



CALIFORNIA STATE UNIVERSITY, FULLERTON

Division of Politics, Administration and Justice

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MEMORANDUM

Date: April 22, 2022

To: Fram Virjee, President CSU Fullerton

From: Stacy Mallicoat, Chair, Planning, Resource, and Budget Committee (PRBC)

Subject: PRBC Recommendations for FY 2022-2023

I am pleased to submit for your consideration the Planning, Resource, and Budget Committee's (PRBC) recommendations on planning, strategic priorities, and budgetary matters for FY 2022-2023. The recommendations presented herein reflect the committee's discussions regarding changes in the strategic context in which the University operates, the budget outlook for the next fiscal year, and the strategic and operational priorities identified throughout the year. I hope you find the committee's recommendations helpful as you work with the members of your cabinet on the finalization of the budget for the next academic year.

FY 2022-2023 Budget Outlook

Based on the Governor's Preliminary Budget, the CSU system anticipates receiving for FY 2022-2023 a baseline General Fund increase of \$211.1 million to support operational costs (equal to a 5% increase) and a 1% enrollment growth (\$81 million). CSUF's share of these is \$7.6 million for operational costs (of the \$103 million that has been allocated to date in the Preliminary Budget) and \$14.7 million for new enrollment. The budget also includes an increase of \$12 million ongoing General Fund to support foster youth students. These increases are tied to a multi-year compact aimed at improving time-to-degree rates, closing equity gaps for first generation and underrepresented students, reducing total costs of attendance, and aligning curriculum with workforce needs in the areas of STEM, education, and social work. While these baseline fund increases are good news, the preliminary budget allocations are significantly lower than the request made by the CSU. As such, we recognize that there may be limited funds available to address the strategic priorities addressed in this memo.

In prior budget cycles, the campus benefited from one-time money to help bridge the gap between tuition revenues and state funding allocations. However, we have seen how these funds in recent years have been targeted towards specific purposes, which allows for less flexibility. This budget provides \$100 million for deferred maintenance expenses. While our campus share of these funds (\$7 million projected) will be far lower than our current needs, we appreciate the recognition by the Governor regarding the urgency of these issues. However, such designations also limit our flexibility as well, since many of our efforts on campus are often funded with one-time money.

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Another challenge will be the possible revenue shortage as a result of reduced enrollment outcomes. In Spring 2022, the campus fell short of our enrollment targets. This amounted to 600 fewer FTES in the Spring, equal to a \$3.9 million loss in revenue loss. Not only did the campus experience a lower headcount (37,365 in Spring 2022, compared to 39,556 in Spring 2021), but the average unit load fell from 12.07 to 11.81. This translates into a loss of faculty, low enrolled classes, and late cancellation of classes, all of which can delay time to degree.

Budget Priority Recommendations

The PRBC commends the administration and particularly President Virjee for vigilant and effective advocacy to address statewide SFR/FTE funding ratios. Based on the FY 2022-23 preliminary budget allocation, CSUF will rank 23rd based on state allocation, and 20th in state allocation + tuition. Slow but material progress appears to have been made and we look forward to more equitable per-campus funding at a statewide level moving forward. The PRBC continues to advocate for equity for per-campus SFR funding levels. Given the forthcoming changes in leadership in the Chancellor's Office, this committee strongly recommends that we continue our advocacy efforts to improve our funding status amongst other CSUs.

The most significant development of the past two years has been responding to COVID-19 challenges. Many on campus made heroic efforts to keep courses active and quality high, but it came with a toll in terms of sharply increased workloads, deterioration of work/life separation, and the development and implementation of new processes and procedures on an unprecedented scale. In particular it should be acknowledged that faculty modality conversions were time consuming and in many cases, overwhelming. Campus-wide burnout and stress is evident; morale has been strained. These pressures should be acknowledged and addressed moving forward with additional allocation of resources.

After addressing mandatory costs and mission critical mandates, the committee has identified the following priorities for new or additional support. We have organized our recommendations into three priority tiers, and within each tier have identified each priority into short-term and long-term areas. All three tiers are critical to the mission of the university, however we acknowledge that our allocation of resources is limited. We do encourage Divisions to also review these priorities to assess how we can address these issues in the coming years. Short-term priorities require immediate attention and long-term priorities may require immediate planning, but should be addressed in an ongoing manner.

First Tier Priorities

The highest ranked item was **deferred maintenance needs across campus**. Campus physical infrastructure should be prioritized; we note in particular that elevator access appears to be an issue in many campus buildings and has potential ADA implications. In addition, the campus maintains many performance and exhibit spaces, classrooms, labs, studios, and specialized equipment and machinery that require attention. Immediate needs should be met and there should be a multi-year plan for addressing these issues in coming years.

Restoring baseline funding to Divisions and programs that suffered cuts during the pandemic was the second highest-ranked need. The enrollment surge of AY 2020-21 was replaced with an enrollment plunge for AY2021-22; gaps have been filled temporarily with HEERF and other one-time sources. It is important to return these groups to their pre-pandemic budgets to ensure stability. In addition, the campus should address any potential shortfalls resulting from compensation increases above and beyond CSU funding levels.

Almost all divisions identified a need to **hire more staff**; a reasonable approach is to link staffing targets to student enrollment growth or perhaps tenure-track and MPP line growth. The number of staff needed is, for obvious reasons, linked to the number of students who need to be served. We would encourage the divisions to identify staffing targets and address areas of acute need, share those with responsible budgeting authorities, and fill the gaps as soon as possible. In particular, student feedback strongly suggests that more CAPS staff need to be hired. Mental health has been a priority for ASI; PRBC identifies it as a priority as well. The campus is encouraged to meet the nationwide benchmark of 1 counselor for every 1,500 students. The *library* and *DSS* also have demonstrated needs. The current staffing in the Library is inadequate to meet the needs of operational hours. Current staffing decisions have come at the expense of maintaining journal subscriptions, which hurts student and faculty research. The campus has only a single *confidential advocate* for all sexual harassment and assault issues that might arise; this is a dangerously inadequate circumstance. An area of conjunction between the top priorities are situations where one-time funding has been used for staff hiring; these positions should be made permanent where appropriate and funded at a baseline level.

Equally important is the **retention of our current staff**. As an ongoing issue, the strategic plan identifies that we should establish benchmarks for faculty and staff retention and encourages the pursuit of an “inclusive campus culture.” Providing support for all genders and neurodivergent campus members is central to those goals and staffing of CAPS, DSS, and for confidential advocates will materially advance these goals. As an ongoing, long-term project, the PRBC encourages the development of benchmarks and a budget calibrated to realize the goals of the Strategic Plan. We encourage campus leadership to explore opportunities for competitive and equitable salaries to help support the mission of staff recruitment and retention.

Hiring and retention priorities can be advanced with no meaningful cost through **more flexibility in telecommuting policies**. This was a common theme in almost all divisions, including Academic Affairs. Cal. State Fullerton appears to be behind industry standards and given our resource limitations needs to do all it can to be competitive in worker quality of life. We recommend all divisions review their approaches and expand telecommuting opportunities where possible. This item is urgent and should be adopted by the fall of 2022. The past two years have demonstrated that telecommuting can even enhance productivity and morale, and has shown that logistical issues can be managed. The PRBC encourages a system that trusts employees and managers to do excellent work and believes specific, division-wide restrictions should be very rare.

Finally, the campus should pursue **baseline funding for state-support centers** that are currently supported by one-time funds or that simply lack adequate support. Programs such as University Honors and the Faculty Development Center are areas that will be stronger with permanent funding. Centers in Student Affairs like Title IX and Gender Equity, and Disability Support Services accommodations would greatly benefit students if awarded

baseline funding. The Women's Center is another crucial area where inclusivity and campus culture can be enriched; it can be invigorated with stable and permanent funding. The PRBC encourages campus leadership to explore ways to house the Women's Center program in Academic Affairs in connection with the Women and Gender Studies department.

Second Tier Priorities

The **recruitment and retention of a diverse faculty** was identified as a key priority within the second tier. This encourages investment in the Strategic Plan goal of "Increase the number of tenured or tenure-track faculty, with concentrated attention to those from historically underrepresented groups, and report annually." We encourage the campus to continue to expand and provide funding for additional tenure-track faculty. In addition, we note that roughly two-thirds of the faculty are lecturers, and the power of diversity is in the ideas and experiences of those leading classes and discussions. Students benefit from faculty of color regardless of faculty rank, and the largest and most immediate gains are in the lecturer ranks. To this effort, we argue that recruitment and retention should be a faculty-wide goal. The Guiding Principles for Social Justice defines "equitable" as including "access, opportunity, and advancement" and as such should not focus only on the most privileged positions.

Funding assigned time for **faculty-led advisement** was also noted as a second-tier priority. Adequate advisement is an ongoing issue and nobody understands the curricula more than faculty, and faculty are key in ensuring student retention and graduation in this area. Failure to utilize faculty expertise in this area misses the opportunity to leverage a key asset, and we encourage campus-level planning and support for department-level major advisement.

Support for **graduate education** is also key for student success. The Strategic Plan asks the campus to "Implement a graduate studies task force to identify and articulate benchmarks and recommendations for graduate education." We encourage planning at this level to include conversations about equitable funding models for Post-Bac and Graduate level programs. Graduate assistantships and fee waivers should be provided to make graduate programs more competitive. Not only would this be a low-cost item for the campus, but results in a significant benefit for students and programs and takes advantage of currently under-utilized intellectual resources.

The **annual number of sabbaticals** should be augmented. This is a highly-ranked priority of this PRBC and has historical precedent on the campus. It is a key component of faculty recruitment and retention as elaborated in the Strategic Plan. It is an opportunity for rejuvenation and innovation, and highly competitive processes have lowered morale and discouraged faculty and their projects. The PRBC encourages adding more funds for additional sabbaticals beyond the minimum number required by the CBA. The selection process should be examined and efforts made to make sabbaticals available evenly for faculty members of all disciplines.

Third Tier Priorities

Funding for **assessment** should be provided on an ongoing basis. Although the Office of Assessment and Educational Effectiveness has highly professional staff and can offer assistance, there is no support for department- (or unit-) level data collection or analysis nor are there any resources for the implementation of assessment findings. It is not realistic to expect departments to engage in widespread data collection and analysis, nor to be able to implement changes based on findings, if no resources are available. Simply put, there is not a free and easy way to link data to student learning outcomes that is more meaningful than the thousands of hours spent on grading, and without additional support assessment will take on the character of a *pro forma* compliance process. With funding it might truly enable the 6-step process to be an important part of curricular planning.

The campus should provide assigned time for **faculty working on high-impact, equity-focused** activities. The Guiding Principles for Social Justice lays out an aggressive agenda that the PRBC fully endorses; we note that faculty time is limited and ambitious goals require time and resource commitments. The Principles seek “real, sustainable, systemic change at all levels of our campus community” and systemic change includes budget systems. A theme the committee heard was that even applying for resources was a form of cultural taxation. Campus leadership should seek to centralize means for faculty to access resources for the crucial equity work they are engaged in. Individual programs seek funding across a number of programs, including Instructionally Related Activities funds, grant opportunities, EATC applications, CCF requests, sabbatical applications, etc. This dispersal of responsibility for support makes it difficult for programs to receive adequate and sustained support where appropriate. Funding for High Impact Practices should be streamlined and clarified in ways that reduce application and reporting burdens (a portion of funds might be assigned directly by Deans or equivalent offices), and multi-year or baseline awards should be considered. Without ongoing resource support, the danger of cultural taxation might frustrate our equity goals amongst our faculty who are best positioned to make a meaningful difference. Finally, there is some tension between a program being high-impact and scalable; some clarification would help. While this is listed as a “third tier” priority in terms of ranking against other issues, we cannot underscore enough its importance in terms of attention and funding.

We note both items in the third tier outranked several other possible priorities not included in this memo.

Process and Planning Recommendations

In addition to priorities for funding, the PRBC discussed and discovered a number of process-planning improvements that would advance university goals, the strategic plan, and serve our roadmap for advancing Social Justice. In short, the PRBC believes these changes will help us make better use of the resources we have. Three items deserve special attention and the rest are contained in an Appendix.

First, we should seek a transition from 1-year budgetary cycles to multi-year planning. Making decisions on an annual basis frustrates effective operations independently of resource scarcity or availability. While the state-level budget process largely remains on annual cycles, this year’s proposed budget and the multi-year compact offer opportunities to

think about how and where we could start to align our budget to the multi-year enrollment and strategic plan. We encourage the Division of Administration and Finance to work with campus partners to expand our opportunities and infrastructure/conversations to reflect multi-year goals. Our memo and its recommendations help to support these efforts through the identification of short term and long term goals. The PRBC recommends adopting multi-year planning as soon as possible.

Second, as the campus implements strategic enrollment and college-based admissions, it is crucial that enrollment planning is linked with SFRs, targets, and actual costs. Since all these parts work together any substantial change to enrollment processes should intentionally and transparently incorporate all elements in a way that stakeholders can understand and use. Existing shortcomings to the budget process should be addressed as part of the plan. *An ideal system would give colleges and departments their target semesters in advance when courses are scheduled, guarantee a budget to meet that target, review and adjust SFR funding rates to meet actual needs, and adjust enrollment and admissions to maximize the ability of the units to meet their targets.* Such a plan should be developed with input from all stakeholders and be clearly presented and readily available. Specific recommendations toward this end are included in the Appendix.

Finally, the PRBC recommends a strategic approach for establishing online programming that incorporates student demand and pedagogical appropriateness. We must move beyond asking what percentage of classes are or should be online, and more carefully assess student needs. The campus should explore the possibility of offering most sections in multiple modalities, allowing greater flexibility in modality shifts after registration begins, streamline processes to adopt degree programs and pathways, and create some analysis of the overall budget impacts and a transparent accounting of savings and redistribution of those funds. We recommend a task force on this issue charged with developing an implementable plan. This plan should be completed as soon as possible since the campus is already in danger of falling behind the online opportunities offered by competing campuses. This priority is consistent with the “design for digital” guiding principle outlined in the Strategic Plan.

CONCLUSION

The PRBC believes that recent positive trends at the system-wide level, and in terms of per-campus funding, make now a crucial time to establish priorities and improve processes. While our resource scarcity difficulties are far from over, it is possible to make meaningful progress towards our campus goals and be even better stewards of the resources that we have. Attention to these issues can improve the campus overall.

Cc: Carolyn Thomas, Provost and Vice President for Academic Affairs
Steve Stambough, Academic Senate Chair
Danielle Garcia, Chief of Staff
Jon Brusckke, 2022-2023 PRBC Chair

APPENDIX: NON-COST PLANNING AND PROCESS RECOMMENDATIONS

1. A key element of the recommendations this year is to make sure that the enrollment management/college-based-admissions regime intentionally and structurally integrates decisions and processes across all stakeholders. Transparency and integrated decision-making are necessary to the process but can become weak links without focus on integration as a separate, measurable, and important goal. In particular, we recommend:

- a) At present enrollment swings beyond the control of departments nevertheless primarily impact department budgets, and target shortfalls are ultimately born by lecturers who lose employment. This discourages instructional excellence since it decouples employment from performance and is contrary to our Social Justice Guidelines, since lecturers are more likely to be faculty of color. Incorporating targets and entitlements in determining the number of sections – instead of an exclusive focus on enrollments – would enhance educational quality and equity.
- b) SFRs must be carefully considered and revised when necessary. For example, if there is more student demand in low-SFR colleges, growth in those areas will require even larger cuts to other colleges. Just as CSUF has successfully helped system-wide funding to move toward more equitable cross-campus SFRs, the campus should carefully consider more equitable cross-college SFRs with appropriate attention to accreditation needs and safety regulations. We recommend a working group on this issue.
- c) The assigned time reimbursement rate, although recently enhanced, still does not always cover actual costs. This makes accurate budgeting extremely difficult. True gains and losses associated with assigned time duties should be built into budgeting.
- d) Strategic enrollment needs to involve more than just the number of students, but also needs to consider the disciplinary needs of these students. It should not discourage the switching of majors. Admissions into high-unit majors exempted from General Education requirements will impact enrollments in other colleges.
- e) Decisions on enrollments need to take into account impacts on General Education offerings, particularly within the “Core Competencies-Golden 4” and especially in light of AB 928. A robust General Education curriculum requires that departments invest in space, high-quality faculty, and course development for their GE offerings. Instability in enrollment frustrates all these goals.

2. Effort should be made to create a tighter link between development efforts and state-side baseline needs. While University Advancement appears to be quite successful and is expanding external funding, those funds are not widely reaching programs that have considerable needs. This creates a situation where acquiring external funds can expand additional programming but cannot address the core campus needs. The PRBC recommends a review of ways that development efforts can assist core funding shortfalls.

3. The PRBC recommends transparent and consistent budget reporting down to the department level. During the tenure of Provost Cruz budget reports detailed TADCP, CCF, PTF funding and OE&E totals for each department. This allowed a transparent tracking of cross-year trends and cross-department differences. Having all the information in a single and standard report facilitates idea-sharing and shared understanding of budget processes. At present it appears the information is available but needs consolidation.

4. The campus should review the lecturer appointment processes to promote career advancement. A past PRBC report completed by Laleh Graylee discovered that hiring fewer lecturers with higher entitlements could save a seven-figures cost in benefits. This

would largely self-fund lecturer advancement and advance the social justice goals identified in item 1a above. Developing a consistent policy with a tracking process, deadlines, and a value placed on lecturer career advancement would be efficient, improve the quality of the student experience, and advance our social justice goals. Transparent budgeting processes would need to track the reallocation of benefits savings.