CALIFORNIA STATE UNIVERSITY, HAYWARD
Committee on Budget and Resource Allocations

Approved as presented

Minutes of the Meeting of November 7, 2003

Members Present:
   Dana Edwards, Kris Erway, Karina Garbesi, Armando Gonzales, Bill Langan (Chair), José A. López, Nancy Mangold, Saeid Montavalli, Bruce Trumbo, Don Sawyer, Don Wort

Guests:
   Cal Caplan, Neal Hoss, Mark Karplus, Frank Martino, Julia Norton, Norma Rees

(1) Agenda approved unanimous

(2) Minutes, approve as corrected.

(3) Report of the Chair
   No report.

(4) Review of Academic Affairs 03-04 Budget (Martino)
   2003-2004 Academic Affairs Preliminary Budget, Handed out.
   Martino: Budget contains a lot of detail. It presents some comparison to last year’s budget, but not long-term trends. The Budget has evolved as worse than ‘zero-sum game’. If we plot $/FTES spent by CSU (from all funding sources), there has been down-ward trend for a long time (in good years and in bad). There were about 3%/yr losses prior to the budget crisis. This ignores unfunded mandates, which imposed yet greater constraints. Enrollment growth funds have been available until this year. CSUH growth has been modest, so our share of CSU funding has fallen also fallen. Budgets have not covered the costs of actual enrollment growth. (We have become worse off in terms of constant dollars per FTES over the years.) Marks of this visible everywhere.
   Langan: If we include inflation (rather than looking just at dollars), the budget situation looks even worse.
   Martino: Yes.
   Rees: Moreover portions of funding that did grow as part of the “compact” with Governor Davis tended to be ear-marked, constraining their use.
   Martino: Starting his review of the Academic Affairs Preliminary Budget: The listed base allocation, reduction, SAPS come from the RBBR and are beyond AA control. SAPS are ‘fenced’ funds, allocated for specific purposes; these purposes may be specified before or after it comes to the division.
   Lopez: So these are different from funds that are ‘fenced’ by the state.
   Erway: Note necessarily, they can include funds fenced by the state (e.g. student aid funds).
Martino: Starting at row 8 the numbers are estimated. ‘Bank’ funds are rollover funds from the previous year, some of which had been previously constrained (e.g., requisitions in process). Martino passes these back to the unit from which they came. True of negative banks too; Martino requires that department debts be repaid. Line 11 is repayment from a unit that was in debt. Reserve contingencies (line 39 far too small). It is dangerous to have too many banked funds. It can be taken. Therefore rather we try to spend down accounts by various mechanisms: pre-buying, doing book purchases, putting money in postage meter, etc.

Trumbo: Where does flexibility lie? In statistics they frequently need to buy software. They have not been permitted to buy at end of year. They were required to do it under following year’s budget.

Norton: The rule is that you cannot pre-buy service.

Martino and Erway: Unclear why software would be considered service. Apparently the issue is the license.

Gonzalez: This is a ‘live document’ changes daily. What is listed here as excess funds are actually already spent.

Reichman: Can a version of the front page be produced that reflects the actual end of year expenditures for the last 5 years?

Martino: Martino does not have those data.

Martino: Next section is the allocation to the unit. The restricted funds are a reflection of history. The set aside for retired faculty came to $2.5M.

Langan: This was reflected in the college budgets. Specifically, the reduction in each of the colleges would have been a lot higher without the $2.5M set-aside.

Trumbo: Why is CEAS so different in budgeting than other colleges?

Martino: That college does things other don’t, inter-collegeate athletics and teacher prep, both of which require special allocations to fund. Those run between $600,000 and $1M a year. Depending on how much we’ve been given from outside sources for those purposes. There will be systematic differences in SAPS and other items for those reasons.

Lopez: The ‘joint docs search’ for $36,000 was a system wide grant to conduct searches.

Mangold: How is supplemental spending decided.

Martino: Through meetings with the deans. None of this happens without all of the Deans knowing about it. Before Martino allocations were made in individual meetings between deans and the provost. Now they ‘fight it out’ together. Most of the base allocations are based on history. The majority of the base allocation to the colleges is determined by an FTES based formula (FBF). The FBF evolved over time in dialog with deans. The purpose was to make funding to colleges at least weakly responsive to enrollment. It works by looking at detailed total enrollment. It is, however, not a mechanisms for deans to allocate to departments. This leaves the deans some latitude. The difference in costs per FTES among programs can vary by as much as a factor of 10, and it should be.

Trumbo: How does this vary among the colleges?

Martino: The variance among colleges is much lower, not even 2:1. The FTES-based formula ultimately gives a dollar-based budget to colleges. In addition there are other pieces to the allocation: equipment, staff, S&S, all of which also have a historic basis. The fraction of the allocation to colleges that comes from the FTES-based part
is on the order of 70%. This formula is always amendable to change; Martino welcomes suggestions. This and all formulae contain ‘perversanomalies’. Rees: The FTES-based formula is most useful as a tool to ensure that FTES meet ‘targets’ within the colleges. Martino: Describing the FTES-based funding formula to the colleges...

System-wide data are used to calculate, for three separate populations within each discipline, the mean student faculty ratio (\( ? \)) and its standard deviation (\( ? \)). The three populations are (1) lower division undergraduate, (2) upper division undergraduate, and (3) graduate students (a hypothetical frequency distribution for a single population within a single discipline is shown below).

CSU-wide SFR Frequency Distribution, By discipline for Lower Division Undergrads

CSUH data are then compared to the system-wide means and standard deviations to generate the total funded FTEF in steps.

For each population (p) within each discipline (d) of a given college the actual SFR, \( SFR_{pd}^a \), is compared to the system-wide SFR frequency distribution. A new value of the SFR, \( SFR_{pd}^f \), is set for use in the funding formula, based on how far \( SFR_{pd}^a \) deviates from \( ??? \). The values are set as follows:

<table>
<thead>
<tr>
<th>If the condition below is true, then</th>
<th>( SFR_{pd}^f ) is set to the value below</th>
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<tbody>
<tr>
<td>( ??? / 2 &lt; SFR_{pd}^a &lt; ??? / 2 )</td>
<td>??</td>
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<tr>
<td>( SFR_{pd}^a = ??? / 2 )</td>
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<tr>
<td>( SFR_{pd}^a = ??? / 2 )</td>
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From these a fundable FTEF, FTEF\textsubscript{pd}, is calculated for each population within each CSUH discipline as follows:

$$\text{FTEF}_{pd}^f \text{ ? } \frac{\text{FTES}_{pd}^a}{\text{SFR}_{pd}^f}$$

The total funded FTEF for each college, FTEF\textsubscript{total}^f, is then calculated from the sum of all of the individual FTEF\textsubscript{pd}^f within each college.

$$\text{FTEF}_{total}^f \text{ ? } \text{FTEF}_{pd}^f \text{ ? person ? years}$$

For some inexplicable reason this is called person-years (PY), rather than just persons.

To turn this into an actual allocation to a college the following steps are taken.

The actual college FTEF is calculated for tenure and tenure track faculty (FTEF\textsubscript{college}^a,TT). The full cost of T/TT faculty is allocated to the college.

The college’s FTEF for lecturers is then calculated from

$$\text{FTEF}_{lecturers}^f \text{ ? PY ? FTEF}_{college}^a,TT$$

The allocation for lecturers is calculated by multiplying FTEF\textsubscript{lecturers}^f by CSUH-average salary for full time lecturers.

Until recently, we have been able to fully fund the formula. Last year we funded at 0.98 of PY, this year we funded at 0.97 of PY.

To preserve flexibility, the deans are under no obligation to fund departments according to the formula. They are allotted a lump sum and distribute it at their own discretion.

Martino: In most cases the SFR for lectures is 150% the average SFR for TT.
Langan: How many departments exceed the 1/2 standard deviation.
Martino: About 50% above, 18% within, 32% below. Returning to the discussion: So the FTES-based funding discussed before covers 70% of the total allocation to the colleges. The remaining 30% includes staff salaries, equipment, etc. Those allocations are based on history. One college totally restructured and saved a lot on its staff.
Sawyer: How many person years (PYs) of entitled lecturers do we have.
Martino: About 100. Important warning: You can’t eyeball this. It can be counterintuitive. It is possible for FTES to go up and PY to go down. If FTES go down in high SRF disciplines will get more PY.
Langan: Can we get figures for the last 5 years of the college sum PYs.
Gonzalez: Yes.
Langan: It would be good to compare FTES and PYs
Martino: Responding to discussion. The growth money received this year was almost exactly the cost of entitled faculty set aside.
Reichman: A few campuses that decided to do zero growth, have been the hardest hit by the cuts.
Mangold: Now we know about the colleges. What about the base allocations for all of the other units?
Martino: Those were based on 1990’s values, and have been cut from there.
Rees: This was necessary to protect entitled faculty.
Martino: Enrollment services gets on the order of 600 calls per day. ES is down 16 people. It bore the entire cut last year and the brunt of cut this year.
Langan: Shall we defer rest of agenda to next meeting to continue dialog with Martino.
Group: Agrees.
Gonzales: There is also a formula to allocate the $300,000 in equipment.
Rees: We are in better shape than other CSU’s because we don’t give sports scholarships.
Garbesi: You give a much detail on Supplemental and Restricted funds but very little on other categories. Why?
Martino: The other monies are determined formulaically in large chunks. Martino expects of the deans no more than reasonable enrollment and fiscal solvency. The approach has been to cut as much as we can from all other divisions.
Lopez: We will be getting details on college budgets from the deans in future meetings?
Langan: Yes.
Martino: Continuing with description of the Academic Affairs Preliminary Budget.
FERP SAP, Faculty Research SAP (was an addition made a while back to subsidize some of the faculty research programs because funding for them had dropped). Academic Programs and Graduate Studies are responsible for many activities.
Directors salaries come out of their base. Academic Affairs is the Provost’s office, mainly salaries. Academic Resources is Gonzalez group, which operates SAIL, and runs the student system at lower cost than anywhere else.
Reichman: Costs will increase when CMS is implemented.
Martino: SAIL system will ultimately die, we will have to get something. We need to find some way to install a new student system. We did a great job last time and will this time. Continuing with items on the Preliminary Budget... Contra Costa Center is just to run the Center, the cost of teaching are in the deans’ budgets here. Peter Wilson is the new dean. Enrollment services have been very hampered by staff losses, but there have been great improvements at the same time; it is run by Bob Stroebel. Enrollment Services has been cut this year less than before. ICS/ MATS are for both administration and instruction. John Charles runs ICS. Roger Parker runs MATs. The Oakland Center reports to Jim Kelly. The Student Center for Academic Achievement is jointly managed by Student Affairs, they pay their part (70%AA/ 30% SA). The same is true for the University Advising Center.
(5) Next meeting, November 21

(6) Meeting adjourned, 11:05 am.

Respectfully submitted,
Karina Garbesi, Secretary