Message from Vice President Hagan:

University Budget News

Most of you are aware of California's current budget predicament. The Governor declared a fiscal emergency and the legislature initiated special sessions in late January to determine how to handle the 2007/08 projected State deficit of $3.3 billion and the $14.5 billion deficit projected for 2008/09. Since January, the 2008/09 State budget deficit projection has been further revised by the Legislative Analyst Office and is now estimated to be approximately $16.5 billion.

The outcome of budget decisions made in Sacramento has significant ramifications for the CSU and Cal State Fullerton. Thus far, the CSU has been exempt from a 10 percent mid-year 2007/08 budget cut imposed on other state agencies and the community college system. The legislature could still act to include the CSU in this mid-year reduction, however, the University is reasonably optimistic that this year's budget will remain intact.

The Governor's proposed budget for fiscal 2008/09 does fund some of the $213.6 million in new incremental costs requested by the CSU Board of Trustees (BOT). However, the Governor's budget simultaneously takes a "budget balancing" action and reduces the BOT requested budget by $313 million. The Governor's budget also assumes a $73.2 million student fee increase (10%), which has not been implemented. In addition to student fee increases, if the Governor's proposed budget is adopted it will fail to fund: CSU enrollment growth of some 10,000 students; $36 million in increased mandatory costs; increased employee health benefits costs; and previously negotiated faculty and staff compensation increases. Moreover, the CSU is still hurting from funding cuts of $522 million between 2002 and 2005.

The Governor will issue a revised budget on May 10, 2008 and the University will have a better sense of the 2008/09 fiscal picture at that time. However, while a final budget is still months away, the President, the President's Administrative Board (PAB), the Planning Resource Budget Committee (PRBC), and others are monitoring the situation and have started to develop budgets in alignment with the projected budget reduction and unfunded increases in mandatory costs. If the current budget is adopted it would require the University to make a budget cut of approximately $18.5 million in 2008/09. A cut of this magnitude represents approximately 6.2% of the University's operating budget and would severely limit student access, student rates of graduation, and our ability to maintain the...
quality of the academic programs and services to students, faculty, and staff. This problem is compounded by our own CSUF internal structural deficit and the fact that part of Cal State Fullerton’s 2007/08 budget was funded using non-recurring revenues. While there is no way to know at this juncture exactly how much of a reduction the University will be required to make, we fully anticipate significant reductions will be required and need to plan accordingly.

Budget negotiations continue between the Governor and the legislature, as do lobbying efforts by the CSU and all its constituent groups. A campus-wide budget forum is scheduled for Tuesday, March 25 from 11 am to 12:30 pm in the TSU, Portola Pavilions A&B to further educate and mobilize our campus community to advocate for restoration of the funding costs to the CSU.

Additional budget-related meetings and written communication also will be forthcoming over the semester as the budget situation evolves. For further information on the budget situation, visit the University’s 2008/08 budget website at http://www.fullerton.edu/budget/ or the CSU budget website at http://www.calstate.edu/BudgetCentral/index.shtml.

Property Acquisition

**MOU with the City of Fullerton**

In early January, the campus and the City of Fullerton signed a Memorandum of Understanding (MOU) regarding planning for a University Village Area which encompasses the campus and surrounding land parcels. The MOU expresses the desire to cooperate in preparation of a University Village Master Plan within the City’s General Plan to guide future public and private development in the greater CSUF campus area. Initial meetings are being held to implement the intent of the MOU.

**Irvine**

Efforts continue to complete the purchase of approximately 20 acres for a permanent Irvine campus. These efforts are being impacted by developer issues related to the overall use of the facility and disposition of building 829. Additional information will be provided in a future newsletter and other campus communication as these issues are resolved.

**Tustin**

For some time, the campus has been in discussions with the South Orange Coast Community College District regarding the possible location of CSUF programs at the District’s site in Tustin at the former Marine Corps helicopter base. Several academic programs, perhaps in partnership with District, are under consideration provided that facilities can be provided at a reasonable cost. Designation of a master developer is pending. The master developer may be Camelot Entertainment which plans to construct television and film studios at the site as well as other rentable space.

**Three-Year Classification Review Cycle Program**

It includes administrative offices, a dispatch center, front counter/records area, live scan (fingerprint) area, an Emergency Operations Center, conference/briefing rooms, evidence storage, holding/processing area, an armory safety equipment room, and locker facilities. This new facility is scheduled to be completed in January 2009.

**Tri Generation Project**

A Tri Generation facility consisting of a gas turbine and absorption chillers is currently under construction in an area east of the Nutwood Parking structure. The facility is referred to as a tri generation facility because it will deliver three different types of energy to the campus: electrical power, cooling, and heating.

When complete, the facility will support the additional square footage the campus has added in new buildings over the last several years and will enable the University to generate its own electricity by converting natural gas into electrical power, thus saving money in utility costs. Waste heat from the tri generation facility will be used to drive two new absorption chillers with the remaining waste heat being utilized to heat the campus buildings and provide hot water.
A three-year position classification review program will be rolled out this spring to ensure all staff positions are classified correctly, position descriptions are current and accurate, and staff equity is maintained. Through this program, Human Resources will establish a manageable, timely, and systematic process that ensures all staff positions are reviewed at least once every three years. Employee-requested reviews initiated by individuals in CSUEU, and off-cycle management-initiated reviews may also be requested outside the three-year cycle. Detailed information regarding the program will be distributed to managers and staff in the upcoming weeks.

**Association for the Advancement of Sustainability in Higher Education (AASHE)**

In an effort to support and advance sustainability, the University recently purchased an institutional membership for the Association for the Advancement of Sustainability in Higher Education (AASHE), which runs through January 1, 2009. Through this membership, all University faculty, staff, and students may access members-only resources, discounts to AASHE-sponsored workshops and events, and opportunities for professional development and networking. Individuals interested in these resources and benefits may visit the AASHE website and create an account utilizing their campus email address.

**Campus Catering Options**

Beginning on March 3, 2008, current campus catering exclusivity practices have been relaxed for University departments and student clubs and organizations on a 12-month trial basis for certain catered events. The exclusivity relaxation pertains to two major categories: self-catering and utilizing a pre-approved off campus caterer for larger events.

Self catering refers to situations in which a sponsoring University department chooses to provide the labor necessary to purchase and pick-up food and supplies from local retailers/restaurants, serve the food, and clean up following the event. Self-catering has historically been permitted in compliance with requirements defined by building/facility owners, however, guidelines for self-catering are posted on the Campus Catering website, along with additional information regarding departmental responsibilities related to driver requirements and safe and sanitary food handling, to assist in communicating this option more broadly to campus departments.

For those events at which the attendance is expected to exceed 250, or the food/beverage cost is expected to exceed $5,000, University departments have the option of selecting an off-campus caterer from a list of "pre-approved" campus caterers or utilizing Campus Catering. Pre-approved off-campus caterers have been screened by the University to ensure the caterer has satisfied University liability, safety, and other requirements.

**University Business Institute**

In order to respond to the increasing complexity of managing the University's financial resources, the Division of Administration and Finance is currently working to develop and implement a $15 million project was financed via a CSU energy program and will be repaid using energy savings. Completion is anticipated in approximately one year.

**Student Housing Phase III**

A Phase III Student Housing project will construct a complex of 1,000 beds of dormitory-style student housing, administrative offices, conference and multipurpose rooms, laundry and mail facilities, a recreational lounge, convenience store, maintenance facility and a dining/kitchen facility. The buildings will be located on a portion of Parking Lot E, adjacent to the existing Residence Halls. Site improvements will include a pedestrian plaza, landscaping, lighting, recreational areas, bicycle parking and surface parking lots. Construction is scheduled to begin in March 2009, with completion scheduled for July 2011.

**Children's Center**

This $9.3M student-funded project is currently in the preliminary design phase, with final completion and occupancy scheduled for spring semester 2009. The Children's Center currently occupies 7,000 square feet in 40-year old buildings and can accommodate up to 95 FTE children. The new facility will build 16,000 square feet in parking lot A and accommodate up to 122 FTE children.

**Nursing Skills Lab**

A 5,000 square foot nursing skills laboratory in the Kinesiology and Health Sciences building was completed prior to the start of the
comprehensive University Business Institute (UBI)—a training program for seasoned and novice finance managers and professional staff. University employees whose job duties include financial management, or University employees who wish to gain financial knowledge and expertise in order to serve the University in those positions.

The UBI will include a core program focused on conceptual financial management skills, as well as functional tracks targeted to specific audiences providing practical, hands-on operational knowledge and resources to individuals responsible for overseeing or performing financial functions.

A UBI advisory board is in the process of being established and initial offerings will occur in early summer.

**Leadership Institute**

The Division of Administration and Finance is currently revising the former MPP Leadership Institute to provide three different types of leadership development programs: two geared to individuals at specific junctures in their respective careers, and more broadly-based leadership training geared for individuals at all levels.

As currently envisioned a six-day Leadership Institute would be offered to mid-level and experienced managers below the executive/division head-level (e.g., Directors, Deans, Assistant & Associate VPs) and a one day per month MPP Training Program would be offered over an eight-month period to individuals in a management position for less than five years, department chairs, and bargaining unit leads. Participants would be selected for both programs based on nominations from division heads and individual applications. One or half day open invitation professional development sessions would be offered to all MPPs, department chairs, and others on a semi-annual basis.

A variety of external training professionals and presenters will be utilized for the majority of the sessions and the focus of all of the sessions will be Cal State Fullerton-specific and the leadership principles and core competencies best suited to advancing the University and ensuring success. Additional information will be provided later this spring, with initial offerings provided in the fall.

**Grants and Contracts/Sponsored Programs Co-Location**

Plans are underway to co-locate the Office of Grants and Contracts (Academic Affairs Division), Sponsored Program (Auxiliary Services Corporation), and Corporate and Foundation Relations (Philanthropic Foundation) on the second floor of College Park in closer proximity to each other. This relocation, which should occur by the end of May 2008, will allow the various offices to work more effectively with faculty during grant and contract development and throughout the life of an award. This co-location was recommended by a cross-functional committee chaired by NSM Dean, Steve Murray and ASC Executive Director, Bill Dickerson.

**Employee Occupational Health Task Force**

fall term to allow students to practice patient care procedures and skills in a simulated environment. The new lab includes a simulator skills lab, patient exam room, central video control rooms, 30-seat "smart" classroom, student computer workstations, conference room, supply/storage rooms, office space, and clerical workstations.

**Stephen G. Mihaylo Hall College of Business & Economics Building**

Substantial progress has been made toward the completion of the $84.5M state- and donor-funded Stephen G. Mihaylo Hall College of Business and Economics building. At approximately 198,600 square feet in five stories, the completed building will be the fourth largest building on campus. When completed in August 2008, the facility will include lecture halls, classrooms, break-out rooms, computer labs, faculty and staff office space, Centers of Excellence, and student support services.

**Infrastructure Upgrades**

Work is well underway on a three-year, $19 million, campus HVAC and utility infrastructure project, funded via capital renewal funds from the CSU and energy savings. The project includes upgraded sewer lines, chilled and hot water piping to Stephen G. Mihaylo Hall, and HVAC enhancements in McCarthy Hall, Kinesiology and Health Sciences, Performing Arts, Humanities, Visual Arts, Pollak Library, and Dan Black Hall that will increase the efficiency of the systems, enable fine-tuning of climate controls, improve air quality, and save energy. Thus far,
In an effort to provide additional support for employee health, the Division of Administration and Finance is establishing a campus-wide task force to evaluate the feasibility and potential value of developing a comprehensive employee occupational health and safety program. As part of this effort the task force will evaluate the feasibility of establishing an employee health clinic and providing increased support for enhanced quality of work life programs such as: employee wellness, back strengthening, and preparing for an aging workforce. Additional information will be provided as the task force is formed and completes its report.

Vacated Space Planning
A broadly-constituted campus committee consisting of representatives from the Academic Senate, Associated Students, and each of the University's divisions, met between October and January to develop recommendations regarding how best to utilize approximately 50,000 square feet of office space scheduled to be vacated in the upcoming months, when the College of Business and Economics moves to its new home in Mihaylo Hall. Two hundred and sixty-six rooms, mostly in Langsdorf Hall (2nd-7th floors) and College Park (6th, 9th, and 10th floors) and several rooms in both McCarthy Hall and University Hall will be reoccupied. The committee has submitted its recommendations to President Gordon and they are currently under review.

Division Strategic Planning
In conjunction with the Division's strategic planning process, the following four task forces were established during spring 2007: Mission/Vision, Organizational Structure, Professional Development, and Resources. All four task forces have completed their charge to solicit input from Division staff and identify and recommend strategic goals, objectives, and action items. Complete task force reports are available on the Division's strategic planning website.

As a result of these efforts the Division of Administration and Finance has now adopted a new mission statement, "tagline" and values that reflect the division's commitment to excellence:

The Division of Administration and Finance contributes to the University mission by managing resources and creating a culture and environment that facilitates and promotes teaching, learning, and research.

The Division of Administration: Partners in Learning

Division Values: Service, Collaboration, Integrity, and Accountability

Recommendations from the other three task forces established in spring 2007 will be incorporated into a first phase of a written strategic plan for the Division that will be posted on the Division website within the next two to three weeks for review and comment before it is adopted. In addition, four new task forces were initiated in December 2007 and will complete their charge to solicit input from Division staff and identify and recommend strategic goals, objectives, HVAC enhancements have been completed in McCarthy Hall and work is underway in the Performing Arts and Kinesiology and Health Sciences buildings. The remaining projects are in various stages of planning and design.

Parking Structure Phase III
A feasibility study is currently underway for a future two-phase parking structure to be located just north of the Marriott Hotel in Lot E. As currently envisioned, phase one of the project would build 1,500 spaces in a multi-level parking structure, with another 1,500 spaces to be added in the future. The structure will be funded via a parking fee increase recently approved by the President based on a recommendation from the student fee advisory committee.

Bike Station

Housing

Housing Authority Closes Deal on Condo Purchases
The CSU Fullerton Housing Authority finalized the purchase of 21 condominiums at Creekside, a 242-unit complex located at the corner of Lambert and Idaho in La Habra in December 2007. The condos, priced from $200,000-$300,000, have been refurbished with new cabinets, appliances, granite countertops, paint, and carpeting. A limited number of condos are still available for faculty/staff purchase.

University Heights
University Heights, an exclusive residential enclave of 42 paired-homes located on the northeast corner of Harbor and Brea
and action items by the end of April 2008: Communication, Customer Service, Growth, Process Improvement. After review and discussion by the Strategic Planning Steering Committee and Divisional Extended Managers, recommendations from these four task forces will be incorporated into a final draft of a strategic plan for the Division that will also be made available for review and comment before it is adopted.

Boulevards was completed in October 2007.

Over fifty percent of the three models ranging from 1,708-1,975 square feet and priced between $490,000 and $590,000 have been sold, with twenty-five homes still available. The CSU Fullerton Housing Authority and the Fullerton REMAX office are expanding the marketing efforts beyond the CSUF campus community to the greater educational community. More information on the Creekside condos and the University Heights properties are available at: http://www.csufhomes.org/.

Questions?
For questions about editorial content, contact Naomi Goodwin.
For technical questions, contact Marian Sherman.
Review past issues at the Division of Administration and Finance website.