

TODAY ▽ DECIDES ▽ TOMORROW

## **Building the Future of the University**

President Zingg and Provost McNall cordially invite you to attend the Budget Forum that will take place this afternoon from **4:30 to 5:30** p.m. in **PAC 144**. The forum is open to all faculty, staff, and other interested parties and is being held to provide information about the changing budget picture, to solicit feedback about the impact of potential budget cuts, and to hear people's ideas about managing these reductions.

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## **Building the Future of the University**

*“Positioning Chico for greater distinction and focusing its resources to this effect are principal aims of "The Strategic Plan for the Future of CSU, Chico." There is a lot that is clear and compelling in this document, but no element more so than its declaration that student learning is the heart of the university's mission and the key measurement of its success.”*

Paul J. Zingg, President

(From: Inside Chico State, February 5, 2004, Volume 34, Number 7)

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## The Challenge of Building the Future of the University

### **CSUC 2004-05 General Fund Support Adjustments**

Reduce Enroll by 5% : -732 FTES from 03-04	(3,813,000)
Pro-rata GF Unallocated 2004-05 Budget Reduction	(2,253,000)
Governor Reduction to Reflect Fee Increases	(3,211,500)
20% CSU Projected Fee Increase Financial Aid Offset	(497,000)
State University Grant Adjustment	302,600
2004-05 New Space	180,600
2004-05 Permanent Budget Adjustment	206,900

**Total GF Reductions** \$ **(9,084,400)**

### **Fee Increases, less Financial Aid**

Fee increases	2,968,000
SUG to Central Mgt	(302,600)
	<b>2,665,400</b>

**CSUC 2004-05 Net General Fund Adjustments** \$ **(6,419,000)**

### **Campus GF Changes**

Unfunded Mandatory Cost Increases	(1,806,934)
Utilities Electric	(177,120)
Risk Management	(572,897)
UPD	(100,000)

**Total Campus GF Reductions** \$ **(2,656,951)**

**Total Net Change in CSUC General Fund** \$ **(9,075,951)**

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## **Building the Future of the University: Planning Assumptions**

- **The reductions are permanent cuts to our base budget.**
- **We must meet our 04-05 FTES target of 13914. Not meeting target means returning funds to CSU.**
- **We have worked hard this year to achieve one-time savings to facilitate the transition to a lower base budget.**
- **The fiscal crisis of the state has not been resolved with the passage of Proposition 57.**
- **The Legislative Analyst's Office predicts that a \$7 billion ongoing gap between revenues and expenditures will occur in 2005-2006 and continue in subsequent years, absent further corrective action.**
- **If the university is to remain an institution of "first choice" we must make hard decisions today to ensure that status for tomorrow.**

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## **Building the Future of the University**

*“The cuts we make must be grounded in the University's Strategic Plan for the Future and tied to institutional and area priorities. As we look toward the future, we must protect that which is vital to our identity and mission. That means we cannot and will not make pro-rata reductions. We must maintain those programs and units that have enabled us to achieve distinction and that will allow us to add further distinction. People of good will might disagree about the reductions, which is why we need to discuss possible strategic reductions among members of the campus community.”*

Scott G. McNall, Provost and Vice President for Academic Affairs  
Dennis C. Graham, Vice President for Business and Finance

(From: Memo to the Campus Community, March 4, 2004)

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## Building the Future within Academic Affairs:

**CSUC 2004-05 Reduction: \$ 9,075,957**

**AA Share: \$7,200,000**



**FY 2003-2004**

### **Sources**

Exhibit III	\$	91,403,150.00	
Other Adjustments		3,792,563.00	
<b>Total Sources</b>	<b>\$</b>	<b>95,195,713.00</b>	

### **Allocations**

Faculty	\$	46,353,060.00	48%
Non-Faculty		21,725,074.00	22%
Benefits		21,592,750.00	22%
General Operating Expense		5,722,994.00	6%
Other Expenses		796,232.00	1%
Work Study		892,056.00	1%
<b>Total Allocations</b>	<b>\$</b>	<b>97,082,166.00</b>	
<b>Net</b>	<b>\$</b>	<b>(1,886,453.00)</b>	
<b>Total AA Reduction</b>	<b>\$</b>	<b>(9,086,453.00)</b>	

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**Building the Future of the University**

**WHAT ARE THE CONVERSATIONS WE MUST HAVE IN ORDER TO ACHIEVE MANDATED REDUCTIONS AND STILL PRESERVE THE CORE INSTITUTIONAL MISSION?**

**WHAT ARE THE QUESTIONS WE MUST ASK AND ANSWER IN ORDER TO ACHIEVE MANDATED REDUCTIONS AND STILL PRESERVE THE CORE INSTITUTIONAL MISSION?**

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## Posing Questions and Seeking Answers

***N.B. These are suggestions only and their potential impact will vary widely in scope.***

***Should funds be provided for faculty and staff development?***

\_\_\_\_\_ No. (If not, do we modify RTP requirements, job expectation?)

\_\_\_\_\_ Yes. How much? Source of funds?

***Should we curtail all in and out-of-state travel?***

\_\_\_\_\_ No.

\_\_\_\_\_ Yes. By what logic?

***Can we achieve new savings in:***

\_\_\_\_\_ Energy use? (Current expenditure is \$5 million.)

\_\_\_\_\_ Printing? (\$692,464 in 2002-2003 for all units in A.A.)

\_\_\_\_\_ O.E.? (\$8.1 million in 2002-2003 for all units in A.A.)

***Should we continue all of the on-line offerings?***

\_\_\_\_\_ Yes.

\_\_\_\_\_ No. Which ones would we not support? Who should make the decision?

***Should we continue to provide the same level of technical training and support to faculty and staff who use?***

\_\_\_\_\_ WebCt

\_\_\_\_\_ Horizon Live

\_\_\_\_\_ The portal

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## Posing Questions and Seeking Answers

*Should we support only those academic technologies that enhance efficiencies in the classroom, e.g., allow us to transmit information/content to students in a paperless environment?*

***For library acquisitions:***

- \_\_\_\_\_ Do we continue the same level of support? (\$1.2 million).
- \_\_\_\_\_ Buy only on-line journal subscriptions?
- \_\_\_\_\_ Buy only monographs?

***Can we achieve new efficiencies by limiting:***

- \_\_\_\_\_ Committee work (at what level, e.g., department, college, university).
- \_\_\_\_\_ Other?

***Can we achieve great efficiencies in managing the university?***

- \_\_\_\_\_ Combine offices? Departments? Other units?
- \_\_\_\_\_ Combine resource centers?
- \_\_\_\_\_ Other?

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## Posing Questions and Seeking Answers

*Can we achieve greater efficiencies in the curriculum?*

- Efficiencies in GE?
- Maximize use of large lecture rooms?
- Increase class size?
- Block enroll beginning students in at least three courses?
- Eliminate some of the themes?
- Reduce hours required for degree, when the hours are above 120?
- Other?

*Should we reduce the current allocation of non-reimbursed AWTUs, which is about 50 FTEF per semester? (At an average faculty salary of \$71,086, this represents \$3.5 million)*

- Yes. What would be a fair way to do this?
- No.