CSUB Budget Forum
February 11, 2010

Information and Dialogue
In the Context of Significant Long-term
Reductions in State Funding – Part VI

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President
This is the sixth in a series of campus budget forums we have held since April 2, 2009:

- **Part II**  June 15, 2009
- **Part III**  July 22, 2009
- **Part IV**  September 9, 2009
- **Part V**  October 7, 2009 – Budget Forum for Students
- **Part VI**  February 11, 2010
Agenda

1. Context – State and CSU Budget Pictures
   (from January 2010 Board of Trustees presentation)
2. Recap of 2009-10 CSUB Budget
3. Issues and Planning Assumptions for 2010-11 CSUB Budget
4. Strategic Priorities
5. Projected Budget Reduction for 2010-11
6. Our Fundamental Question
7. Proposed Actions to Address 2010-11 CSUB Budget
8. One Bit of Good News
9. Discussion
State Faces New Budget Gap

- Governor’s Budget addresses $19.9 billion gap.
  - $8.5 billion spending cuts.
  - $6.9 billion new federal funds.
  - $4.5 billion “alternative funding,” fund shifts and other revenues.

- Fiscal environment extremely challenging
  - Easy choices are gone; most one-time tricks exhausted.
Governor Gives Strong Priority to Higher Education

- Despite fiscal challenges, Governor proposes major restoration to the CSU. Total General Fund increase of $377 million.
  - $305 million to restore one-time 2009-10 cuts.
  - $60.6 million for 2.5% enrollment growth (contingent on federal trigger).
  - $11.9 million for technical adjustments.
2008-09 and 2009-10 amounts do not include $717.5 million “retroactive” cut to 2008-09 appropriation, since this is offset by one-time federal funds.
Triggered Cuts if Federal Funds Fall Short

- If federal funds fall short, budget proposes list of $4.6 billion of “triggered” cuts, including:
  - CSU and UC enrollment growth.
  - Elimination of state’s welfare program--CalWORKS.
  - Elimination of In-home Supportive Services (IHSS) program providing in-home care to 430,000 low-income elderly and disabled Californians.
  - Elimination of Healthy Families program providing health insurance for 900,000 low-income children.
Budget Gives CSU Great Starting Point

- The Governor’s proposal gives the CSU a great starting point in January.
- Overall budget context, however, presents real challenges for securing ultimate legislative approval.
- Budget season will be long and filled with contingency.
- Advocacy for the CSU and higher education will need to be sustained and focused.
Recap of 2009-10 CSUB Budget

Projected Budget Shortfall ($13.5M)
Adjustments
• Student Fee Increase Income 3.2M
• CSU/UC Equalization 1.9M
  Net Budget Shortfall ($8.4M)
Additional (late) Budget Adjustment .6M
Final Budget Shortfall ($7.8M)

Actions to Address Budget Shortfall
• Savings from Furloughs 4.9M
• Program Reductions 2.9M
  0
Issues and Planning Assumptions for 2010-11 CSUB Budget

Unresolved issues include:

- **Furloughs** – continuation of furloughs for staff and faculty is still unknown and must be negotiated with 8 unions systemwide.

- **Enrollment** – CSU has mandated a 6% enrollment reduction for CSUB. Enrollment will be reduced by 40,000 students systemwide.

- **Student fees** – an increase in fees is still unknown. However, the governor’s proposed budget assumes a 10% increase.

- **Mandatory costs** – there will be an increase in mandatory costs for items such as employee health insurance.

- **New funds** – the amount of additional funding, if any, from the state is still unknown.
Strategic Priorities

1. Serve as many students as possible honoring our academic mission and our role as a regional comprehensive university.

2. Facilitate graduation for current students by increasing access to courses and sections required for graduation, especially for seniors.

3. Ensure all department / program budgets are consistent with available resources, and determine priorities within departments / programs.

4. Support faculty and staff as we work together to address our new reality.
Our Fundamental Question:

What can we afford to continue offering and / or doing, with quality, given our strategic priorities and current and anticipated long-term resource base?
Projected Budget Reduction for 2010-11

Current CSU Planning Assumption

1. Permanent reductions to replace furloughs $4.9M
2. Reduction in student fee income due to 1.5M
   6% enrollment reduction

Total $6.4M

However...
If furloughs are continued: delay $4.9M cut
   If enrollment reduction is not implemented: no $1.5M cut
If 10% fee increase is approved: + $1.7M
   If additional state funding is allocated: ??
Proposed Actions to Address 2010-11 CSUB Budget

1. **Continuation of current restrictions** on hiring, travel, purchasing and pay increases.

2. **Not filling management positions**, e.g., in Academic Affairs (assistant vice president for GRASP), Student Affairs (associate vice president, dean of students) and University Advancement (assistant vice president); and/or eliminating positions, and/or doubling administrative responsibilities, e.g., NSM Dean and GRASP administrator; Dean EUD and Interim Dean School of Education.

3. **Not filling staff positions** throughout all areas of the university.

4. **Consolidating administrative units** (career development and service learning).
Proposed Actions to Address 2010-11 CSUB Budget

5. Reducing or eliminating services (BAS, Library, IT)

6. Reducing operating expenses, software maintenance and license agreements.

7. Partnering with other CSUs and community for synergy and economies of scale in purchasing and/or services.

8. Suspension of winter commencement exercises.

9. Discontinuation of four sports programs at the end of the 2009-10 academic year: men’s and women’s golf, women’s tennis, and wrestling.
Proposed Actions to Address 2010-11 CSUB Budget

10. **Reductions in workforce**, based on whether or not furloughs are continued.

11. **Exploration of a proposed change in the academic calendar from quarters to semesters.** With reductions in faculty and staff positions, one advantage of the change would be that many administrative processes such as admissions, financial aid allocation, registration, fee payment and faculty advising would occur twice each year rather than three times.

12. **Other program reductions as necessary** to align budgets with available resources.
One Bit of Good News

CSUB will receive $1,738,400 of one-time stimulus funds for adding critically needed courses and sections in fall 2010 to assist students in progressing toward completion of their degree.
Discussion