

ACADEMIC SENATE
of
THE CALIFORNIA STATE UNIVERSITY

AS-2588-02/FA/FGA
November 7-8, 2002

Call for Reconsideration of Trustees' Proposed Budget

- RESOLVED: That the Academic Senate of the California State University (CSU) reaffirm the resolutions entitled "Short-Term Budget Priorities for 2002-2003 and 2003-2004" (AS-2572-02) and "Priorities for Strategic Budget Planning" (AS-2573-02) adopted in May 2002 (see attached); and be it further
- RESOLVED: That the Academic Senate CSU find that the budget proposal adopted by the CSU Board of Trustees on October 31, 2002, fails to address key budget priorities in the previously cited Senate resolutions; and be it further
- RESOLVED: That the budget proposal adopted by the Board of Trustees is inconsistent with Senate budget priorities in that it:
- provides for only a 1% faculty salary increase within the partnership agreement;
 - seeks funding for salary costs already funded under previous legislative allocations;
 - sets the interests of faculty and university staff against each other through an attempt to achieve "salary parity";
 - fails to cover first-year costs of ACR-73 in the partnership agreement; and be it further
- RESOLVED: That the Academic Senate CSU call upon the Chancellor and the Board of Trustees to develop a budget request for 2003-2004 consistent with the priorities clearly enunciated by the Chancellor, the Senate, and other CSU faculty representatives; and be it further
- RESOLVED: That the Academic Senate CSU encourage the Chancellor to engage in meaningful dialogue and collaborate with the Senate to develop strategies to apply Senate budget and strategic planning priorities in revising the current and devising future budgets.

RATIONALE: Funding to adjust faculty salaries to a level that makes CSU competitive in recruiting new faculty was a high priority in both short-term (AS-2572-02/FGA) and long-term (AS-2573-02/FGA) budget goals of the

Senate adopted in May 2002. In response, Executive Vice Chancellor David Spence stated that "The resolutions received are important views that influence CSU budget decisions and recommendations to the board of Trustees, and they are appreciated for articulating the view of the CSU faculty."

The CPEC gap continues to grow under the deficit budget conditions that exist today and in the foreseeable future. ACR-73 has challenged the CSU to raise full-time tenure track faculty to 75% of total faculty. Below-market starting salaries, meager raises, heavy workloads, and high living costs make faculty recruitment and retention difficult. Experience shows that requests within the partnership portion of the CSU budget proposal have a much higher likelihood of being achieved than items, however worthy, in the augmentation portion, "below the line." The Chancellor has stated publicly that improving faculty salaries by closing the CPEC salary gap is one of his top priorities; this gap currently stands at 10.6 %. The Chancellor, moreover, has called for a culture of unity and trust within the CSU. A first step in establishing this trust is to engage in sincere efforts to implement the Senate budget priorities.

The Board of Trustees on October 31 rejected an amendment to the Chancellor's proposed budget request that would have given high priority to compensation increases for all employees, including faculty.

APPROVED – November 7-8, 2002

2003/04 CSU Support Budget - Gold Book Final Draft 3 (5% Enrollment Growth)

Sources of Funds**Partnership Funding Agreement Base Budget Calculation**

2002/03 Final General Fund Budget	\$2,680,280,000
<i>Less: Lease Bond Payments and Deferred Maintenance Borrowing Debt Service Payments</i>	(65,697,000)
<i>Plus: Restore Funding for 2002/03 One-Time Long-Term Need Reduction</i>	38,000,000
Total, CSU 2003/04 Base Budget General Fund Support	\$2,652,583,000

Partnership Agreement

4% Increase for General Operations (\$2,652,583,000 x .04)	\$106,103,000
1% Increase for Long-Term Need (\$2,652,583,000 x .01)	26,526,000
Full State Marginal Cost for 5% Enrollment Growth @ \$6,594 per FTES	105,880,000
State Marginal Cost Supplement for YRO Conversion	7,713,000

Partnership Revenue Agreement

Revenue from Enrollment Growth	28,238,000
Revenue from YRO Conversions (@ 2002/03 marginal cost rate)	2,065,000
Buy Out Revenue from Increase in State University Fee Rates	16,294,000

SUBTOTAL, PARTNERSHIP REVENUE ESTIMATE 2003/04 **\$292,819,000**

2002/03 Unfunded Partnership Revenue **115,840,000**

Total Sources of Funds **\$408,659,000**

Use of Funds**Mandatory Costs**

Full-Year Cost of Faculty (Unit 3) Compensation Agreement (2.64% Increase)	\$29,920,000
Full-Year Cost of Non-Faculty Compensation Agreement (.18% Increase)	1,917,000
Cost of Unit 6 2003/04 Compensation Agreement (2% Increase)	979,000
Health Benefits Rate Increase	32,206,000
Insurance Premium Increases	7,265,000
New Space	6,322,000
Total, Mandatory Costs	\$78,609,000

Enrollment Growth - 16,057 FTES (5% Increase) **\$118,934,000**

Enrollment Growth YRO Conversions - 1,683 FTES **\$9,778,000**

Financial Aid **\$8,960,000**

Long-Term Need

Technology-Network Equipment	\$5,000,000
Libraries	10,000,000
Deferred Maintenance	11,526,000
	\$26,526,000

Non-Faculty Compensation Adjustment for Parity with Faculty Agreement (2.46% Increase) **\$26,573,000**

General Compensation Increase; 1% Increase for all employees (excludes Unit 6) **\$23,439,000**

SUBTOTAL, 2003/04 PARTNERSHIP FUNDING AGREEMENT **\$292,819,000**

Compensation (3% effective July 1 = \$37.3 million Faculty; \$34 million non-faculty - excludes 1% Unit 6) **\$71,295,000**

ACR 73 First Year Cost Requirement

Maintain Faculty Position Base	\$5,800,000
Marginal Cost Supplement for Enrollment Growth Faculty at Average New Hire Rate	16,791,000
SFR 18.0 to 1 First Year Phase In Cost	13,024,000
Total, First Year ACR 73 Cost Requirement	\$35,615,000

Off-Campus Centers (at \$991,000 per Center over 500 FTES) **\$2,973,000**

High Cost Academic Programs (Nursing, Agriculture, Engineering, Computer and Bio Technology) **\$5,957,000**

Total Use of Funds **\$408,659,000**

ACADEMIC SENATE
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AS-2572-02/FGA

May 2-3, 2002

Short-Term CSU Budget Priorities for 2002-2003 and 2003-2004

RESOLVED: That in order to ensure that the California State University retain the ability to provide the people of California with readily accessible and high quality education in these times of high enrollment demand and extreme fiscal uncertainty, the Academic Senate of the California State University (CSU) endorse the following budget priorities and urge their use in potential adjustments to the 2002-2003 budget and the development of the CSU Trustees proposed budget for the 2003-2004 academic year:

- That the CSU receive full marginal cost funding for all students that it admits.
- That the full partnership agreement be honored, particularly those provisions addressing state funding of the CSU.
- That sufficient resources be provided to support both the necessary searches for and the salary levels required to attract and retain high quality faculty counselors and librarians.
- That support for CSU libraries be increased in order to begin restoring the cuts in human and information resources experienced during the late 1980s and early 1990s.
- That the CSU seek full funding to adjust CSU faculty salaries to achieve parity with comparison institutions as established and published by the California Post-Secondary Education Commission (CPEC).
- That budgets include funding to enable the CSU to begin reducing the current student-faculty and student tenure-track faculty ratios to levels typical before the fiscal crisis of the early 1990s, including (a) changing the formula for determining full-time equivalent graduate student enrollment from the current 15 units per term to 12 units and (b) revision of the marginal cost formula to reduce the specified student-faculty ratio to the average level of the 1980s; and be it further

RESOLVED: That these priorities be communicated by the Executive Committee to the Executive Vice Chancellor for Academic Affairs and his staff to assure the greatest impact during the 2002 summer's decision making.

RATIONALE: The Academic Senate of the CSU recognizes that the state of California is entering a period of severe budgetary constraint and that the resources necessary to meet many of its needs will not be available for the near future. At the same time, however, the CSU is facing enrollment increases unprecedented in recent years. If the CSU is to accommodate this demand while at the same time continuing to provide all students with a quality education, it is necessary that certain minimum funding needs in areas of enrollment, faculty recruitment and retention, and library resources must be met. Without this support, the ability of the CSU to provide students a quality education is in jeopardy. Providing access to higher education without the ability to also provide a quality education ultimately serves no one, not the student, not the CSU, and not the people of California.

APPROVED - May 2-3, 2002

ACADEMIC SENATE
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AS-2573-02/FGA

May 2-3, 2002

Priorities for Strategic Budget Planning

- RESOLVED: That the Academic Senate of the California State University (CSU) endorse the following budget priorities drawn from the report, *The California State University at the Beginning of the 21st Century*, adopted by the Academic Senate CSU in September 2001 to be used in the development of future CSU Trustee budgets:
- A. Seek full funding to adjust CSU faculty salaries to achieve parity with comparison institutions. Experience over the past decade strongly suggests that the only way to close the salary gap is to seek full funding for the established CPEC parity figure. Accordingly, we urge that the budget request funding for the full parity figure.
 - B. Seek specific funding to begin the process of reducing the current student-faculty ratio to the level typical before the state's fiscal crisis of the early 1990s. We recommend that this be done in the following ways:
 - Request supplemental funding to define a full-time equivalent graduate student as one carrying 12 units rather than 15 with no overall increase in the student-faculty ratio.
 - Request that the marginal cost formula be revised to specify a student-faculty ratio of 18.2:1 rather than the current level of 18.9:1; a student-faculty ratio of 18.2 represents the average student-faculty ratio during the 1980s.
 - Seek specific funding for the purpose of reducing class size, to be apportioned to all the campuses.
 - C. Seek funding to begin the process augmenting CSU library collections and restore library staffing. We suggest a specific budget supplement for this purpose, one designed, over time, to fully restore library staffing and to restore library budgets to at least their purchasing power of the early 1980s.
 - D. Seek specific funding to establish incentives to attract new faculty members of the highest quality; hire additional tenure-track faculty and improve funding for searches and reduce the current proportion of lecturers. Toward this end, we recommend that the budget:

- Request that the marginal cost formula be revised to specify an entry-level salary equal to the average entry-level salary in the most recent academic year plus whatever salary increase has been approved for the coming academic year. This will go far toward ensuring that funds for increased enrollment will permit the hiring of new tenure-track faculty members rather than forcing reliance on less expensive lecturers.
 - Seek specific funding for housing subsidies or subsidized housing for junior faculty members, including moving expenses for newly hired faculty members.
- E. Seek specific funding to remedy insufficiencies due to delayed maintenance and delayed purchasing during the early 1990s; bring state-of-the-art technology to more CSU classrooms; improve the current CSU physical plant to provide adequate facilities for existing programs and for growth.
- F. Seek specific funding to provide additional sabbaticals and other research support for CSU faculty and to reconfigure the CSU faculty workload so that a minimum of one-fifth may be devoted to faculty development (including research, scholarship, and creative activity). We recognize that this is potentially a costly project, but we urge that a beginning be made to address these needs in future budgets to address these needs, and that the CSU develop a long-term plan to accomplish this goal over the next five years.
- G. Seek specific funding to increase the number of secretarial/clerical staff and technical staff who provide services to faculty and students, and to improve staff wages and benefits to attract and retain the best quality staff in these positions: and be it further

RESOLVED: That copies of this resolution be forwarded to the Chancellor of the CSU, the Executive Vice Chancellor for Academic Affairs, CSU, and his staff and the CSU Board of Trustees; and be it further

RESOLVED: That the Executive Committee be directed to establish a process of advocating these priorities throughout both the summer and the traditional academic year.

RATIONALE: While the California State University (CSU) will be facing significant and immediate budget challenges as a result of constraints on state funding, it is nonetheless important that the CSU engage in broader strategic planning aimed at addressing the longer-term needs of the CSU. In September 2001, the Academic Senate of the California State University adopted The

California State University at the Beginning of the 21st Century, a survey of the experience of the CSU during the decade past and projections for the CSU in the decade to come. This report includes a series of budget recommendations that address the changes that will be necessary if the CSU is to meet the challenges of the next decade. The letter of transmittal for that document states, in part:

It was never our expectation that our recommendations for funding would be--or could be--immediately implemented, even in a period of budget surplus. It has always been our hope, however, that our analyses of the state of the CSU will inform future budget planning and that our recommendations for both policy and funding will define goals for the coming decade. We look forward to working cooperatively and collegially with the CSU faculty, administration, Trustees, and, as necessary, the legislature to develop these recommendations into concrete proposals that will permit the CSU not only to meet the challenges it now faces but also to serve better the people of California.

It was the intention of the Academic Senate CSU that the recommendations be implemented gradually, over the coming decade, as funding permits. Because these goals are intended to inform and guide long-term planning, it is, therefore, impossible to put a specific price either on a specific recommendation or on the entire set of recommendations. The cost will depend both on circumstances at the time when the recommendation is first implemented and on the length of time it takes to provide full funding for the recommendation. The Academic Senate CSU recognizes that the CSU is currently operating in a time of severe fiscal constraint. Nonetheless, it urges that, in preparing its budget proposals for fiscal year 2003-2004 and beyond, the CSU give priority to the recommendations in this resolution.

APPROVED UNANIMOUSLY - May 2-3, 2002