

California State University, Fresno
Budget Plan
2009-10

The University faces a severe fiscal situation as a result of the unprecedented economic disruptions throughout the world and the country. The state's budget has been impacted and in turn this has major consequences for the University's budget.

In 2008-09 the University began the year with a base budget decrease of \$4.6 million. In November we were advised of a second reduction of \$1.7 million and in January, 2009 we were advised of a third budget reduction of \$3.6 million. Thus, the University has had a base budget reduction of \$ 9.9 million for the 2008-09 year.

No area has been spared from reduction, the 2008-09 reductions have been accomplished by Level A cuts in operating budgets, freezing vacant positions and placing severe restrictions on spending (see info mail of January 21, 2009.) Additionally I've closely examined the university's central resource allocations and have reduced the expenditures for the Plan for Excellence, graduate augmentation, deferred maintenance, and central technology.

Budget planning began for 2009-10 in January, the campus started with the assumption that the Governor's budget proposal issued in December, 2008 would be adopted by the legislature. A summary of that plan and its impact on Fresno State is in Appendix A. After an assessment of our 2008-09 enrollment, the first action taken was to close admissions for freshman and transfer students in an effort to reduce our 2009-10 prospective enrollment; it is necessary to maintain a flat target since there will not be funding for enrollment growth.

To address the remaining shortfalls, the Cabinet developed ten principles (Appendix B) which were to guide us in preparing budget plans for 2009-10. These principles were shared with the university community and at the faculty/staff assembly on January 20, 2009.

The University community was invited to submit suggestions for expenditure reductions or revenue increases. These suggestions were made available to the campus leadership which gathered on February 12, 2009 for a budget summit. The submitted suggestions were published on the Budget Office website at <http://www.csufresno.edu/budget/summit/ideas.shtml>. Over 100 students, faculty, staff, administrators and community members attended the summit. Participants were asked to review all suggestions consistent with principles adopted for the 2009-10 budget. The recommendations that resulted from the Budget Summit were published at <http://www.csufresno.edu/budget/summit/recommend.shtml> and made available to all Vice-President's who were asked to work with their respective divisions to prepare a 2009-10 budget plan to be submitted to the President by February 27, 2009. Specific action on each of the budget summit suggestions will be posted on the <http://www.csufresno.edu/budget/> site by March 27, 2009.

On February 20, 2009, the Governor signed a revised budget for 2008-09 and a budget for 2009-10 which incorporated his December proposals and introduced two additional provisions which may further affect the 2009-10 budget:

1. The 2009-10 budget assumes that the state of California will be the recipient of at least \$10 billion in federal stimulus dollars. If these funds are not received, by April 1, 2009, the budget triggers further tax increases and budget reductions including an additional \$50 million cut to the CSU. The plan proposed below does not address this anticipated reduction.
2. The 2009-10 budget assumes that five ballot initiatives will go before the voters in a special election on May 19th. All initiatives must be approved by the voters in order to achieve the proposed 2009-10 budget. If any ballot initiatives fail, then the revenue assumptions will be re-visited by the legislature in June.

Based on our preliminary budget reduction targets, which exclude the unknown fiscal impacts of the federal stimulus and the special election, I have reviewed the preliminary budget plan for 2009-10. The proposed budget reductions are itemized by executive area.

CENTRAL ACTIVITIES

\$900,000

- Reduce Plan for Excellence Funding: \$300,000
- Reduce Graduate Augmentation Funding: \$250,000
- Shift Library Expenses to Lottery Fund: \$350,000

- Continue the freeze on positions. Currently, we have over 60 positions vacant. Any exceptions to the freeze must be approved by the President.

Impact: This plan should not require layoffs, although some areas funded through the Athletic Corporation and the Foundation could require the elimination of a small number of positions.

- Continue spending restrictions on travel and purchases as outlined in Vice-President Teniente-Matson's info mail of January 21, 2009.

The remaining reductions for 2009-10 will be accomplished by reducing the Level A Allocations of each area. These reductions are outlined in Appendix A. The reduction will be accomplished as follows:

ACADEMIC AFFAIRS

\$2,807,684

Academic Affairs made \$2,694,136 in permanent reductions in fiscal year 2008-09. An additional **\$2,807,684** is included in this 2009-10 reduction plan (Level A funding reduction of \$2,207,684 combined with the aforementioned reductions from Central Activities - the \$250,000 reduction to graduate studies and the lottery reduction of \$350,000).

Roughly 86% of the Academic Affairs budget is allocated to the Schools and Colleges with another 6% to the Library. About 8% is allocated to Academic Support. Academic Support absorbed a significant portion of the 08-09 budget reductions. While limited flexibility remains in academic support, roughly half the 2009-2010 reductions in academic affairs are slated to come from there. The remaining reduction needed was prorated to the schools/colleges and the library. Each of the deans consulted within their units in developing budget plans to meet their targets.

Curricular Changes/Reductions

\$814,400

- Eliminate 100 Low Enrolled Courses \$547,000
- Reduce Summer Session Offerings \$122,400
- Increase class size \$145,000

Impact: Students will have fewer courses to choose from and a more difficult time finding the classes they need. Some students may not be able to get a full schedule. Some students may require additional terms to graduate. Fewer part-time faculty will be hired. Class sizes will increase which may impact the quality of the learning environment and increase demands on faculty.

Faculty Reductions

\$600,555

- Hold positions vacant, reduce the amount of assigned time.

Impact: There will be somewhat fewer tenured/tenure track faculty to carry the non-instructional workload. Faculty will have less support in non-instructional venues such as research and service with concomitant reductions in grant proposals, funded research, and engagement.

Program Reductions

\$252,000

- Reduce enrollment growth in several graduate counseling programs including Rehabilitation Counseling, Marriage and Family Therapy Counseling, and Student Personnel Services Counseling. Phase out an off-campus program (Lancaster Engineering). Postpone London and South Pacific study abroad programs.

Impact: This may have a beneficial impact as some programs retrench to determine the appropriate size and another that is not economically viable is phased out. There would be fewer opportunities for faculty and students to study abroad.

Faculty Research and Development **\$408,604**

- Reduce start-up packages, mini-grants, travel, and development funding.

Impact: It may be difficult to attract some faculty in the hiring process. New faculty will face significant hurdles in establishing research programs and others will find it difficult to maintain productivity, present papers, interact with colleagues, and transition to new areas of research. We can expect a reduction in the number of grant proposals and the number of grants awarded, the amount of indirect costs recovered, and the opportunities to involve students in research. Faculty travel, leadership and professional development opportunities would be limited or faculty would have to pay a greater share of the costs. Development of curricula would be delayed, advancement training would be postponed.

Staff Reductions **\$126,419**

- Hold positions open as resignations/retirements occur.

Impact: Workload will need to be redistributed, some work may not be completed.

Library Materials **\$100,000**

- Reduce spending on collection and some lesser used databases.

Impact: Reduction in the number of books and journals purchased and the number of databases accessible. Some disciplines would have reduced library access. Delay in fully implementing technology in new library media spaces. Reduced exhibit capacity.

Other Academic support and school/college cuts **\$505,706**

- Miscellaneous cuts to operating, travel, equipment and student support budgets.

Impact: Money targeted for upgrading facilities such as art studios, laboratories, concert halls, theatres, television studios, etc will not be spent with degradation in the quality of these areas. Ability to maintain laboratory supplies and equipment, provide new equipment, and cover normal office costs will be reduced so fewer such things will be purchased/covered with various impacts. Library hours may be reduced. On campus seminar series would be cancelled or reduced impacting the opportunity for faculty development and student intellectual growth. Students would have fewer opportunities to

engage in research. Graduate student assistance would be reduced which might reduce the number of students in some programs or the quality of the experience.

Non quantifiable impacts of all of these might also include a reduction in the quality of the student learning experience, a decline in faculty and staff morale, and a loss of reputation.

ADMINISTRATIVE SERVICES

\$518,510

The Division of Administrative Services made \$712,522 in permanent reductions in fiscal year 2008-09. An additional **\$518,510** is included in the 2009-10 reduction plan. This does not include the one-time reductions that were made in 2008-09.

At this time, we do not anticipate any layoffs. However, the plan will result in the following reductions in services, initiatives and vacant positions:

Office of the Vice President for Administration

\$59,821

- Reduce VPA operations

Information Technology Services

\$93,938

- Salary Savings – 1 vacant position; extend server refresh from 4 years to just under 5 years; and reduce number of ITS desktops refreshed

Impact: The vacant position will result in more reliance on the vendor.

Campus Information Systems

\$58,141

- Extend workstation refresh from 3 to 4 years; reduce consulting services; and reduce training/travel.

Impacts: Reducing consulting services could possibly result in elongated project timelines. Reducing training/travel will result in reduced technical skills improvement.

Facilities Management

\$222,064

- Salary Savings from 4 vacant positions

Impact: Will be felt in grounds and trades with slower response times and inadequate coverage at times.

- Reduce equipment purchases

Impact: Equipment is usually purchased on a five-year cycle and we are now entering our seventh year. Repair costs will increase as a result of not replacing older equipment. HVAC, mowers and carpet equipment must be in good working order as there are no backups. Facilities has been operating on the “edge” due to the amount of failures that occur every day.

Financial Management **\$48,166**

- Accounting – salary savings – reduce non-essential temporary positions

Impact: Will result in delays in cashiering and registration payment services.

Human Resources **\$21,538**

- Salary Savings from 4 vacant positions

Impact: Will hire at lower salary levels which may result in hiring less qualified applicants.

Risk Management/Sustainability **\$14,832**

- Salary Savings – 1 vacant position – occupational safety specialist

Impact: This will result in increased workloads for other positions.

STUDENT AFFAIRS **\$593,000**

The Division of Student Affairs made permanent budget reductions of \$209,237 in fiscal year 2008-09. An additional **\$593,000** reduction, which includes a Level A reduction of \$251,125 is planned for 2009-10. As a result of these reductions, there will be vacant positions held open, student staff hours reduced or student staff positions eliminated, major reductions in operating expenditures - to include everything from travel to equipment to routine office supplies. In addition, we will be offloading state budget expenditures to individual trusts or auxiliary accounts in ARE, Career Services, Testing Services, and the University Student Union where possible.

The following provides information on the more specific impact of the budget reductions by unit within the Division of Student Affairs:

Office of the Vice President for Student Affairs **\$98,000**

- Elimination of the Director of Federal Programs and Division Communications position **\$68,000**

Impact: The responsibilities of this position which includes the supervision of federal programs and the coordinating of Division technology and communication have been delegated to senior managers as well as other managers within the Division, without additional compensation.

- Additional reduction in routine operating expenses **\$30,000**

Impact: Includes elimination of our Student Voice Assessment contract.

Enrollment Services **\$180,000**

- Continued freeze on positions
- Reduction of operational resources
- Fewer opportunities for training (on and off campus)
- Elimination of ‘Ask Time Out’ (\$16,000)

Impact: The above strategies that are a part of the division reduction plan will affect Enrollment Services unit in the same way as the other units, which includes requiring staff to take on additional responsibilities to accommodate functions performed by individuals whose positions will go on unfilled. It will also mean fewer opportunities to participate in on or off-campus training. In some cases, there will be longer lines for students to get answers at public contact windows - and in some cases, less efficient operation because technology tools can not be updated and other operational resources will not be readily available (software package, software licenses, etc.). The elimination of “Ask Time Out” software will result in additional phone inquires to our Division and other campus offices to respond to questions whose answers are not available in what will then be a static website.

Finally, with greater use of the ARE trust funds to support operating expenses, there will be less trust fund money available for future special projects in ARE – and there will be much less flexibility in the ARE budget.

Student Success Services **\$60,000**

- There are several vacant positions in Student Success that will not be filled which means more staff taking on an additional workload to fill in for those vacancies.

Impacts: Longer lines, and longer wait time for students to be seen by tutors and academic advisors. There will also be potential inefficiencies because of reduction of operating budgets, less updated technologies and fewer training opportunities.

- Testing Services Office will offload some of their operating expenses, which are currently charged through their general fund budget, to the Testing Services trust. This has been generated by revenue produced from computer based testing services and other national testing programs that are being offered through the Testing Services Office.

Student Health Center

\$185,000

- The Student Health Center will be absorbing three counselor salaries that were previously paid from the VPSA general fund budget (this will also save the benefit costs for the general fund central budget). As long as the Student Health Center can generate additional revenue through its Family PACT Program and effectively manage its current expenses, the impact on the Student Health Center will be manageable.

Impact: If Family PACT does not generate additional revenue as expected, position vacancies will remain unfilled and we could foresee that students will have to wait longer to be seen for office visits. We could also see a loss of some specialty areas like dermatology.

Currently, budget reduction strategies in UHPS have come from not filling the head nurse position and physical therapist position, a health educator and pharmacist position. In addition, some staff have voluntarily reduced their time to 10 or 11 months. The former head nurse responsibilities have been delegated to other nurse practitioners and to the Director of the Student Health Center. The lack of a physical therapist has reduced services to students – although, we are currently piloting an arrangement with Health and Human Services for some physical therapist services to be provided by masters and doctoral students in the Physical Therapy Program.

Student Life

\$70,000

- Reductions in the coming year will eliminate a position that has provided programming for our Violence Prevention Project, to reduce domestic violence against women. This was a grant that will be concluded in May 2009, but these services will not be able to be retained in 2009-10.
- The Student Union will absorb one position within the Student Activities office, which means that a vacant position within the Student Union that provided much needed administrative support within the Union will not be filled.
- Career Services will reduce its operating expenses and will offload some of their expenses to their trust fund.
- The SSD Office will reduce its full-time support staff to half-time, which will result in increased responsibilities for other staff in the office.

Impact: Additional reductions beyond those anticipated with the new state budget will result in longer delays in delivery of services to students from offices, and reduced resources to perform routine tasks, which will affect morale. In addition, we will continue

to leave open any vacant positions as individuals leave the Division; thus, placing more burden on current staff. With the above scenarios, we do not anticipate maintaining any temporary staff beyond June 30th, 2009. If these significant budget reductions extend and grow beyond what is expected in 2009-10 and/or 2010-11, we would have to implement more extensive reductions.

UNIVERSITY ADVANCEMENT

For the 2008-09 fiscal year, the Division of University Advancement made permanent budget reductions of \$34,855. An additional reduction of **\$169,015** is included in the 2009-10 budget plan which includes a Level A reduction of \$54,015.

University Communications

\$169,015

- Electronic distribution of the University Magazine and reduction of the number of printed copies
- Freeze the Associate Vice President for University Communications position

Impact: The magazine, an important communication and development tool, will not be available in printed form to most current recipients, which may result in decreased knowledge of and connection with university activities. Continuing freeze on AVP will mean continued increased workload for interim department head and other positions and reduced resources to perform tasks, particularly news-related.

Special Note: University Advancement's Development Division receives significant funding from the foundation to support the university's fund raising efforts. Due to the dramatic drop in the university's endowment, funds available for administrative support of development will drop significantly and is likely to cause a reduction of positions in this area.

ATHLETICS

\$58,754

The Level A reduction of **\$58,754**, combined with other forms of reduced Athletic Corporation revenues in FY09 and anticipated for FY10 – **will require Intercollegiate Athletics to reduce 2009-10 expenditures by approximately \$1,000,000.**

- This overall expenditure reduction will be realized primarily by the permanent application of the recently implemented 7% across-the-board reduction of all ICA budget units, which will account for savings of \$714,632.

- Maintain currently ‘frozen’ staff positions and explore reduction of ICA staff for 2009-10 (administrative and support positions and athletic corporation employees)

We will have more specific figures regarding the required 2009-10 total expenditure reduction in the coming weeks - as we complete the annual Bulldog Foundation ticket drive.

OFFICE OF THE PRESIDENT

The Office of the President will be reduced by **\$30,956** in Level A funding for 2009-10. This reduction will be achieved by:

- Limiting travel
- Reducing the number of subscriptions and memberships
- Reducing some student assistant support

Additional cost reductions from non-state funding will be achieved by limiting entertainment expenditures

When the impacts of the federal stimulus and the special elections, become known, I will update the campus community. However should further reductions become necessary, we will examine the potential of centralizing and consolidating services and programs as well as further Level A reductions. These actions may require us to eliminate some positions. We are not likely to be in a position to make those decisions if they become necessary until May or June.