

**California State University, Chico**  
Academic Senate  
(530) 898-6201, Zip 020  
MEMORANDUM

**UNIVERSITY BUDGET COMMITTEE MINUTES**

December 8, 2016, 2:30-5:00, K-207/209

*University Budget Committee meetings are recorded. Traditionally the written minutes consist of a summary of topics discussed. For more detail, listen to the audio file [here](#). Time stamps for each agenda item are provided in parenthesis for convenience. For accessibility questions, please contact the Academic Senate Office.*

Chair Boyd greeted everyone at 2:36 (6:02).

She observed that the committee was breaking the mold a little to meet on Thursday but this was an attempt to promote attendance and transparency.

**1. Approve Minutes of September 16, 2016.** (7:00)

[http://www.csuchico.edu/fs/ubc/12-8-16/ubc\\_minutes-9-16-16\\_approved.pdf](http://www.csuchico.edu/fs/ubc/12-8-16/ubc_minutes-9-16-16_approved.pdf)

Corrections were made to the reporting of the 2016-17 residential annualized FTES target on the top of page two and a spelling ambiguity on page eight.

Minutes were approved as amended.

**2. Approve Agenda.** (10:28)

[http://www.csuchico.edu/fs/ubc/12-8-16/ubc\\_agenda12-8-16.pdf](http://www.csuchico.edu/fs/ubc/12-8-16/ubc_agenda12-8-16.pdf)

Agenda was approved.

**3. Budget Building Timeline and Process – Discussion Item (Boyd/Hutchinson).** (10:42)

[http://www.csuchico.edu/fs/ubc/12-8-16/ubc\\_slides\\_final\\_%2012\\_8\\_16.pdf](http://www.csuchico.edu/fs/ubc/12-8-16/ubc_slides_final_%2012_8_16.pdf)

Boyd welcomed President Hutchinson to describe how UBC can be proactive not only for information sharing but also to promote understanding and interactive input that will inform final decisions.

[SLIDE 14] Hutchinson referred to this slide to direct her discussion of when exactly the time for input about the CSU University budget cycle is most desirable. She offered a caveat that this year changes in approach to budget and budget conversations will be somewhat delayed since she needs to understand how the cycle works at Chico and then with input, determine how the process can be tweaked to promote more timely consultation from this body and others on campus in the future.

She pointed out the monthly cycle and concluded that generally in July sometime, after the CSU has done a lot of processing, Chico gets notification of its budget. This then necessitates much internal accommodation and then traditionally the Departments will get their budgets in November (which she thought was very late). She noted that this year, Jim Hyatt, Stacie Corona, Jeni Kitchell and others had been able to deliver numbers by October.

This yearly cycle underlines the need for UBC to meet in a way that coincides with the opportunities when input can be optimized during the annual pattern created by the Governor and legislature. She said

that UBC feedback in January and February and going into May is critical as the governor's budget comes out and is revised and gives an idea of what the CSU is going to get.

January is also the time this year when the Board of Trustees will vote on a tuition increase for students and other state level conversations are ongoing. This is a time of year when Chico state should be thinking of prioritizing new money (if it comes) and continuing conversations through May. Then Cabinet should prepare for the allocations we will receive in July.

Rethinking our new strategic plan in the Spring then becomes the way we do resource allocation and by doing this for the long term we will not be limited as much when we respond to whatever type of increases come later from the state (which can be very small). UBC can have input into conversations about University priorities and allocations this way as well. We should continue to think about how this will work at Chico and organize UBC meetings to promote this necessary interaction.

Boyd pointed out that already this year we shuffled UBCs schedule to meet in December after the Board of Trustees had offered a support budget request in November, so that we have more information that can be relevant to this campus. We may shift the next UBC meeting to later March to catch the later Board of Trustees meeting as well. We might form a subcommittee to bring ideas to UBC next semester for action so that UBC can become a formal recommendation body to the President. These ideas can be put into motion this year so that next year we can begin to fine tune them. Hutchinson said she really welcomed this kind of input and recommendations to Cabinet based on sound analysis and strategic prioritization.

Boyd asked for questions and ideas about building consultation.

Bell suggested that there is information we are not getting in the documents provided for today. We did not get a report about how last year's budget actually worked –what divisions were in the red, what divisions were had surpluses? He thought the first meeting of the Fall should depict what happened last year. This can underline problems, tell us where expenses have gone up dramatically, and where we need to allocate differently. We should have some analysis that is all in the same place to tell us about budget amounts and expenses. As it is now we have different places and formats to compare –it might be nice to see a balance sheet with budget and expenditures and net.

Jim Hyatt said that one needs to look at actuals and not just budget by itself. Certain items come in that are not budgeted and actuals will reflect that. There are rules to accommodate repetitive expenses (like utilities) and so, the budget for 16-17 is compared to the actuals of 15-16. Hutchinson added that once we have the strategic priorities up and running for the next ten years we will not just look at actuals and budgets but how they align with the priorities that will allow us to mark our progress over a greater timeframe.

Hassenzhal asked what Hutchinson thought the role of the two new Cabinet officers we will be hiring will have in defining the priorities of the budget as opposed to future budgets. Hutchinson said it will depend when they arrive and that if they did not arrive before July that the current Cabinet will probably make the determinations. She thought that the new arrivals should be expected to share our core values, which include communication and transparency.

Selvester thought Bell's idea about creating some picture of budget and expenses in the Fall would help to create some continuity that we have been missing. Hutchinson said it made sense to close the loop so that Cabinet is accountable for the allocations they make to meet our priorities. This will help us set the context for the coming year.

Boyd reminded audience members how they could participate in the UBC meetings. She hoped people would communicate their ideas about ways we might improve our processes today or later.

**4. Enrollment Update (Hyatt/Kitchell). (26:50)**

[http://www.csuchico.edu/fs/ubc/12-8-16/ubc\\_slides\\_final\\_%2012\\_8\\_16.pdf](http://www.csuchico.edu/fs/ubc/12-8-16/ubc_slides_final_%2012_8_16.pdf)

**a. 16/17 Campus Budget Plan – Review Allocations by Division.**

[SLIDE 2] Jeni Kitchell began with an introduction to the presentation and speaking about the 16/17 budget which was finalized.

[SLIDE 3] She noted the Budget Plan is available online which describes the \$211M General Operating Fund Budget divided into allocations by Division.

[SLIDE 4] The 2016-17 Budget Planning Summary is outlined in detail in Exhibit II.

[SLIDES 5-6] show the allocations by Division. The details of this appear in Exhibit II which has line item details about what changed by Division and the University overall based on information received from the Chancellor's Office about the new moneys received in specific categories. The overall Operating Budget of \$211M goes into two categories of allocations: 1). Centrally Managed (\$41M) [slide 5] and 2). Allocations by Division (\$170.3M) [slide 6].

Centrally managed finds are not managed by a Division and they serve the University overall, or are for a specific purpose. For example, financial aid which is almost half of these funds is \$23.3M and the majority of this is the State University Grant going directly to students. The health services fees are paid by student fees that are specifically for the health center. The CCF is the Consolidated Course Fee; SLF is the Student Learning Fee; and the MBA fee is specifically designated for the business program. Enterprise Systems is a centrally managed fund for technology infrastructure on campus.

CCF and SLF go to the academic program but they go directly to the activity for which the students are paying.

[SLIDE 6] the Allocations by Divisions goes to salary, benefits and operating expenses.

Chuck Zartman asked if this \$41M [slide 5] rests in Business and Finance. Jeni Kitchell replied that they are centrally managed and said that the Other and Misc. categories were very small costs that are paid for by Cabinet. She added that we lease off-campus space and that is not reflected in any division expenses.

Bell remarked that the note of Utilities allocations was an example of how it is hard to gauge exactly what is going on without the actuals. The amount for Utilities is exactly what was budgeted for last year. Hyatt answered that the budget estimates what is happening over time because the

actuals vary either more or less in a year. One adjusts these items based on three or five year trends.

**b. 17/18 Support Budget Plan – Board of Trustees Request. (34:56)**

[SLIDE 7] Hyatt introduced the 17/18 Support Budget Plan that he called the “Ask”. This is the plan by which the Board of Trustees ask the Governor for funding for 17/18. This slide provides links to these requests.

[SLIDE 8] Hyatt described the Incremental Expenditures that are all adjustments to the Base Budget. These include money toward the Graduation Initiative, the Compensation for Current Commitments that we know we have and for New Compensation, which includes compensation FOR OPEN CONTRACT. The Enrollment Growth is a place holder for an estimate that is not a guarantee nor a given. The Facilities and Infrastructure line is a request to address deferred maintenance on campuses and this is crucial to Chico as we are the second oldest campus in the system (though this is only a beginning toward our needs). Mandatory Costs are related to expenses like dental health, the Fair Minimum Labor Standards Act and other costs.

The total being asked for is \$343.7M to add to the base. This amount is predicated on the belief that the Governor will continue to fund the CSU at the level he has for the past three years (\$157M) plus the addition of tuition revenue through Enrollment growth (\$18.8M) and the Additional request of the Board (\$167.7M). The Board of Trustees did not bring the possible Tuition Increase (\$77.5M) forward in November but will hold off until January or March to decide. This would add about \$270.00 per resident student to their tuition.

[SLIDE 9] Graduation Initiative 2025: \$75M permanent base funding. About \$35M was already given in temporary funding and the expectation is that the Governor will give enough to make this permanent.

This is a big ask since it is predicated on the ambitious goals of moving the four year graduation rate for the system as a whole from 19 to 40% and raising the six-year rate from 52 to 70%. There are five priority areas of the initiative (listed). This funding will be additional to what we have already received and will make what we received temporarily, permanent.

[SLIDE 10] Compensation Increases which includes Current Contracts at \$139.1M (the Chancellor’s Office compensation and the June and July contract increases) as well as the Open Contracts & Non-Represented Staff \$55.1M. The Chancellor’s Office funded 1% of the current contracts increases onetime and we funded \$1M ourselves which will be an ongoing cost for us.

[SLIDE 11] Funded Enrollment refers to a 1% student enrollment growth which is described specifically in this slide. This is an “ask” from the Governor which he can decide not to fund and then the legislature can step in and require it.

[SLIDE 12] Academic Facilities Infrastructure is critical to address and is not a lot of money, given the backlog of deferred maintenance we have across the system. This \$10M will fund @\$150M in capital projects by utilizing debt funding of capital. This is a new technique since in 2014 all capital improvements were moved from the State level down to the system level. This means the system must create its own structure for capital projects (which will depend on interest rates and the

issue of bonds). This will not really address the system backlog of maintenance projects which is @\$2B.

[SLIDE 13] The Mandatory Costs of \$26M is a place holder since health benefits and the like continue to rise. The largest place holder is Federal and State Mandates that include minimum wage, the FLS Act and the like that need to be anticipated since they are a liability even if they have not been budgeted.

Hyatt asked for questions.

Chuck Zartman asked if the \$343M requested by the system was an 8, 9 or 10% increase. Hyatt referred back to [slide 8] to observe that the Governor three year plan had called for 3 and 4% increases. The Trustees Additional Request this year is about an 8 to 10% increase over the Governor's Funding Plan (\$157.2M vs. \$167.7M). Projections about California's future earning vary. The Legislative Analyst's Office has traditionally been more optimistic about the next three years than the Governor's Department of Finance.

Zartman observed that the case to the legislature is to say that we are 8% short to do what we need to do. Hyatt said that our budget includes what we would like to do as well. For example, the CSU is asserting that increasing the graduation rate will cost a certain amount.

Zartman asked if it were true under Mandatory Costs [slide 13] that dental was three times the cost of medical and Jeni Kitchell noted that the CSU bares 100% of the cost of dental and these have been rising whereas employees are assuming the expenses for medical more.

Hyatt observed that benefits are about 40% of salary costs which is really high.

Jed Wyrick asked why the federal and state mandated cost of \$26M was a place holder, what happens if the amount is less? Hyatt noted that the chances that the Governor will fund the whole budget are slim and it is better to ask for the full costs. Wyrick noted that it would be important to compare what was funded in previous years and at what rate. Hyatt explained that this is a projected budget which is different from what the actual budget has been.

Jeni Kitchell explained that the CSU has estimated the costs for system-wide mandates. Examples are the changes in student minimum wages and also the FLS Act that we will have to pay whether the Governor will cover the cost or not.

[SLIDE 14] Hyatt explained how this slide depicts the long process to move toward the June budget. He noted that finishing this early has been common the last several years, but he has seen them finished as late as October. We are at the November piece of the process and in January the Governor submits his budget to the legislature and the Legislative Analyst will look at it with a critical eye and report their analysis in February.

The Governor's May revision will demonstrate the meeting of the minds between the legislature and the Governor and the state budget is passed in June, hopefully.

On the CSU side there will be a Board of Trustees meeting in January and they will take action in March.

Jed Wyrick asked if it were a good strategy to ask for so much money (\$70M) for the Graduation Initiative in this category when much of the money was not really needed particularly for this purpose but, for example, for the ongoing needs for more advisors. Hyatt thought that this was a way to depict our needs in the nomenclature that the Governor and Legislature wanted. The original funds were only one time money and did not accommodate our requirements if this is to work over time.

**c. 17/18 Enrollment Planning (Fortin/Kitchell). (55:31)**

[SLIDE 15] Barbara Fortin described how the Chancellor's Office has directed that Chico State plan for no increase in enrollment growth next year. Although the Trustees budget request is for a 1% enrollment increase for 2017-18, our annualized resident FTES funded target will remain 15,197.

Working with Institutional Research, Fortin has looked at past planning to guide planning for this next year. She reported that Bill Allen created a robust spreadsheet with many formulae (ie. FTES multipliers, etc.) to inform such planning. This will set consultative processes in motion for enrollment planning. These are listed on the slide and Fortin noted that she would add the Executive Committee under bullet two beside visits with Cabinet, the Provost's Advisory Council, Student Affairs and Business and Finance. She will then include the Enrollment Management Advisory Committee, Graduate Studies and the Office of International Education in the conversations.

She emphasized that it was traditional to incorporate a 1% above target planning buffer as state budget negotiations might change things from January to June. This target change in mid-course has happened in the last two years. In 2015-16 and 2016-17, we received two target changes –the last were both in July.

This impacts decision making about questions like: how many first time students should we admit, how many credential students, and other questions. Changing course for certain categories of students in the summer is extremely problematic since most of our enrollment is built toward the Fall.

[SLIDE 16] This slide outlines how Enrollment planning moves through an annual cycle. This work begins with analysis of Fall enrollments to consider what will be happening in the Spring. She observed that experience has taught that it is very difficult to start to build enrollment numbers in the Spring. The target of Spring numbers is transfer students, who are also challenging to evaluate.

Boura asked if there was a plan for growth to attract international students. Barbara Fortin suggested that Boura consult with Frank Li. Ward added that we are down about 200 from where we were a few years ago. He said that Frank was working with a committee to increase enrollment by some 200 next year. Fortin added that she is laser focused on resident FTES, while remaining mindful of other populations.

She provided a chart on [slide 15] that compared enrollment targets with enrollment actuals back to 2006.

Bell asked about the budget we get from the state and wondered what the consequences were if we did not hit the enrollment targets provided. Jeni Kitchell answered that the target the Chancellor’s Office provides is only the resident piece. The relationship of actuals to targets has never been missed that she is familiar with because Chico is quite conservative. Since that money is being spent already, the results would be quite negative.

**5. AA/SA Graduation Initiative Budget Allocation Update.** (Loker; time certain 3:30) (1:05:22)

Boyd introduced Bill Loker to discuss the Graduation Initiative budget and current one time allocations.

Loker began by identifying the people currently helping with the process of selection.

The Provost and the Vice President for Student Affairs designed a team of five from each of their divisions to strategically recommend how to spend the money. (Academic Affairs: Debra Barger; Rick Ford; Arno Rethans; Bill Loker; Eddie Vela from Student Affairs: Kaitlyn Baumgartner; Pedro Douglas; Barbara Fortin; Chela Patterson; Daniel Parks). This group has been evaluating requests for funds and making recommendations. This group does not have the final say in how the money is spent.

This group has been meeting weekly to make recommendations about proposals that are in line with the plan submitted to the Chancellor’s Office:

Graduation Initiative 2025 Goals CSU Chico

<u>Metric</u>	<u>2025 Goal</u>	<u>Most Recent Rate</u>
Freshman	6-Year Graduation 74%	64%
Freshman	4-Year Graduation 41%	26%
Transfer	2-Year Graduation 43%	31%
Transfer	4-Year Graduation 86%	76%
Gap - Underrepresented Minority	0	9 % points
Gap – Pell	0	10 % points

Along with these aspirational and ambitious targets came the promise of one-time money. We received \$1.3M from the State of California to work on short term rates. Our Campus plan was due on September 2 and the system plan by the 30<sup>th</sup> (\$35M from Dept. of Finance). This money was released last week.

<http://www.csuchico.edu/gradinitiative/grad%20initiative%202025/index.shtml>

Executive Summary of Goals & Strategies CSU Chico

Long-Term Goals

- Advising
- Data Access and Utility
- General support services
- First year freshmen
- Teaching practices

Long-Term Strategies

- Accelerate roll-out of e-Advising tools
- Update/ improve data warehouse & reporting systems
- Expand supplemental instruction
- Expand First-Year Experience programs & related efforts
- Support faculty development efforts aimed at improved

## teaching practices

### Short-Term Goals

- General support services
- Targeted support services
- Enrollment management

### Short Term Strategies

- Expansion of courses and additional staff for supplemental instruction
- Offer additional sections of mentor-supported First-Year Experiences for URM/ first generation students
- Create predictive model of seat demand for in targeted courses incoming transfers and consult to increase number of seats

Consultation of various types has been going on with the Chairs and Deans and the Graduation Initiative Team. The Registrar generated a list of approximately 80 students close to graduating in 4 years. These students were offered a reduced fee to file for graduation. Exploration has continued about offering additional sections of courses in the Spring and during Winter Intercession and possibly into Summer session.

Loker then offered a Spreadsheet with a number of large budget items:

- 1) Immediate expansion of supplemental instruction (through Student Learning Center)  
Approximately \$90,000 was committed
- 2) A request from academic advising to increase the number of U-Courses which have such documented success with first generation students and URMS  
This money will plan for and train new faculty to do these courses for the Fall
- 3) \$475,000 will be provided to pay for additional course sections for students identified as on the cusp of graduating
- 4) Robust number of upper division courses for transfer students  
Target of about 1000 transfers will need courses to keep on track for 2 year graduation  
\$415,000 committed for Spring semester courses (impacts five of the colleges)

One of the emphases of the Chancellor's Office to impact short term goals included promoting technology, data collection and improving the tracking of students progress to degree at our institution. This is one time money that was used to improve the information systems on our campus to assist students and help us evaluate our work as well. We used this money to invest in short term temporary people to help us with People Soft technology.

- 5) Providing RCE with funds to identify students about to graduate and give them discounted courses for Winter intercession (@ \$500.00 per person). This has resulted in increase enrollments for intercession\
- 6) Target efforts to minority males (help in the Student Learning Center)
- 7) Orientation and advising materials
- 8) Money for specific retention activities

We are working to spend the \$1.8M we have been given being conscious that we will have to explain way we spent the funds the way we did especially to reduce our two year and four year graduation rates. Loker did not believe that we would be able to have great impact in the short term, but thought we could

pilot good practices and learn from them.

Hassenthal noted that we might spend some of the money that remains on what the Center for Healthy Communities has identified as a strong correlation between students with food security and various measures of student success. He hoped we could intervene this semester. Loker said that other Universities have successfully used mini grants for students to keep students in school.

Sistrunk wanted to heartily endorse this notion of giving direct aid to students. On more mundane matters, he reported that he has heard reports from faculty who teach U-courses that they do a lot of work that is not compensated. He wondered if Loker was working on this dimension of making such courses function. Loker said that faculty are given funds to learn to develop such courses and can get support.

Boyd asked how we will report back about how our one time money was spent? Do we have money set aside for this? Loker said we did not have money set aside for this. He said there is a hope that this money is not one-time, but that it will be extended so measures could be developed.

Susan Avanzino thought the challenge and the difficulty of the work on U-courses kept her department from participating in them. She thought that support was needed throughout the semester and not just as the courses commenced. She also thought that the extra expenses fell on departments and were prohibitive. The workload did not compare to other courses, either and U-courses are not as efficient of faculty time. Thus, although there are good things about them, they need more material support.

Angela Trethewey said that in the School of Education there is an emergency fund for students in crisis funded by faculty. It is highly successful.

Ward reported that one of our sister campuses has a short term bridging loan program to help students. He noted that sometimes \$500 or \$1000 could keep a student from losing their registration. Stacie Corona said that we do have short term ways to help students get extensions on their fees, but that perhaps many don't know these are available. Barbara Fortin added that micro-grants can have great impacts. She said the graduation fee waiver was a very good idea and she knew of students who had held off graduation because of it.

Boura said that if he had data we could create great help students easily.

Debra Barger said she had created 500 need based grants that students could use to attend Winter intersession. She still had a list of some 2000 waiting.

## **6. AA Budget Model Update (Ward/ Rethans). (1:38:05)**

[http://www.csuchico.edu/fs/ubc/12-8-16/ubc\\_12-8-2016\\_aa\\_allocs16-17\\_final.pdf](http://www.csuchico.edu/fs/ubc/12-8-16/ubc_12-8-2016_aa_allocs16-17_final.pdf)

Boyd introduced Arno Rethans and Mike Ward to discuss the Academic Affairs budget model. Rethans explained that we were to do three things in this presentation:

[SLIDE 1]

1. Give an update of the anticipated allocations mentioned at the last UBC meeting
2. Explain where we are in the process of recalibrating the model (now called the SCA model) (“Sustainable College Allocation Model” or “Superbly Calibrated Allocations Model”)

3. Give some real numbers to illustrate the model (this is the numerical instance presented below)

**a. 16/17 AA Budget Allocation.**

[http://www.csuchico.edu/vpaa/planning/resourceallocation/ay\\_16-17.shtml](http://www.csuchico.edu/vpaa/planning/resourceallocation/ay_16-17.shtml)

[SLIDE 2] Rethans explained how the initial planning numbers for Base Plus Sources was suggested last time to be @\$120M and now it is \$125,102,937. The pie chart of 16-17 Allocations by Divisions has been clarified and Academic Affairs has been allotted its share. The Total Base Sources of funds appear here and Academic Affairs total Base has been assigned \$121,380,420. The share of the excess projected fee revenues that remained from FTES enrollment vs. actuals last year has been shared out to Academic Affairs at \$2,742,545.

Finally, there are unfunded compensation increases that the Provost decided this year will be paid from the Reserves (\$979, 972) which we have asked to compensate next year in the support budget. If that is not funded coupled with other liabilities we will be down about \$2.3M.

The new model that helped determine Uses is not formulaic in that the numbers were not just plugged in, but the model informed and recommended actions to the Provost. This brought us to the Total Base Uses of \$122,390,281. Ongoing Uses that persist a year or two add to the Total Base \$124,882,245. Assessment was originally seed money required by WASC, but it has since become an expectation so much so that some will not do assessment unless paid for it. There are also One Time Uses that could be withheld if needed that amount to \$1,356,664. What this means, given that the Provost decided to use one time money to backfill some of the Units, we are about \$1,135,972 in the hole. If this gets base funded next year we should be in better shape.

Hassenthal asked to clarify that we are using @\$1.1 out of reserves that makes about \$2M in total if you include salary.

[SLIDE 3] shows how to drill down in Academic Affairs to monitor Allocations by Colleges and Support Units. This shows the initial Base Allocation of \$66M and how distribution of onetime money and other sources listed above. Rethans pointed to the allocations given to the College of Agriculture and concluded with the 2016-17 Lottery funds distributed (\$35,000).

Meadows asked how Lottery funds were distributed. Rethans answered that before he came to Chico, these funds had to be carefully reported and this became so complex that most of it goes to the Library as a natural way to enhance the learning environment. Meadows noted that in the past, she had lost lottery funds as a Chair of a Department.

Boyd thought an explanation of Lottery funds would be useful. Ward explained that there is a formula from the State Lottery commission that awards our campus a certain amount of money as part of the system annually. These are fairly flexible dollars in the way they are spent.

Rethans concluded that he had described how funds are distributed and pointed out the notes at the bottom of [slide 3] that show other centrally managed sources of funds for the Division (Course Fees, Student Learning Fees, funds directed to units, Rollover, CERF, Reimbursement and Cost Recovery, Fee Revenue, RF/UF Funds and Annual Funds).

**b. 16/17 AA Budget Model Process and Parameters Review – Discussion Item.** (1:52:14)

[http://www.csuchico.edu/fs/ubc/12-8-16/ubc\\_12-8-2016\\_aa\\_alloc\\_model\\_revisited.pdf](http://www.csuchico.edu/fs/ubc/12-8-16/ubc_12-8-2016_aa_alloc_model_revisited.pdf)

[SLIDE 1] Rethans started with a further update on budget allocation and development and pointed to the illustration of the 2016-17 Sustainable Budget Development Process and timeline on the slide. The process to discover what had been done in the last five years was an iterative process in which Jennifer Mays and Rethans met with all the Unit managers and budget staff a number of times and then moved to the Provost's Academic Council (PAC) where all the data was shared. This process is taking longer than expected and this year is being thought of as the first phase, followed by next year as a second phase and perhaps even a third year after. Major changes in allocations van not be implemented in a few months and with Jeff Bell's help the hope is that future decisions will be based on data.

[SLIDE TWO] outlines the initial challenges perceived by the Units as well as the areas of needed improvement.

[SLIDE THREE] show the parameters of the Sustainable College Allocation Model (SCA) which is a multiple-driver allocation model in which college's total allocation is a function of FTES Production, Number of Majors served and Special needs that drive Allocations for four major components:

- 1) Instruction
- 2) Administrative Support
- 3) Academic Support
- 4) Compensation Increases

The slide adumbrates the basic parameters of the model. The enrollment targets initiate the model and these do not solely focus on residential numbers. To run the model, since there are categories for lower division, upper division, GE, and graduate courses we need to uncover data on what FTES will be produced in these categories. This is based on last year's FTES production in the Units.

Jed Wyrick wondered how the categories map onto the cost. What is the distinction between the categories?

Rethans showed [SLIDE FOUR] that depicts the parameters of allocation for instruction by course type. It was asked what the average GE course costs and those data drive the allocation. The average GE course of fifty costs and average of \$1800 per FTES.

Wyrick asked if this cost was averaged across the colleges, or did it vary across the University?

Rethans said these costs were based on the average salary for assistant professors, associate professors and the full professors in different colleges. Therefore we don't have separate values by college, but an overall value which is an average.

Hassenthal noted that there are historically different obligations in different colleges and this is a model that does not necessarily capture what it will actually cost. The model captures an ideal and then adjustments are made to it. For example, different tenure densities (which would be valued differently) take a while to change. Rethans reiterated that this model is to make allocations on a College level not within a college. This is supposed to provide an average that will allow Deans to

fulfill their functions and their mission. In general this will work, but exceptions are accommodated by a special needs column.

Rethans noted that additional funding was added for WI classes so that colleges would not be disadvantaged by offering more of these. There are attempts to rewrite the Writing EM that limits WI courses to 30, and we will see what happens.

[SLIDE FOUR] refers to the worksheet provided by the Delaware Index (DE) and defines Allocation for Instruction = Projected FTES in categories multiplied by Allocation per FTES multiplied times the DE index. This is data from a consortium about norms around the country. We modify this with a College specific index.

The slide also shows the Allocations for Administrative Support for a Dean office and a departmental office and Allocations for Academic Support (which includes instructional equipment, advising and other major specific costs). This sharing of cost data between the Deans led to best practices and comparisons to save funds.

[SLIDE FIVE] Here again the emphasis is on averages and then accommodating special needs separately.

The 3<sup>rd</sup> major challenge is recognizing the costs of tenured and tenure density vs part time and lecturers. It was finally determined that individual faculty and staff within the individual units should be separated from this cost averaging.

[SLIDE SIX] presents Summary Observations on the SCA and defines three caveats:

- This model is designed to be a multi-driver base allocation model that could be augmented by performance-based one-time allocations
- Model is based on average-costs and allocations within the colleges are the responsibility of the dean and are expected to be made within the college mission, values, vision and strategic priorities.
- Individual column allocations will not match column expenditures, trades off decisions between columns of the model are the Deans responsibility made for the same reasons as above.

Rethans made several summary observations: Use the model for what it was intended for. Final decisions are informed and guided by the simulations. There are remaining issues: the project could not be completed in one year; there is a list of things needing review and things to be done this year.

[SLIDE SEVEN] lists issues for the future including the beginning of conducting a review of GE in 2017 (for its five year review) and it is hope that efficiency is one criteria that will be utilized.

**c. 16/17 AA SCA Model: Numerical Instance. Discussion Item. (2:10:57)**

[http://www.csuchico.edu/fs/ubc/12-8-16/ubc\\_12-8-2016\\_sca\\_instance.pdf](http://www.csuchico.edu/fs/ubc/12-8-16/ubc_12-8-2016_sca_instance.pdf)

These are two fictive Colleges and one can work with the model to observe how the coulmmns shift.

Jed Wyrick noted that during the economic downturn on 2008-9 that GE courses were shifted

up to 50 and that has now become the norm. He wondered if this was really the cost of GE and whether it was optimal pedagogy. Then since that figure becomes instantiated into the model GE will always remain at fifty and those students are worth less than other students. This also does not reflect workload.

Rethans said that these are norms and averages for particular Units. The average of 50 is not always being met individually or by department. If such a course was taught to 400 that would bring in a tremendous amount of money. The assumption is that a pedagogical decision has been made by the Chair and the Dean. He urged Jed to talk to his Dean since the majority of GE courses are not taught by tenure track faculty, but lecturers.

Bell asked about course taught to fulfill strategic priorities and wondered about all the pieces in special cases. How will the strategic plan tie into the budget model?

Ward noted that we have not set aside money for strategic initiatives in Academic Affairs or at the University level. This should be preserved for conversation next year.

Hutchinson said we should think about how to do this, but that we should also recognize that we are underfunded and we need to think about how to be innovative to meet our priorities. We need to have the conversation about what is working well and what is outdated and what can we stop doing so that we can redirect our allocations intelligently.

Rethans noted that we need to foster a trade-off for innovation and that perhaps we should include an expiration date on programs and policies so they don't become out of date.

Boyd remarked that this conversation about what not to do will be on an upcoming agenda in the future.

**7. Other.**(2:18:46)

Hutchinson congratulated EMEDC for their work in bringing three Provost candidates to campus. She hoped people could participate in the searches.

**8. Announcements.** (2:19:46)

Boyd hoped everyone would join the crowds forming in the ARTS building to film the Holiday greeting from Chico State.

Hassenthal noted that tomorrow is national pastry day.

**9. Adjourn.** (2:20:26)

Meeting adjourned at 4:51 p.m.

Respectfully submitted,  
Tim Sistrunk, Secretary

**General Resources for Background:**

**State of California, Department of Finance:**

**[http://www.dof.ca.gov/HTML/BUD\\_DOCS/Bud\\_link.htm](http://www.dof.ca.gov/HTML/BUD_DOCS/Bud_link.htm)**

**State of California. Legislative Analyst's Office: <http://www.lao.ca.gov/>**

**CSU System: <http://www.calstate.edu/budget/>**

**CSU, Chico: <http://www.csuchico.edu/vpaa/planning/resourceallocation/index.shtml>**

**CSU, Chico: <http://www.csuchico.edu/bud/budgetplans/index.shtml>**

**OpenGov: <https://csuchicoa.opengov.com>**