

California State University, Long Beach
2008-09 Resource Planning Process
Future Challenges, Considerations and Recommendations

ONGOING HIGH PRIORITY ITEMS

Accessible Technology Initiative

The CSU instituted the Accessible Technology Initiative (ATI) under Executive Order 926 (January 2005). This systemwide unfunded mandate provides guidelines, rules and requirements to assist disabled individuals with learning. Unlike ADA (American Disabilities Act), which provides physical access for the disabled (i.e. curb cutouts and bathroom fixtures), ATI targets the way people read, write and utilize technology. The campus is required to meet California State Law, Section 508 standards as it develops or acquires new electronic and information technology resources.

These priorities include 1) accessibility of the Web, 2) accessibility of instructional materials, and 3) procurement of accessible electronic and information technology. Examples of ATI potential impacts are Web applications and displays, speech recognition, future purchases of hardware, software, telecommunications, multimedia, and self-contained products like copiers and kiosks that are ATI compliant. There will be significant workload impact caused by the creation of compliant teaching aids and student materials.

CSULB has a strong reputation for its service and support to its disabled community members, and is fully committed to meeting the requirements of ATI. As the university continues to expand its planning, initial actions are underway already to pool campus resources to provide for the training of procurement staff and web developers. As the campus amends its procedures to adhere to these new requirements, increased funding needs must be anticipated across the campus. The RPP Task force recognizes the fiscal budget and workload impact on both faculty and staff in preparation for the 2012 compliance date.

During this year's RPP, members of the ATI Steering Committee presented a draft campus implementation plan. The Task Force appreciated the opportunity to learn about the planning phase and would like to thank the numerous members of the campus community who already have invested significant effort advancing this initiative. The Task Force would encourage further refinement of the implementation plan with particular emphasis on:

- Specific objectives, goals, priorities, and timelines.
- Four or five specific goals from each of the subcommittees (Planning and Transition Plan, Marketing, Instructional Materials, Procurement, and Web Accessibility).
- Detailed training requirements for content providers and support staff.

- Identification of any hardware and software requirements and a corresponding procurement plan.
- Analysis of the pros and cons of the concept to develop a “center” for faculty and staff to utilize as a resource.
- Identification of potential risks, liabilities, and accountabilities surrounding this initiative.
- Annual budgetary requirements to fund this initiative effectively for each of the fiscal years 2008 – 2012.

Once the implementation plan is fully developed, hopefully this summer, the ATI Steering Committee should then present the full plan to the RPP Task Force for review, comment, and consideration.

Comprehensive Fundraising Campaign

CSULB is in the early stages of a very important comprehensive fundraising campaign. Interrupting the current campaign’s momentum would set back the university considerably. Campaign results will provide better educational opportunities for our students, build our endowment, significantly build ongoing annual fundraising efforts, and strengthen our statewide and national reputation. Furthermore, the Board of Trustees mandated that every campus have a comprehensive fundraising effort to further the academic mission of the university. With an expected return on investment of 7:1, the campaign has received broad university support since 2006-07 and has been funded with temporary resources due to a lack of permanent discretionary funds.

The Division of University Relations and Development has developed a very thoughtful budget at \$1.8 million annually and the Task Force recognizes that sustaining such an endeavor will require permanent funding. It was hoped that we could begin funding this requirement with permanent funds in 2008-09. However, given the state fiscal situation, the campaign must remain on temporary resources for the near term.

Classroom Maintenance

Initiated during 2006-07 and included in the budget plans for 2007-08 is an enhanced classroom maintenance program which was funded with the one-time savings from a utility settlement. This program temporarily augmented the regular classroom maintenance budget of the Facilities Management department and provided enhanced maintenance services to university classrooms. Painting of classrooms increased to once every three years, floor stripping and waxing and carpet cleaning doubled to twice each year, and attention to the repair/replacement of chairs, tables, window coverings, floor tile, and white boards increased from twice to three times per year.

Because these maintenance enhancements are so visible and benefit both faculty and students, the RPP Task Force recommends continuing to fund this program in 2008-09 with temporary campus resources, although at a slightly reduced allocation.

Beach Review

The magazine “*Beach Review*” has become one of the most important communication vehicles for the university to stay in contact with alumni and friends. Circulation has reached an all-time high of 235,000 and is now of a quality in which the campus takes great pride. Unfortunately, the budget reductions in 2008-09 forced University Relations and Development to propose a reduction in support of the magazine by \$80,240, potentially affecting both the quantity and quality of the publication. In order to mitigate this undesirable impact, the RPP Task Force asks UR&D to consider redirecting, if feasible, a manageable portion of the \$1.8 million budget for the comprehensive fundraising campaign to support “*Beach Review*” in 2008-2009.

KEY IMPLICATIONS OF 2008-09 BUDGET PLAN

Enrollment

In recent years CSULB has experienced increased enrollment and strong application demand. This enrollment growth and the state funding that followed allowed the campus to mitigate the impacts of the last state budget cuts in the early 2000s. The university designed a recovery plan around enrollment growth to avoid downsizing its programs. According to the recovery plan, the temporary funds were replaced over time by the permanent funds generated from increases in enrollment. More recently, new enrollment funds were expected to cover new expenses resulting from collective bargaining agreements that exceeded the compensation funding provided by the state. With pending state budget cuts, these circumstances have changed.

It is clear that we must now manage our state funded enrollments closer to our funded enrollment target. With state budget cuts possibly continuing for several years, CSULB cannot take additional unfunded enrollment growth – we are already being asked to accommodate the same target enrollment as the current year with fewer resources.

Enrollment management will continue to play a critical role in campus budget planning. CSULB must be mindful of state funded enrollment levels because we may experience further budget reductions, if funded enrollment targets are not met. It is also important to note that while we do not receive general funds for enrollment beyond our target, we do generate and retain student fees attributable to our final enrollment performance.

Summer Enrollment and Teaching

In order to save funds to protect fall and spring offerings, a decision was made to reduce the summer 2008 enrollment budget by 40 percent. While this decision is expected to save \$2.2 million that will become available to help protect fall and spring schedules of classes, reducing summer classes will be harmful to both students and faculty. For students, fewer classes may slow their progress toward graduation. Recent data show that about two-thirds of CSULB graduates take at least some summer coursework here. For faculty, fewer classes means restricting the number of faculty who have the opportunity to teach during summer, reducing their supplemental income by 10 percent or more, increasing class size and workload, and lowering faculty

morale. Not having summer school income becomes even more significant for faculty given the potential loss of salary increases for 2008-09. Because summer school is good for both students and faculty alike, the RPP Task Force supports a return to the largest summer program that can be sustained and is financially viable.

Graduation and Retention Rates

The *Campus Strategic Priorities and Goals* include “student success” as a strategic priority and two specific goals for graduation rates: 50 percent graduation rate for the 2002 freshman cohort by six years and 55 percent for the 2004 cohort. The campus appears to be on track to achieve the first of the goal for the 2002 cohort. The goal for the 2004 cohort has always been a stretch goal for the campus. With budget cuts, there is a risk of not only missing the 55 percent goal but of eroding progress made to date, mainly because of more limited availability of classes for students and more limited availability of services such as advising, learning assistance, and other support programs.

The RPP Task Force agreed that instruction should be a priority and recommended a budget reduction to instructional areas less than that imposed on non-instructional areas. The sizable budget reduction in 2008-09 has significant potential to diminish course offerings and to decrease retention and graduation rates. The RPP Task Force urges the university to carefully monitor student progress to degree, try to anticipate impacts on retention and graduation rates, and support necessary instruction, programs and services when developing plans in future budget cycles.

Student-Faculty Ratio

In 2008-09, much of the fall and spring schedules of classes will be protected with temporary resources. Nevertheless, in some cases sections will be consolidated and smaller enrollment sections canceled. These budget saving measures are likely to lead to some increases in class size. Although the relationship between class size and outcomes for students is more complex than the simple idea that “smaller is better,” there are important reasons to be concerned about class size increases. A substantial research literature makes very clear that one critical factor in retention and graduation is student opportunities to develop personal connections on campus, especially with faculty. It is therefore critical to ensure that most students, especially beginning students, have some small class experiences in which they have opportunities to develop these key relationships.

Workload Issues

With class size increases will come some increases in faculty workload. Since much of the schedule of classes will be protected by temporary resources, these increases should not be extreme. More substantial budget impacts may be anticipated in the non-instructional budgets, especially those that include staff. There will be a widespread pattern of leaving positions vacant after staff retire or separate from the university. This pattern will have a significant impact on staff workload and services to faculty and students. In the academic colleges this workload increase will be exacerbated by the

increasing decentralization of many tasks due to the greater use of web-based technology. We can expect staff workload to be a particular issue in the coming year.

Student Assistants

CSULB has always utilized student assistants to augment the regular workforce to perform ongoing tasks, complete special projects, and accommodate peak seasonal workload demands. This not only allows the university to effectively accomplish its many objectives, it also provides students with valuable training, relevant work experience, and a convenient accessible way to assist them with their personal finances. More importantly, there is evidence that students who work on campus are more engaged in university life which leads to higher retention and graduation rates compared to other students.

With the budget reductions of 2008-09, all divisions have placed a priority on the retention of its faculty and staff workforce and most departments do not have a generous or flexible operating budget. Therefore, divisions have been forced to reduce the utilization of student assistants to achieve their budget cuts. In aggregate, the university will be reducing the number of student assistant employees by approximately 110, or almost one-half the current workforce. While the RPP Task Force understands that this action is unavoidable in 2008-09, they urge all divisions to consider the appropriate size of the student assistant workforce when the fiscal situation allows.

Counseling and Mental Health

Following national trends, CSULB has seen a dramatic rise in both the frequency and severity of student mental health problems. At the same time, budget reductions over time have resulted in decreased staffing and lack of resources to fully meet the mental health needs of our students. This increased demand and decreased ability to meet the service needs of students is approaching a critical level. The situation is further exacerbated by budget cuts in the 2008-09 year that will result in the loss of one contract psychologist position and a reduction in psychiatric services for students on campus.

Current staffing levels for psychological counseling and mental health are inadequate and result in excessive wait times for appointments and more frequent referrals to off-campus resources. Increasing numbers of students in crisis and at risk of harm to themselves or others affect all segments of the campus community. Phone calls from faculty and administrators with concerns about troubled students have increased 300 percent since the Virginia Tech tragedy. Rates of involuntary psychiatric hospitalization for suicidal behavior and the number of completed suicides on campus have increased over the past two years. National accrediting organizations recommend that colleges have a ratio of one counselor for every 1,500 students. The national counseling center average in 2007 was one counselor per 1,969 students. Currently, CSULB has a counselor to student ratio of one to 4,111 (the CSU average is one to 3,407), far in excess of recommended standards. This is a result of diminished funding over time and the fact that counseling center staffing levels have never recovered from budget cuts in the early 1990s.

The RPP Task Force is deeply concerned about the limited resources available for counseling and mental health and acknowledges that these services are essential for a safe, supportive and healthy learning environment for our students, staff and faculty. The Task Force recommends that the university identify funds to restore critical mental health services and that these services remain a high priority in future budget cycles.

Disabled Student Services

Disabled Student Services (DSS) is under state and federal mandates to provide specific, direct support services to students with disabilities. For the 2007-08 academic year, DSS is anticipating a \$40-50,000 deficit due to mandated expenditures for support services. This is primarily due to an increase in the number of students who utilize alternative text and media, as well as interpreter and real-time captioners' costs for deaf students. The RPP Task Force was briefed on the fact that the cost of mandated DSS services may vary significantly based on the number of students with disabilities who enroll at the university. The concept of indexing was discussed whereby DSS would have the ability to request additional funding, if necessary, to meet the legally mandated needs of disabled students. Further, it is recommended that the RPP Task Force discuss a proposal that focuses on the needs of returning veterans with disabilities in future meetings.

Baseline, Access, Training and Support (BATS)

In 2007-08, the RPP Task Force recommended that the university-wide budget of \$651,000 designated for computer Baseline, Access, Training and Support (BATS) be permanently allocated to departments that traditionally received these funds. To assure that each university division enjoys comparable support, the RPP Task Force recommends that \$13,000 be added to this budget resulting in a total of \$664,000 available for distribution as follows:

Academic Affairs	\$579,390
Admin & Finance (ITS)	\$ 45,570
Student Services (DSS)	\$ 26,040
Athletics	\$ 6,500
Office of the President	\$ 1,500
University Relations & Development	<u>\$ 5,000</u>
Total	\$664,000

The RPP Task Force further recommends that this allocation be made to these areas on a permanent basis effective 2008-09 with the understanding that these funds be used to ensure ongoing technology support.

Campus Capacity (Campus Master Plan)

Under current CSU guidelines, major capital projects for new buildings and major renovations of existing old buildings require increases in campus enrollment capacity. Thus, a major reason for the campus to consider growth is the opportunity to gain approval for much-needed renovations and new campus buildings.

During 2002-2004, the RPP Task Force sponsored a faculty and staff study of the key issues related to growth and their reports contained a wealth of valuable ideas and analyses. The RPP Task Force developed a recommendation and a set of accompanying stipulations regarding campus growth. The recommendation was for the campus to request an increase in its enrollment ceiling from the current figure of 25,000 full time equivalent students (FTES) to 31,000 FTES.

After extensive consultation with the campus community the campus completed the requirements of the California Environmental Quality Act (CEQA), which involves sharing our capital improvements and development plans with the Long Beach community. In spring 2008 CSULB sought and obtained Board of Trustees approval of an updated campus physical master plan that includes a new enrollment ceiling of 31,000.

Department of Athletics

The RPP Task Force discussed the unique situation that the Department of Athletics faces during years of budget reduction. As context, it is important to understand that the Department of Athletics relies upon its state General Fund allocation as a somewhat stable funding source for personnel costs and relies on student fee revenue allocations (e.g., Instructionally-Related Activities - IRA - and Beach Pride), to support team operating budgets. Further, the Department of Athletics must fund student-athlete scholarships at the highest amount it can afford in order to stay competitive in the recruitment of high caliber student-athletes.

During budget reductions, the Department of Athletics is often negatively affected in three ways. First, they are usually asked to participate in any pro rata state General Fund budget reduction. Second, as in 2008-09, when enrollments decrease so do student fee revenue allocations (e.g., IRA and Beach Pride), which negatively affects their total resources. Third, because the Student University Fee (i.e., tuition rate) often increases when the state budget is cut, the required scholarship expenditure increases. These three factors result in decreasing revenue and increasing expenses, which exacerbates the impact of tough budget times on the Department of Athletics. The RPP Task Forces urges the university to be mindful of this somewhat unique situation during future budget cycles.

ISSUES TO CONSIDER IN 2009-10 FINANCIAL PLANNING

Use of Temporary Resources and Carryover

Over the past several years, the university exercised tight expenditure controls and prudent fiscal management resulting in the accumulation of temporary campus resources for that “rainy day.” In an effort to mitigate the budget problem in 2008-09, the president decided to utilize some of this rainy day fund recognizing that the budget problem is sizable and would certainly result in substantive disruption. Along these same lines, the divisions are also utilizing a sizable amount of carryover funds in 2008-09 to help mitigate the full effect of budget reductions.

While the RPP Task Force fully supports this decision to utilize temporary resources to help mitigate 2008-09 budget challenges, the RPP Task Force would like to remind the campus community that this only defers the problem to future budget years if additional base funding is not provided in the near term.

Accumulation of Reserves

The CSU has been delegated the authority to deposit and manage its own student revenues (Revenue Management Program) rather than through the state treasury as in the past. While this delegation affords more autonomy and flexibility, the CSU system must demonstrate even greater fiduciary responsibility because of greater visibility. Accordingly, the Chancellor's Office has developed guidelines related to the amount of carryover and reserves each campus is allowed to retain.

The allowable limits are lower and more restrictive than before and the campus is adjusting its carryover and reserve practices accordingly. The university community will need to be mindful of these limitations during the 2007-08 year-end process and as financial plans for 2008-09 are developed.

Future Budget Reductions

The Task Force commends all divisions for their thoughtful, creative and proactive approaches to proposing strategies for 2008-09 to handle budget reductions. While necessary, the Task Force recognizes that strategies will force the elimination of many less critical services and will slow the delivery of critical services to students and other campus constituents. The Task Force also recognizes budget reductions may affect activities and programs that help develop students into well-rounded individuals and provide a full educational experience.

In planning for 2008-09 budget reductions, the Task Force recognizes that essential services have been examined and efficiencies have been maximized. The campus has made virtually all of the reductions that can be made without affecting core mission activities. The RPP Task Force also recognizes that temporary university reserves and carryover amounts are being seriously depleted and divisional flexibility to deal with future cuts are diminished.

The RPP Task Force has begun to discuss the potential for future budget reductions. State budget problems may not be resolved in one year and the campus may be faced with additional reductions. Each successive reduction will become progressively more difficult and harmful. In the event of continued reductions, the campus may need to explore a range of budget approaches to successfully sustain the campus core mission of delivering high-quality, student-focused education as a premier institution. The Task Force would like to acknowledge the continued hard work of the entire university community and the resolve shown by all. CSULB remains a vital premiere institution of higher education that remains one of the nation's best. This would not be possible without the energy, creativity, dedication, and positive attitude by all faculty, staff, and students.