All You Ever Wanted to Know about Budgets and Were Afraid to Ask

Arno J. Rethans
Vice Provost for Planning and Resource Allocation
Presentation Outline

- Sources of Operating Funds
- Drivers of Operating Funds
- Allocation of Operating Funds
  - Overall Process
  - To Academic Affairs
  - 02-03 CSU Chico
  - 02-03 Academic Affairs
  - AA to Units
  - Units to Departments
- Questions and Answers
Sources of Operating Funds

- General Funds (State Appropriations)
- Lottery (State Appropriations)
- Continuing Education (Auxiliary Enterprises)
- Grants and Contracts (Research Foundation)
- Advancement (University Foundation)
Drivers of Operating Funds

General Funds (State Appropriations)
Lottery (State Appropriations)
are enrollment (FTES)
driven
Drivers of Operating Funds

Continuing Education (Auxiliary Enterprises)
(Summer Session; Special Session; Open University; Non-credit Programs; Conferences; Workshops;
Distance Education Initiatives = Satellite Network, Two-way TV; On-line; Video-streaming) is enrollment (FTES) and unit/faculty interest driven
Drivers of Operating Funds

Grants and Contracts (Research Foundation) are faculty and staff driven.
Drivers of Operating Funds

Advancement (University Foundation) is university and unit driven
Allocation of Operating Funds
Overall Process

CSU Budget Processes

CSU Trustees' Budget Book
(October xx)

Legislative Analyst and Department of Finance Review
(November-December)

Governor's Budget Proposal
(January xx)

Legislative Analyst Review

CSU Budget Office Planning Numbers for Governor's Budget Allocation
(March xx)

On-going Discussions at Fiscal Administration Committee
(March-April)

FAC Recommendation to Cabinet

Governor Signs Budget Act
(June xx)

University Budget Committee recommendations to Cabinet
(May xx)

CSU Final Budget Campus Allocations
(July xx)

Cabinet Final Budget Allocations to Vice Presidents
(July-August)

CSUC Initial Review of Budget Book and FTES Target
(November-December)

CSUC Budget Office Preliminary Budget Analysis and Planning
(January-February)

Cabinet Recommendations to University Budget Committee
(May xx)
### Allocation of Operating Funds

#### 2002-03 CSU Chico

2002-2003 Campus Budget Plan Increases:

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Enrollment Target</strong></td>
<td><strong>14,585</strong></td>
</tr>
<tr>
<td>YRO Enrollment (Summer 2002)</td>
<td>240</td>
</tr>
<tr>
<td>Targeted Growth</td>
<td>95</td>
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<tbody>
<tr>
<td><strong>Marginal Cost for enrollment per FTES</strong></td>
<td><strong>$ 7,715</strong></td>
</tr>
<tr>
<td>Financial Aids set-aside per FTES</td>
<td>409</td>
</tr>
<tr>
<td>Instructional Equipment per FTES</td>
<td>---</td>
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<tbody>
<tr>
<td><strong>Campus Enrollment Allocation</strong></td>
<td><strong>$ 2,447,510</strong></td>
</tr>
</tbody>
</table>

*Source: CSU Preliminary Final Budget Allocations*
## Allocation of Operating Funds

### 2002-03 CSU Chico

2002-2003 Campus General Fund Budget:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline Increases</td>
<td>$5,239,664</td>
</tr>
<tr>
<td>Baseline Reductions</td>
<td>-(3,440,600)</td>
</tr>
<tr>
<td><strong>Net New Funding</strong></td>
<td>$1,799,064</td>
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**Less Mandated Cost Increases:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Compensation and Benefits</td>
<td>$2,035,000</td>
</tr>
<tr>
<td>Student Financial Aid</td>
<td>229,504</td>
</tr>
<tr>
<td>Utility and Risk Pool Premiums</td>
<td>602,710</td>
</tr>
<tr>
<td>New Space Funding (Yolo Hall)</td>
<td>432,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,299,223</strong></td>
</tr>
</tbody>
</table>

*Source: CSU Preliminary Final Budget Allocations, CSUC Budget Planning Summary*
## Allocation of Operating Funds

### 2002-03 CSU Chico

2002-2003 Campus General Fund Budget:

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net New Funding</strong></td>
<td>$ (1,500,159)</td>
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</table>

Distribution by Officer:

<table>
<thead>
<tr>
<th>Officer</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provost</td>
<td>$ (1,187,750)</td>
</tr>
<tr>
<td>VPBF</td>
<td>(198,676)</td>
</tr>
<tr>
<td>VPUASA</td>
<td>(113,733)</td>
</tr>
</tbody>
</table>

*Source: CSU Preliminary Final Budget Allocations, CSUC Budget Planning Summary*
To address a multi-year budget crisis, Academic Affairs:

- Adopted “Principles for Reduction”
- Planned for a 5% base reduction in each unit using “template”
Allocation of Operating Funds

AA to Units

Allocation of Funds within Academic Affairs is a function of:

- Unit Historical Performance (FTES, SFR, WTUs) *(Base)*
- Unit Performance on Goals to the Unit *(Performance-Based)*
- AA Collective Goals *(Performance-Based / One Time)*
- Legislative and CSU Mandates
Allocation of Operating Funds

AA Base to Units

Academic Affairs Base Allocations 2001-02

$ 89,294,449.00
Allocation of Operating Funds

AA Performance-Based to Units

Allocation of Strategic Funds within Academic Affairs is a function of:

- Meeting of FTES Targets
- Use of Previous Strategic Allocations
- Percent Completion of Annual Goals (Unit and Collective)
- Faculty and Staff Development
- Progress on Assessment Plans
- Percent of Faculty in Grants and Contracts
- College/Department Development Efforts
- New Program Development / Use of Information Technology
Allocation of Operating Funds
AA Performance-Based to Units

SBA Performance Based Allocations 2001-02
Colleges: $707,500
Allocation of Operating Funds

AA Performance-Based to Units

SBA Performance Based Allocations 2000-01

Support Units: $102,000
Collective Goals for 2002 – 2003:

- Promote and Implement U. Alcohol and Drug Policy
- More Effective Schedules to Improve Time to Completion
- “Campaign for Excellence” fee program
- Prepare for WASC Reaccreditation
- Streamline RTP Process
- Mentor New Faculty; Develop Faculty and Staff
- Develop New Vision for Academic Technology
- Develop Plan for Development within AA
- Curriculum Management (Major and GE)
Academic Affairs provides each unit with base and one-time budgets. Allocation of these funds within units varies considerably across units. We suggest you discuss with your Dean.
Questions and Answers