- Fill openings selectively.
- Redirect resources.
- Delay implementation of the student administration portion of CMS.
- Consider reducing non-essential services.
- Evaluate the resources committed to athletics.
- Eliminate programs.

C. Enrollment and course offering strategies

- Reduce enrollment to match available resources.
- Minimize enrollment oscillations by establishing consistent fall enrollments.
- If necessary, reduce the number of new students admitted in other quarters.
- Try to maintain as many teaching positions as possible.
- Explore the possibility of creating a unit maximum for students.

- If consistent with good academic practice, explore reducing the number units required for graduation.
- Consistently apply policy regarding academic disqualifications.
- Synchronize academic disqualification with disqualification with financial aid.
- Examine the scheduling of classes to determine if scheduling conflicts can be reduced.
- Examine the scheduling of classes to determine if the number of non-essential course offerings can be reduced.
- Investigate potential changes in mode of instruction that could lead to efficiencies while preserving academic quality.
- Investigate expansion of international programs.
- Consider possible restrictions on double majors and/or minors.

D. Process

- Reactivate UPBAC and ensure that budgetary decisions are made with input from faculty, students, and staff.
- Schedule a special Senate Executive Committee and/or Senate meeting devoted to the budget.

Margaret R. Camuso

From: truml [truml@csusb.edu]
Sent: Thursday, January 03, 2002 2:45 PM
To: campussen
Cc: deidre; bbarrett; lfernand; lilient; choffman; jking; karen; tsmeisen; tnelson; lpeake; jpritch; debstine; jvicknai; truml; truml
Subject: Budget cutting principles



Budget cutting
principles.TXT

Dear Fellow Campus Chairs:

The plan at CSU San Bernardino is for Academic Affairs to bear 75% of its share of the overall cut. So, if the overall cut is 1.4%, Academic Affairs will need to cut 1.05%. The remaining divisions will have to pick up the slack. I think (since Academic Affairs represents roughly 80% of the campus budget) that means that the other divisions will have to bear an average 2.8% cut, but math was never my strong suit.

Ted Ruml

Margaret R. Camuso

From: dwort [dwort@bay.csu Hayward.edu]
Sent: Monday, December 17, 2001 3:39 PM
To: buckley
Cc: dwort; campussen
Subject: Re: Campus Budget Cutting "Principles"?



Re_Campus Budget Cutting
_Pri... Rick,

The Hayward campus is not considering a marginal cost formula approach as you have described. Nor are we at this time considering an across-the-board cut in this year's budget. There is a partial hiring freeze on staff positions in place but there are no plans to cut funding for faculty searches currently underway for positions that would have Fall, 2002 starting dates. Our Budget Advisory Committee is scheduled to meet again on January 22, 2002.

Don Wort
Chair, CSU Hayward Academic Senate

"Buckley, Bob" wrote:

>
> The following is a request from Rick Luttmann from Sonoma State Senate
> Chair:
>
> "Colleagues: At the Statewide Academic Conference in San Diego, I mentioned
> during our Chairs meeting that our campus President has directed the budget
> cuts anticipated for this year be distributed by the same marginal cost
> formulas that are used for distributing general fund revenues. I asked if
> any other campus is doing this. Nobody said yes. In fact, several people
> were, in a word, appalled. Their campuses are resolved to touch instruction
> last, and in such a way that the least harm is done to it -- since it is,
> after all, our primary mission. There is considerably less flexibility,
> after all, to alter budgets at this late date on the academic side of the
> house.
>
> But I didn't hear from everybody. I wonder if any campus is doing what
> we're doing -- which I consider rash and irresponsible, and which as usual
> was done autocratically with no input whatever from faculty, not even from
> established budget advisory committees. I would appreciate hearing from you
> how your campus is handling the 1.4% payback.
>
> For your information, I am enclosing three resolutions regarding budgetary
> matters that are going before our Senate at its meeting tomorrow."
>
> -- Rick Luttmann, Faculty Chair, Sonoma
>
> Name: Budget Resolutions
> Budget Resolutions Type: unspecified type (application/octet-stream)
> Encoding: base64
> Download Status: Not downloaded with message

Margaret R. Camuso

From: PPERSONS [PPERSONS@csuchico.edu]
Sent: Monday, December 17, 2001 1:38 PM
To: campussen
Cc: PPERSONS
Subject: University Budget Committee



University Budget
Committee.TX...

Dear Fellow Chairs: At CSU, Chico we have a University Budget Committee(UBC) that is charged with the formulation of budget policy. Currently the membership includes, academic senate officers, major committee chairs, statewide senators, president and three vice presidents, CFA campus president, student body president and vice president and staff council chair. I have asked that our UBC committee membership be augmented to include an additional student and a department chair from each college. We selected the additional chairs in our Executive Committee, getting a general consensus from deans, other department chairs and faculty of who was present during the past crisis and is considered a university leader. We want to have the process open and provide more input and channels of communication back to the campus community. We are going to meet on January 31, 2002, after the Governor Davis' January 10 proposed budget and on March 14, 2002. Other meeting will follow, but have not been scheduled at this time. At the January meeting we are to receive an update on the campus budget and a series of proposed budget strategies that would allow us to meet the cuts. I do not anticipate an "off the top" proposal, cutting each division the same percentage. We are asking for information that will allow us to establish budget priorities, understanding that the "patient" will loose a lot of weight but hopefully not any vital organs. Hope this helps. Paul Persons

Margaret R. Camuso

From: buckley [buckley@skymail.csus.edu]
Sent: Monday, December 17, 2001 12:08 PM
To: buckley; campussen
Cc: buckley
Subject: RE: Campus Budget Cutting "Principles"?



E_Campus Budget Cutting CUP_CutPrinciples.doc
_Pri...

On our campus, the President requested that our Council for University Planning recommend a set of budget cutting principles which would be used in making the "cutting" decisions. The Council membership includes representatives from all constituencies within the University, including six members of the Senate Executive Committee.

I have attached a draft version of the principles that were approved by the Council and forwarded to the President.

Bob

CSU, Stanislaus

Broad Principles for Budget Reductions - DRAFT

Approved by CUP on December 14, 2001

It is clear that significant budget reductions will be required for CSUS over the next two years. All efforts must be made to ensure ongoing, open communication among all segments of the campus community during this entire process. The broad principles below are recommended to the President for use in determining the distribution of the reductions. The first two principles are in priority order; the remaining groupings of principles are not prioritized, either within or among the groupings.

1. Institutional resources, unallocated at this point, should be used first before making any other budget reductions.
2. Insofar as possible, the layoff of tenured / probationary faculty or of permanent / probationary staff should be avoided.
3. The following principles are concerned with *enrollment management*:
 - Insofar as possible, current SFR levels should be maintained.
 - 2002-03 enrollment funding above **targeted** 600 FTES might be used for reduction.
 - CSUS should maintain its focus on access for students with particular attention paid to retention
 - CSUS should not exceed its budgeted FTES target in 2002-03.
 - Budget cuts should be made with sensitivity to **currently** enrolled programs.
 - CSUS should seek some flexibility regarding utilization of RCE programs during the summer term.
4. The following principles are concerned with *management of the budget reductions*:
 - **Facing a cut in funding and with no capacity to increase revenue, budget cutting will negatively affect both quality and access. Attempts to minimize impact on quality will impact access negatively and cuts, which minimize impacts on access, will impact quality negatively.**
 - The budget cuts should be viewed as a two-year, \$18 million issue.
 - CSUS should keep track of what it cuts or puts on hold, with the goal of restoring funding when times get better.
 - Across the board cuts should be avoided as the only solution; we should look at the impact of proposed cuts and at the ability of units to make them – strategic cuts.
 - Consider postponing rules that might be barriers to cost savings.
5. The remaining principles look at *possible areas for achieving budget reductions*:
 - Reassess contract agreements to see if anything can be postponed or cancelled.
 - Look at relationships with auxiliaries, e.g. rent to the University Union.
 - Examine “new initiatives” and cut back or eliminate where possible.
 - Consult with Chancellor’s Office on the possibility of deferring costly initiatives related to Accountability Goals.
 - Identify areas in which work is being done which are not longer useful to the University.

Margaret R. Camuso

From: buckley [buckley@skymail.csus.edu]
Sent: Monday, December 17, 2001 11:59 AM
To: campussen
Cc: buckley
Subject: Campus Budget Cutting "Principles"?



Campus Budget Cutting
_Princip...



Budget Resolutions



Budget Resolutions

The following is a request from Rick Luttmann from Sonoma State Senate
Chair:

"Colleagues: At the Statewide Academic Conference in San Diego, I mentioned during our Chairs meeting that our campus President has directed the budget cuts anticipated for this year be distributed by the same marginal cost formulas that are used for distributing general fund revenues. I asked if any other campus is doing this. Nobody said yes. In fact, several people were, in a word, appalled. Their campuses are resolved to touch instruction last, and in such a way that the least harm is done to it -- since it is, after all, our primary mission. There is considerably less flexibility, after all, to alter budgets at this late date on the academic side of the house.

But I didn't hear from everybody. I wonder if any campus is doing what we're doing -- which I consider rash and irresponsible, and which as usual was done autocratically with no input whatever from faculty, not even from established budget advisory committees. I would appreciate hearing from you how your campus is handling the 1.4% payback.

For your information, I am enclosing three resolutions regarding budgetary matters that are going before our Senate at its meeting tomorrow."

-- Rick Luttmann, Faculty Chair, Sonoma

To: Academic Senate
From: Budget Committee, Catherine Nelson, Chair
Re: Three Proposed Resolutions for the Senate

I. ACADEMIC SENATE OF SONOMA STATE UNIVERSITY

RESOLUTION

13 Dec 2001

WHEREAS the University supports a Development Office at an annual cost of approximately \$450,000; and

WHEREAS the University has budgeted an additional \$100,000 from the current budget to conduct a search for a replacement for the retiring Vice President for Development, \$65,000 of which will go to a "head hunter" and the remaining \$35,000 of which will go to incidental expenses; and

WHEREAS the University typically spends, by comparison, approximately \$3,500 on a faculty search; and

WHEREAS it is conventional in organizations which engage in public fund-raising that the cost of operating the fund-raising segment be borne by that segment; and

WHEREAS the University has been directed to pay back 1.4% of its General Fund appropriation for the current year, which is approximately \$740,000; and

WHEREAS the University has been informed that it will be subject to a budget cut of at least 5% and possibly as high as 10% for the next fiscal year; therefore be it

RESOLVED that the Academic Senate of Sonoma State University recommends to the Administration that the cost of operating the Development Office be borne by the funds which it raises instead of by the General Fund, which is more appropriately used for instruction; and further be it

RESOLVED that the Academic Senate of Sonoma State University recommends to the Administration that, pending implementation of the resolution above, an interim Vice President for Development be appointed so that high-cost search for a new Vice President for Development can be postponed until the resolution of the current budget crises; or alternatively that the scope of the search and its attendant cost be substantially reduced.

II. ACADEMIC SENATE OF SONOMA STATE UNIVERSITY

RESOLUTION

13 Dec 2001

WHEREAS the University has been directed to pay back 1.4% of its General Fund appropriation for the current year, which is approximately \$740,000; and

WHEREAS the University has been informed that it will be subject to a budget cut of at least 5% and possibly as high as 10% for the next fiscal year -- that is, between \$2.6 million and \$5.2 million; and

WHEREAS the Administration's policy on the distribution of General Fund revenues is to use the State Department of Finance's so-called "marginal cost formula", which apportions approximately 80% of the General Fund to Academic Affairs; and

WHEREAS the Administration has proposed that the budget cuts for this year and those anticipated for next be borne by the divisions through the same marginal cost formula; and

WHEREAS the primary mission of the institution is instruction; and

WHEREAS budget cuts during a year in progress are especially difficult to make because of commitments already made, above all those to students; and

WHEREAS the Academic Affairs unit has the least flexibility in cutting its budget unexpectedly; and

WHEREAS other campuses of the CSU are not distributing the budget cuts by the marginal cost formula, as there is apparently no requirement to do so; therefore be it

RESOLVED that the Academic Senate of Sonoma State University recommends to the Administration that the marginal cost formula not be used for apportioning budget cuts; and be it further

RESOLVED that the Academic Senate of Sonoma State University recommends to the Administration that every effort be made to protect classroom instruction as the highest priority, so that minimal harm is done to students; and be it further

RESOLVED that the Academic Senate of Sonoma State University recommends to the Administration that it not expect the already over-burdened faculty and staff to solve the budget problems by enduring a de facto work speed-up through reduction of faculty positions and/or increases in class size.

III. ACADEMIC SENATE OF SONOMA STATE UNIVERSITY

RESOLUTION

13 Dec 2001

WHEREAS the University has been directed to pay back 1.4% of its General Fund appropriation for the current year, which for our campus is approximately \$740,000; and

WHEREAS the University has been informed that it will be subject to a budget cut of at least 5% and possibly as high as 10% for the next fiscal year -- that is, for our campus, between \$2.6 million and \$5.2 million; and

WHEREAS the California State University system is being directed to grow by 4% next year despite a cut in state support as high as 10%; and

WHEREAS the mission of the California State University rests on the Triple Pillars of Access, Affordability, and Quality; and

WHEREAS it is manifestly impossible to maintain Access, Affordability, and Quality with such dramatic budget cuts; and

WHEREAS, though CSU fees are, as it is, among the lowest in the First World for a quality higher education, we philosophically dislike fees; and we believe that the original notion of the general plan for higher education -- that the education itself should be free -- is a good one, and that the victims of any fee increases will be those who can least afford them; therefore be it

RESOLVED that the Academic Senate of Sonoma State University cautions the Governor, the Legislature, the Board of Trustees, and the Chancellor that it is unreasonable to expect the campuses to educate more students with no increase in fees and a significant decrease in state support, without a serious and unacceptable decrease in quality; and be it further

RESOLVED that the Academic Senate of Sonoma State University strongly recommends to the Governor, the Legislature, the Board of Trustees, and the Chancellor that, to the extent that neither a greater level of state support nor an increase in student fees are sufficient, the University, however regrettably, limit access so as to facilitate providing to students at least the current level of quality in educational services; and be it further

RESOLVED that the Academic Senate of Sonoma State University advises the Governor, the Legislature, the Board of Trustees, and the Chancellor that they cannot expect the already over-burdened, over-worked, and under-paid faculty and staff to solve the State's budget problems by enduring a *de facto* work speed-up through reduction of faculty positions and/or increases in class size.