COMMITTEE ON BUDGET AND RESOURCE ALLOCATION

Tuesday, April 30, 2013

TO: The Executive Committee
FROM: The Committee on Budget and Resource Allocation (COBRA)
SUBJECT: 12-13 COBRA 4: Report of AVP Brian Cook’s responses to questions regarding DCIE
ACTION REQUESTED: That the Executive Committee share the report with the Academic Senate

BACKGROUND:
On April 15, 2013, AVP Brian Cook visited the COBRA meeting to respond to questions regarding DCIE. Attached is a summary of his responses to be reviewed by members of the Executive Committee and Academic Senate.
COBRA REPORT: Questions To and Responses From DCIE AVP Brian Cook Regarding DCIE

1. **COBRA**: What is the source of DCIE revenue?

   **AVP COOK**: Source of money is from CERF (continuing education revenue fund) which consists of several categories;
   
   a. Degree seeking
   b. Open university
   c. Contract extension (educational partners—e.g. teacher training)
   d. Non-credit certificate programs

   - DCIE at CSUEB has developed a strong relationship with all CSUEB colleges. This is not the case at all CSU campuses

2. **COBRA**: What was DCIE revenue in 2011/12?

   **AVP COOK**:
   
   - DCIE had 15.1M in gross revenue in 2012.
   - Bulk of revenue was from degree seeking programs.
   - DCIE no longer has a deficit.

3. **COBRA**: What is the DCIE cost model for direct and indirect costs?

   **AVP COOK**:
   
   - Cost model is self-support.
   - All staff and faculty cost are paid for by student tuition.
   - The cost recovery model involves both direct and indirect cost.
   - Transactional cost recovery model (see explanation below)
     
     o Brian indicated that CSU is mandated to charge back to DCIE services provided on stateside that support DCIE (e.g., faculty salary and other departmental resources used for DCIE).

     o In past years stateside took a percentage off of the top, but now it is transactional.

   - The cost recovery model is reviewed annually, and budget, Finance and VPs conduct the review.
4. COBRA: What is the process at CSUEB for developing/negotiating MOUs? In other words, are there specific guidelines for MOUs or are they developed and negotiated on a case-by-case basis?

AVP COOK:
- DCIE develops MOUs with the college Deans and department Chairs.
- There is a standard MOU that Brian prefers to use, but the standard MOU is not required—can vary.
- The budget reflected in the MOU is developed on a break-even model.
- When there is a surplus an agreement on the distribution of funds back to the college is established.
  o Surplus is placed in a CERF partner’s fund (transfer from DCIE to college).
  o There are regulations on how the funds should be expended, but the definition evolves year-to-year. The definition this year says you can spend continuing education dollars on anything that the university needs to run except faculty salaries.

Question: Since the cost recovery model is “transactional,” how is the proportion of surplus funds (the portion that goes to the college and the portion going to the department) decided when there is a surplus. Is this covered in the MOU in the event of a surplus?

5. COBRA: Are the existing MOUs public?

AVP COOK:
- MOUs are not confidential

6. COBRA: How do we track the workload and cost related to self-support students that are not directly borne by the departments?

  ➢ COBRA: A guest at the COBRA meeting noted that there should be reimbursement for specific workload related to DCIE, but there is little transparency on if and how this occurs. It was noted that, “DCIE generates more workload, but we cannot use DCIE funds to hire staff or faculty.

AVP COOK: Brian noted that the thinking has been that if DCIE reimburses colleges then this should free up other funds for hires.

  ➢ COBRA: Some COBRA members responded that, “While we are hiring more TT faculty, we are still seriously understaffed.” Moreover, this does not address workload incurred by academic support units may not be tracked and reimbursed.

-Question #6 will be referred to Provost Houpis.
7. **COBRA:** What guidelines exist for using the funds that are allocated to the Colleges?

**AVP COOK:**
- The distribution of funds are Governed by Educational Code 89704.
- Standard practice is for use of funds for development and use of self support programs.
- By law, funds cannot be used to hire state-side faculty.
- Staff work overload is compensated by overtime pay from DCIE.
- Brian suggested that when the MOU is developed all parties should clearly identify workload.