

The California State University, Fresno: Budget Fundamentals

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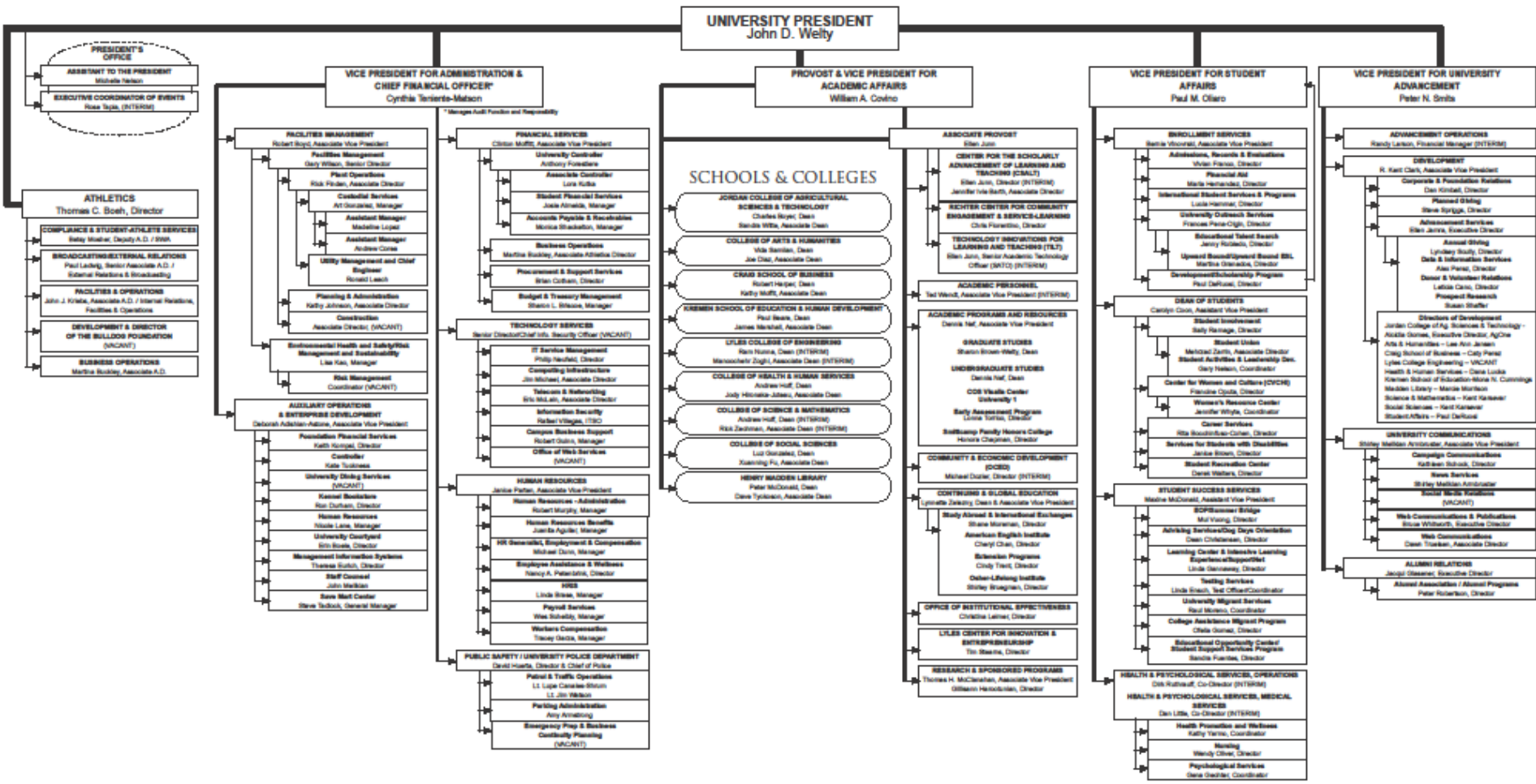
Approach

- Overarching Budget Principles
- University Structure and Levels A, B and C
- Overview of University revenue
- Overview of University expenses
 - Allocations at Level A
 - Allocations at Level B
- Data source: <http://www.csufresno.edu/budget/bb/index.shtml>
- Disclaimer: Approximations and any errors in interpretation are entirely my own

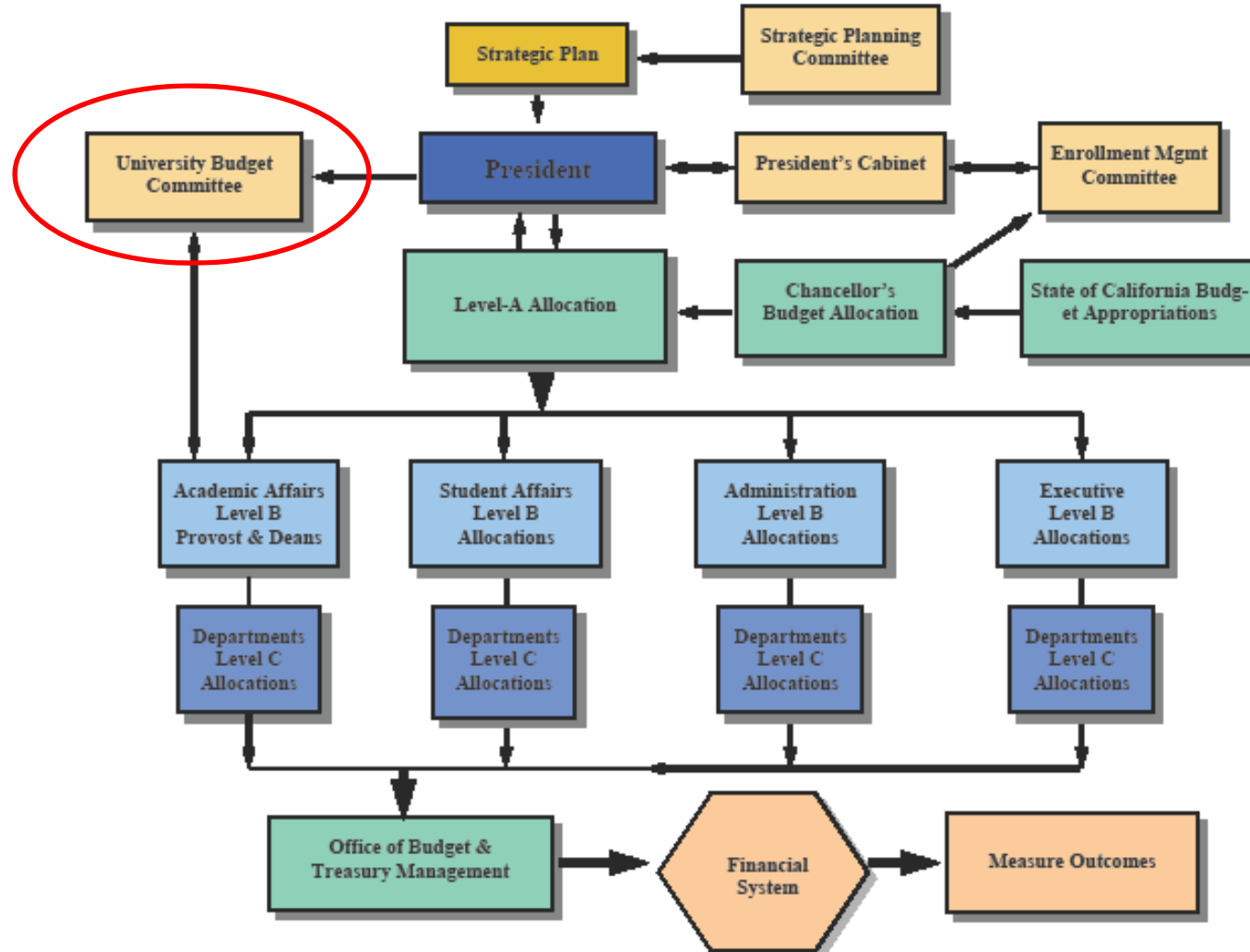
The Budget Principles (Selected)

- Support the chosen directions and priorities of the University.
- Recognize the differences between programs (i.e., delivery modes).
- Provide certainty of allocation (within realities of public funding) for long-term efficiency and stability.
- Be perceived to be fair, based on the chosen plan and policies of the University.
- Utilize minimum resources to administer the allocation process
- Decentralize decision making consistent with University plans and policies.
- Mandate a consultative process within all schools / departments / units.

University Structure: Levels A, B, and C



The Budget Process: Faculty Consultation



Budget Terminology

- Allocated funds – funds set aside to be spent towards a particular use based on anticipated expenditures
- Pass through funds – funds received for a targeted use and thus not available for other uses.
- Expenditures – funds actually spent towards a particular use
- Chargebacks – fund charged for services rendered to a unit
- Carry-forward – funds remaining in an account at the close of a fiscal year.
 - Encumbered funds – funds that have been spent but have not been withdrawn from an account.
 - Unspent funds (e.g., Unsuccessful hires)
 - Reserves

University Revenue

- ~\$224M for 2011-2012

• State Appropriation	46.4%
• State University Fees	47.3%
• Non-resident tuition	1.9%
• Facilities and Administrative Recovery (Reimbursed Activities) (e.g., Continuing and Global Education special programs)	3.2%
• Federal Appropriations	}
• Gifts, Grants and Contracts	
• Interest and other revenue	
• Other	
– Institutional Activities	
– Auxiliary Enterprises (e.g, Univ. Farm)	1.9%
– Student Aid	

Level A Allocations:

- Level A revenue is broadly allocated into two primary pools:
 - Centrally Monitored Funds ~\$96M
 - “Allocatable” budget
 - ~\$128M from Level A
 - ~\$7M from Reimbursed Activities (e.g. CGE funds returned to Schools and Colleges)
 - → ~\$135M total budget

Level A: Centrally Monitored Funds

- ~\$96M in 2011-12 (Ranks 1-3 sum to 86.5%)
 - Compensation ~0.5%
 - Benefits (Health and Retirement benefits) ~50.3% (1)
 - Strategic Planning (e.g., shared services) ~0.5%
 - Special Initiatives (Economic Development) ~0.7%
 - Risk Management Pool (Insurance premiums) ~4.6%
 - Cal State Teach (Funds from Chancellor) ~0.5%
 - Student Financial Aid (e.g., State University Grants) ~28.4% (2)
 - Work-Study programs ~0.8%
 - Central Utility Management (Utilities) ~7.8% (3)
 - University Reserve ~5.2%

Level B in Academic Affairs

- Academic Affairs allocates funds to:
 - The Office of the Provost (~\$9.6M, 11%)
 - Academic Support (~\$11M, 13%)
 - The Schools and Colleges (~\$63M, 75%)

Level B in Academic Affairs: Office of the Provost

- ~\$9.6M to the Office of the Provost (Ranks 1-3 sum to 71.4%)
 - Office of the Provost 6.3% (2)
 - Academic Personnel 3.6%
 - Academic Resources 1.7%
 - Academic Senate 0.5%
 - CSALT 0.1%
 - Dean of UG studies 4.1%
 - Graduate Recruitment & Retention 2.6%
 - Graduate Studies 5.1% (3)
 - Inst. Research, Assessment and Planning 3.4%
 - International Programs 0.4%
 - Programs for Children 3.2%
 - Provost and VP for Academic Affairs Programs 60.0% (1)
 - Research and Sponsored Programs 4.9%
 - Richter Center 1.7%
 - Smittcamp Honors College 2.8%

Level B in Academic Affairs: Academic Support

- ~\$11M to Academic Support
 - Agricultural Operations 12.4%
 - Agricultural Research Initiative, ARI (Pass through) 36.3%
 - CA Agricultural Technology Institute, CATI 8.7%
 - CSUF/COS Center in Visalia 0.6%
 - Library 42%

Level B in Academic Affairs: The Schools and Colleges

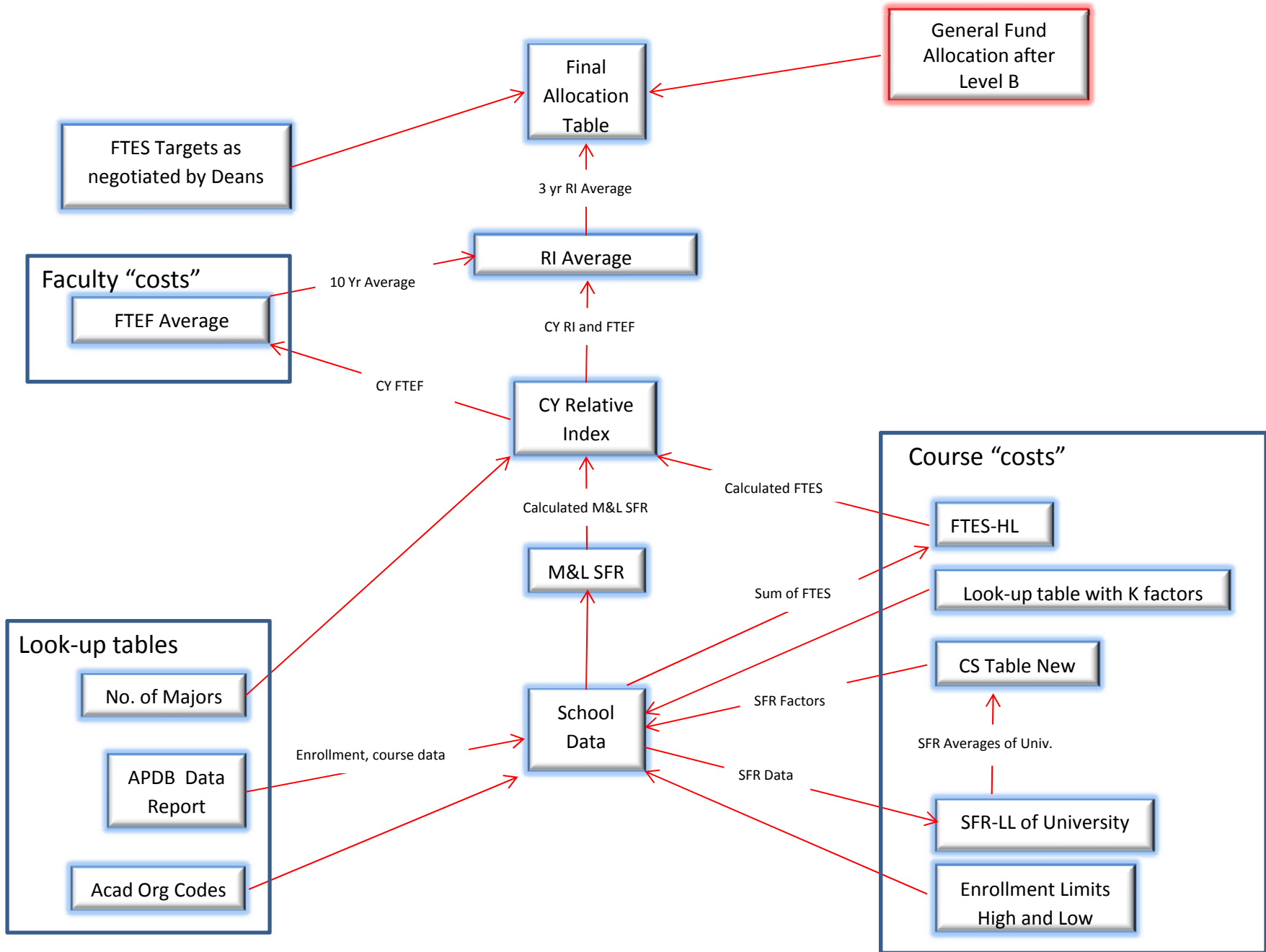
- ~\$63M to the Schools and Colleges (Rank in parentheses)
 - JCAST \$4.5M (7)
 - CAH \$13.7M (1)
 - LCOE \$3.3M (8)
 - CHHS \$9.6M (3)
 - CSM \$11.3 (2)
 - COSS \$8.0M (4)
 - CSB \$5.6M (6)
 - KSOEHD \$7.3M (5)

Allocating Level B funds to the Schools and Colleges: The Budget Model

- The Budget Model is a series of formulae that seeks to allocate funds across the eight Schools/Colleges accounting for the unique needs and teaching approach of each.
- A series of databases and spreadsheets that accounts for
 - Total enrollment
 - Types of classes taught within a School/College and the enrollment of each
 - Faculty Costs including workload
 - No. of majors

The Budget Model

- The Budget Model only serves to allocate funds to the Schools/Colleges
- There are several averaging routines to address fluctuations in enrollment, course type and faculty over time.
- Note: Some Schools/Colleges have Self-support that provide an additional income stream.



Selected Model Parameters: Course “Costs”

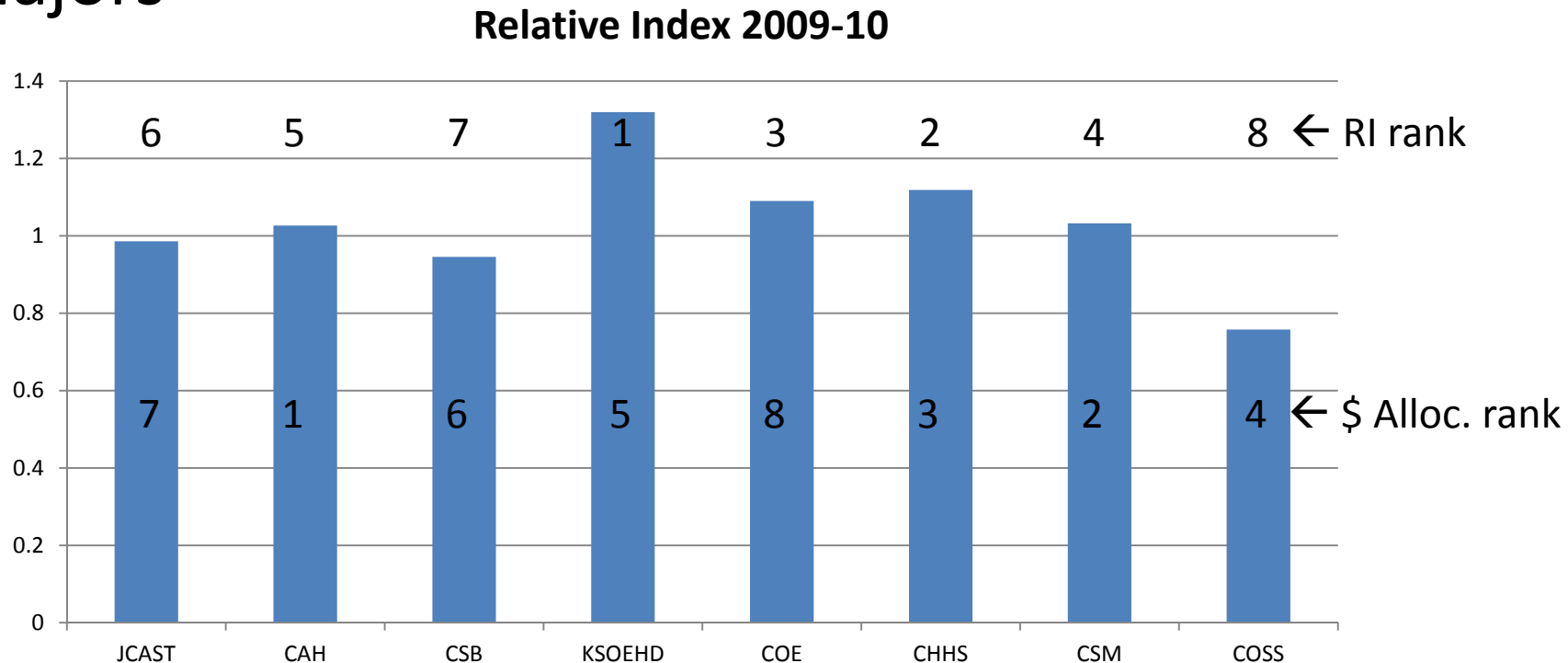
- Course classification numbers & K factors
 - Level: UD, LD, G
 - Mode: Teaching style (e.g., Large Lec., Seminar, Supervision)
 - K factor defines # WTU/course unit (\approx workload)
- Limits: High and Low (related to SFR via the K factor)
 - High limit defines the max. number of students in a class for which a college receives funds
 - Enrollment beyond the HL generates no additional funds for the college.
 - Low limit defines the min. number of students in a class for which a college receives funds
 - At enrollment below the LL a School/College does not receive funds for the course

Selected Model Parameters: Faculty “Costs”

- FTEF average
 - Faculty costs are not separated between Full, Associate and Assistant professorial levels.
 - A 10 year average enters the relative index to “approximate” the faculty composition of a College.
 - Some School/College costs are modified by a Designated Market Discipline (DMD)
 - K factor for course costs defines # WTU/course unit (\approx workload)

The Relative Index (RI)

- The RI defines the “relative” cost to educate a student of a college based on course costs, faculty costs, enrollment and the number of majors



Level C in College of Science and Mathematics

- Funds allocated to CSM via the model are then allocated by the Dean to each of the different Departments according to College specific mechanisms.
- ~\$11.3M in CSM (Ranks 1-3 sum to 49.2%)
 - Biology 18.7%
 - Psychology 17.2%
 - Chemistry 14%
 - Mathematics 13.3%
 - Office of the Dean 12.1%
 - Physics 10.5%
 - Earth & Env. Science 7.8%
 - Computer Science 6.3%
 - Science & Math Education Center 0.01%