Dear Campus Community,

As we approach the start of the new academic year, I want to provide you with an update on the CSU Fullerton 2012-13 budget.

Last Thursday I met with the 2012-13 PRBC Chair, Bob Mead and 2011-12 Chair, Kari Knutson-Miller to discuss the PRBC recommendations. Their leadership of this committee during these very difficult fiscal times as well as their continued work on the Strategic Plan is commendable. They have worked diligently to the benefit of the entire campus and deserve our thanks and gratitude for a job well done. It is evident that the recommendations of the PRBC are meant to ensure that CSU Fullerton continues to provide our students with an excellent academic foundation and superb student support services.

After carefully reviewing the Planning, Resource and Budget Committee’s (PRBC) 2012-13 budget recommendations, I am approving the 2012-13 recommendations. Further, I can assure you that our advocacy work will continue with our State Legislators and Governor.

CSU Fullerton’s history of fiscal responsibility puts us in an excellent position to manage the proposed cuts this academic year. The economic crisis as well as the possibility of additional cuts in 2013-14 necessitates that we plan for additional cuts in the future. While as a campus community we will be faced with making some difficult decisions across the entire campus, I know that together we will come together to ensure that CSU Fullerton will be stronger than ever. Because of your commitment, dedication and love for this campus and our students, I know that we will negotiate through these times. Vice President for Finance & Administration, Bill Barrett will communicate and coordinate the specifics of budget allocations stemming from this decision directly with each Vice President and their respective financial managers.

Please join me in applauding the PRBC for their difficult work! I look forward to working with all of you as we continue to get to know each other better and thank you for your support! I know that collectively we can make the 2012-13 academic year one of our very best!

Mildred García
President
Date:       June 11, 2012

To:         Mildred García  
            President

From:       Kari Knutson Miller  
            Chair, Planning, Resource and Budget Committee (PRBC)

Subject:    PRBC Recommendations for AY 12/13

The Planning, Resource, and Budget Committee welcomes you to California State University, Fullerton (CSUF).

Our responsibilities are highlighted in Academic Senate Bylaw 09-2 and University Policy Statement 100.201. These responsibilities include reviewing budget reports, assessing previous year budget allocations, analyzing and reviewing resource implications of new programs and changes in existing academic programs, and reviewing and evaluating division budget requests. PRBC responsibilities also include providing recommendations for University budget requests for approval within the scope of available resources and strategic goals and mission of the University, communicating preliminary recommendations for campus review and comment, and making final prioritized recommendations to the President.

FY 12/13 Budget Outlook

In January 2012, Governor Brown’s 2012-2013 state budget proposal identified a budget gap of $9.2 billion that would be addressed through a combination of budget cuts and temporary tax increases. The temporary tax increases are planned as a tax initiative slated for the upcoming November general election. If the tax measure is rejected by the voters, the Governor’s budget proposal indicated a series of trigger budget cuts would be implemented including a $200 million cut to the CSU effective in January 2013.

The budget gap identified in Governor Brown’s May Revision of the 2012-2013 state budget proposal increased from $9.2 billion to $15.7 billion. The trigger budget cut to the CSU in the May Revise increased from $200 million to $250 million. Per earlier instructions from the Chancellor’s Office, initial budget planning was based on our campus share of the possible $200 million CSU trigger budget cut. In late May, the Chancellor’s Office issued new instructions for all campuses to develop budget plans based on their share of the possible $250 million CSU trigger budget cut.

Our campus budget planning and accompanying recommendations factor in key budget assumptions and instructions from the Chancellor’s Office as indicated below.

- CSUF’s share of the possible $250 million CSU trigger budget cut is $19.9 million.
- One-time solutions can be used to address the budget cut in FY 2012-2013, but baseline solutions will be required for FY 2013-2014.
- Tuition increases of approximately 9.1% will be implemented effective Fall 2012 (no subsequent tuition increases are currently planned).
- Our resident FTES target remains unchanged for 2012-2013, but will decrease by 3% for 2013-2014; our actual resident FTES enrollments are forecast to be slightly over these targets within the over-enrollment thresholds approved by the Chancellor’s Office.
The latest budget estimates provided to PRBC reflect these key assumptions (see Attachment 1). They also incorporate mandatory cost increases and CSUF budget requirements including CMS loan payment, Academic Affairs pass-through expenditure items, and faculty settlements, promotions, and benefits. In addition, the budget plan incorporates requests consistent with two multi-year, high-priority recommendations including funding for essential instruction (SFR) and new faculty searches.

Finally, the budget plan identifies potential mitigation strategies, including divisional budget cuts, incorporated in the CSUF draft budget reduction plan submitted to the Chancellor’s Office a few months ago. While none of these potential mitigation strategies have been finalized or approved, they do offer one version of a balanced approach to fully resolve our one-time and baseline campus budget cuts and continue funding of high priority university objectives over the next two fiscal years.

Strategic Planning Processes and PRBC Recommendations

In April 2011, the President’s office formed a Strategic Planning Steering Committee (SPSC) to facilitate the development of an Integrated Strategic Plan. This committee included all faculty members of the PRBC, student members of the Academic Senate, and representatives from campus staff and administrative groups. Drafts of this plan were reviewed by the campus community. Strong support was provided for five major themes: Academic Excellence; Student Success; Intellectual Climate; Human Resources, Technology, and Facilities; and Capacity Building. All campus constituencies also highlighted the importance of advocacy for an accessible, affordable public university and the importance of collegial governance processes within and across strategic themes and associated goals. The Integrated Strategic Plan was approved on October 11, 2011. Unit goals for 2012-2013 presented in 2011-2012 Annual Reports will be aligned with approved themes and goals.

As stated in the February introductory memo, PRBC dedicated significant time and energy this academic year to University planning. Among this year’s committee activities was analysis of multiple data sources to identify proposed objectives. These data sources included the Integrated Strategic Plan, F11 Division Head presentations to PRBC, organized matrixes based on Division Head presentations, feedback gathered through multiple PRBC member exercises, presentations to the Council of Dean’s and Academic Senate, and interaction with the President’s office.

In the process of identifying proposed objectives, we noted opportunity for further clarification and refinement of strategic themes and goals indicated in our Integrated Strategic Plan. Edits may more clearly highlight campus priorities and reduce minor goal overlap that became apparent as we considered proposed objectives. It is essential that planning processes continue such that both objectives and strategies that specify units, actions, timelines, and resources are included in the Integrated Strategic Plan.

As stated previously, data sources considered by PRBC during the 2011-2012 academic year form the basis of the proposed objectives outlined in the attached document (see Attachment 2). We recommend proposed objectives be reviewed and discussed by the campus community in ongoing activities designed to complete our Integrated Strategic Plan in Fall 2012. In this context, AY 2012-2013 divisional and Chief Financial Officer (CFO) budget reports to the President and PRBC may include divisional and unit-based strategies aligned with University objectives. PRBC will continue its charge to review, evaluate, and make specific recommendations to these division budget requests.
Systemic challenges faced by CSUF include constraints on campus growth and our relative position within the CSU in terms of General Fund Allocation per Resident FTE. Further, years of continuous budget cuts have reduced all divisional operations far below core to unsustainable levels. Ongoing campus priorities identified above include a multi-year plan to fund essential instruction (SFR) and recruit and support faculty hires. These actions are needed to meet student demand for classes while funding important faculty and student support activities. They are clearly aligned with excellence in instruction and student success. Additional objectives and related strategies must be incorporated in the Integrated Strategic Plan to provide clear indication of campus priorities and guide budget allocations over the next three to five years.

In summary, our recommendations for AY 12/13 are as indicated below.

1. Fund noted ongoing campus priorities including a multi-year plan to fund essential instruction and recruit and support faculty hires.
2. Advocate for increased General Fund Allocation per Resident FTE to achieve equity with our peer campuses.
3. Refine goals included in the approved Integrated Strategic Plan.
4. Complete the Integrated Strategic Plan by finalizing priority objectives and identifying strategies expected to achieve these objectives.
5. Align future divisional initiatives and budget allocations to priority goals and objectives identified in the Integrated Strategic Plan.

PRBC understands that your decision related to our budget recommendations may occur in a fiscal context different than the one used to develop these recommendations. We remain committed to completing the strategic plan, allocating resources to achieve strategic plan goals and objectives, taking full baseline cuts, avoiding structural deficits, and maintaining completely balanced budgets at any funding level. We also encourage the university to continue identifying and implementing campus-wide efforts to reduce costs and increase revenues. Ongoing budget challenges reinforce the importance of thoughtful planning and budgeting processes. We look forward to working with you in these areas.

Attachment 1: CSUF Preliminary Budget Summary
Attachment 2: Integrated Strategic Plan Draft Objectives
## DRAFT CSUF STATE OPERATING FUND BUDGET CHANGE SUMMARY

### DRAFT BUDGET UPDATE AS OF:

**JUNE 11, 2012**

#### Prior Year Baseline Surplus/(Deficit)

<table>
<thead>
<tr>
<th></th>
<th>BASELINE</th>
<th>ONE-TIME</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,844,258</td>
<td>1,844,258</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1,139,222)</td>
<td>(1,139,222)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Revenues

- **$100M FY 2011/12 CSU State Allocation Budget Cut**
  - BASELINE: (7,460,700)
  - ONE-TIME: 0
  - TOTAL: (7,460,700)

- **Tuition Fees (9.1% Fall 2012 Tuition Fee Increase)**
  - BASELINE: 16,482,591
  - ONE-TIME: 0
  - TOTAL: 16,482,591

- **Tuition Fees (FTES & Student Mix Changes)**
  - BASELINE: (434,868)
  - ONE-TIME: 6,258,680
  - TOTAL: 5,823,812

- **NRT Fees (FTE Changes)**
  - BASELINE: (434,868)
  - ONE-TIME: 0
  - TOTAL: (434,868)

- **SUG Adjustment (Financial Aid) Paid to CO**
  - BASELINE: (5,494,000)
  - ONE-TIME: 0
  - TOTAL: (5,494,000)

- **SUG Allocation (Baseline Needs) Returned to Campus**
  - BASELINE: 5,497,000
  - ONE-TIME: 0
  - TOTAL: 5,497,000

#### Total Revenue Changes

<table>
<thead>
<tr>
<th></th>
<th>BASELINE</th>
<th>ONE-TIME</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,228,726</td>
<td>(13,597,570)</td>
<td>(9,368,844)</td>
<td></td>
</tr>
</tbody>
</table>

#### Expenditures

- **Unfunded Mandatory Systemwide Costs**
  - BASELINE: (1,259,500)
  - ONE-TIME: 0
  - TOTAL: (1,259,500)

- **SUG Expenditures**
  - BASELINE: (5,497,000)
  - ONE-TIME: 0
  - TOTAL: (5,497,000)

- **Total**
  - BASELINE: (6,756,500)
  - ONE-TIME: 0
  - TOTAL: (6,756,500)

#### Additional Budget Requirements

- **SFR Funding Change Based on Enrollment Change**
  - BASELINE: 82,044
  - ONE-TIME: (2,533,032)
  - TOTAL: (2,450,988)

- **Faculty Settlements**
  - BASELINE: 0
  - ONE-TIME: (362,451)
  - TOTAL: (362,451)

- **Facility Promotions and Benefits**
  - BASELINE: 0
  - ONE-TIME: 0
  - TOTAL: 0

- **Total Additional Budget Requirements**
  - BASELINE: (217,956)
  - ONE-TIME: (10,291,237)
  - TOTAL: (10,509,193)

#### Prior Year PRBC Recommendations

- **New Faculty Searches**
  - BASELINE: (350,000)
  - ONE-TIME: (1,600,000)
  - TOTAL: (1,950,000)

- **SFR Budget Restoration Plan (Years 2 and 3 of 6)**
  - BASELINE: (2,000,000)
  - ONE-TIME: (2,000,000)
  - TOTAL: (4,000,000)

- **Total Prior Year PRBC Recommendations**
  - BASELINE: (2,350,000)
  - ONE-TIME: (1,600,000)
  - TOTAL: (3,950,000)

#### Other

- **Child Care Subsidy**
  - BASELINE: 0
  - ONE-TIME: (73,000)
  - TOTAL: (73,000)

- **Total Post PRBC and Unresolved Funding Issues**
  - BASELINE: 0
  - ONE-TIME: (73,000)
  - TOTAL: (73,000)

#### Total Expenditure Changes

<table>
<thead>
<tr>
<th></th>
<th>BASELINE</th>
<th>ONE-TIME</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>(9,324,456)</td>
<td>(11,964,237)</td>
<td>(21,288,693)</td>
<td></td>
</tr>
</tbody>
</table>

#### Total Surplus/(Shortfall)

<table>
<thead>
<tr>
<th></th>
<th>BASELINE</th>
<th>ONE-TIME</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3,251,472)</td>
<td>(25,561,807)</td>
<td>(28,813,279)</td>
<td></td>
</tr>
</tbody>
</table>

#### Potential Mitigation Strategies

- **Deferred Maintenance (Shift from Baseline to One-Time)**
  - BASELINE: 1,012,250
  - ONE-TIME: 1,012,250
  - TOTAL: 0

- **Utilities (Shift from Baseline to One-Time)**
  - BASELINE: 500,000
  - ONE-TIME: 0
  - TOTAL: 0

- **UMGI (Funding Elimination)**
  - BASELINE: 600,000
  - ONE-TIME: 0
  - TOTAL: 0

- **Campus Reserve/Non State Entities**
  - BASELINE: 9,000,000
  - ONE-TIME: 1,300,000
  - TOTAL: 10,300,000

- **Cost Allocation Overhead Recovery**
  - BASELINE: 0
  - ONE-TIME: 1,100,000
  - TOTAL: 1,100,000

- **Divisional Budget Cut**
  - BASELINE: 17,701,029
  - ONE-TIME: 0
  - TOTAL: 17,701,029

- **Total Potential Mitigation Strategies**
  - BASELINE: 2,112,250
  - ONE-TIME: 26,701,029
  - TOTAL: 28,813,279

- **Total Surplus/(Shortfall)**
  - BASELINE: (1,139,222)
  - ONE-TIME: 0
  - TOTAL: 0

### Revised Surplus/(Shortfall)

<table>
<thead>
<tr>
<th></th>
<th>BASELINE</th>
<th>ONE-TIME</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

---

* Enrollment assumptions are based on enrollment projections provided by Institutional Research (3/14/12).
Preamble

California State University, Fullerton, aspires to be the premier comprehensive university in Southern California, nationally recognized for exceptional programs that prepare our diverse student body for academic and professional success. We seek to meet the needs of our students and our region, to engage our alumni, to be an exceptional educational and cultural resource for our community, and to promote a global outlook. We combine the best qualities of teaching and research universities where students, faculty, staff, and administrators work in close collaboration, fostering personal and professional development and advancing knowledge. We are committed to promoting the value and accessibility of higher education and advancing the long-term sustainability of our University. We are recognized for the “Fullerton Way”, our inclusive, transparent, and vital system of collegial governance. It is through this process that we will address the Strategic Themes below and identify and implement strategies that strengthen our institution.

California State University, Fullerton...where learning is preeminent.

Strategic Themes
I. **Academic Excellence (Strategic Theme)**

California State University, Fullerton (CSUF) provides innovative, high-quality academic programs that offer students broad educational experiences while preparing them for successful careers. To maintain academic excellence, CSUF faculty members remain current in their disciplines and instructional methodologies. They engage in research and creative activities and recognize the value of involving undergraduate and graduate students in these projects.

*To achieve academic excellence we will:*

A. **Support excellence in instruction and in the learning environment (Goal)**
   a. Provide for student-faculty ratios as identified for each college (Objective)
   b. Achieve and maintain an optimal number of full-time tenured and tenure track faculty
   c. Implement high impact practices that support student learning across programs

B. **Enhance and maintain a curriculum that prepares students for participation in society, the workforce, and professional and graduate schools**
   a. Develop new courses, restructure and initiate programs that prepare students for successful careers and advanced degrees
   b. Develop and implement effective online courses and programs

C. **Use assessment to improve academic programs**
   a. Implement structures needed to support unit and university-level assessment including general education outcomes

D. **Increase opportunities for student participation in experiential learning and research**
   a. Achieve and maintain desired levels of student participation in internships, community-service learning, and undergraduate student-faculty research collaborations

E. **Expand academic programs aligned with regional commitments and global interests**
   a. Promote experiential learning activities and curricula that interface with regional needs
   b. Internationalize the curriculum to improve and support global perspectives
II. Student Success

We provide high quality programs and services that support student academic achievement, personal development, and professional goals. Student success is advanced through knowledge of and access to available resources and development of meaningful connections to the campus. Student participation in curricular and co-curricular activities promotes life-long habits of intellectual inquiry and learning.

To ensure student success we will:

A. Implement strategies to improve student persistence, narrow the achievement gap for underrepresented students, and increase graduation rates
   a. Provide comprehensive academic advisement based on models of best practice
   b. Increase academic achievement through learning assistance programs
   c. Provide comprehensive student services and support systems shown to increase student success

B. Increase professional development opportunities aligned with career advisement
   a. Increase programs and services focused on career and major exploration
   b. Increase student participation in relevant professional development activities and advising

C. Coordinate student services across departments, programs, and divisions
   a. Identify and implement procedures for coordination of student support strategies

D. Increase student engagement in co-curricular activities
   a. Enhance and track student engagement in co-curricular activities
   b. Implement programs that promote a sense of belonging, community, and Titan pride

E. Use assessment to improve student services and programs
   a. Improve comprehensive evaluation and assessment of student services and support systems across the University
III. Intellectual Climate

An intellectually rich university environment informs teaching, supports research and creative activities, and connects the campus and community. We are contextualized both by our surrounding region and our commitment to involvement in the international arena. We are characterized by collegiality, transparency, and respect, and are identified by dedicated and accomplished faculty, staff, students, and administrators.

To ensure an intellectually rich climate we will:

A. Enhance Recruit and retain high quality and diverse faculty, staff, and students
   a. Effectively engage and serve students from historically under-represented populations
   b. Increase the number of international students and faculty members participating in our university community
   c. Facilitate faculty and staff transitions and support their professional development

B. Increase Support research and creative activities while maintaining our commitment to teaching and service
   a. Provide reassigned time, intramural, and travel support for scholarly and creative activities

C. Identify Pursue opportunities for university-community engagement focused on common needs and interests
   a. Provide lectures, seminars, workshops, and other events for introducing and exchanging ideas with mutual value and benefit

D. Promote global awareness and international experiences
   a. Create opportunities for faculty, staff, and student to participate in global experiences
   b. Engage in purposeful activities in association with current international agreements

E. Strengthen collegial governance to promote engaged decision making
   a. Provide reassigned time for essential faculty service needed to support the work of the University
   b. Increase student participation in university-wide and Academic Senate standing committees
IV. Human Resources, Technology, and Facilities

Human, technological, and physical resources collectively provide the infrastructure essential to being a premier comprehensive university. We create this infrastructure through thoughtful planning and consultation designed to support a campus environment that optimizes learning, productivity, collaboration, and communication. We are committed to providing a safe and healthy environment for the campus community.

To provide these resources we will:

A. Implement targeted professional development and support activities to maintain vitality, relevancy, and retention of faculty, staff, and administrators
   a. Establish academic and administrative leadership development programs

B. Increase Promote interactions among faculty, staff, and administrators to promote facilitate an interconnected campus community
   a. Implement plans for a faculty/staff center

C. Invest in effective information and communication technologies to support learning, research and creative activities, and campus operations
   a. Support, coordinate, and deliver current and innovative technologies for teaching, learning, research, and creative activities
   b. Develop and implement an effective infrastructure to support online courses and programs
   c. Provide high quality platforms for information access through mobile technologies and the campus wireless network
   d. Upgrade administrative systems in order to improve university business processes

D. Provide clean, navigable, and accessible, and safe campus environments
   a. Implement programs to effectively maintain campus physical resources

E. Improve existing facilities and identify and develop plans to accommodate future space needs
   a. Renovate and reorganize campus space to enhance opportunities for learning, collaboration, and engagement
   b. Implement instructional space upgrade plans
   c. Provide high quality recreation/intramural/athletics fields
   d. Research and implement opportunities for public-private land-use partnerships
V. Capacity Building

We strive to be the University of choice for current and future generations of students, faculty, and staff. We anticipate and respond to short- and long-term challenges by evaluating and identifying resources necessary for a thriving university and sustainable society.

*To build capacity we will:*

A. Advocate for the value, affordability, and accessibility of public higher education
   a. Participate in promotion of public, non-profit higher education
   b. Seek opportunities to reduce student costs of attendance

B. Identify and implement relevant and sustainable approaches to unit, program, and discipline-based goals
   a. Provide support for critical staff positions as identified by divisions
   b. Provide resources for faculty and staff to maintain professional currency and participate in professional development
   c. Support a competitive intercollegiate athletics program that is an integral part of the educational experience
   d. Implement a comprehensive, coordinated plan to support international programs

C. Pursue and manage public and private sources of funds, including external grants
   a. Implement revenue generation and resource maximization strategies
   b. Enhance faculty and staff fundraising and grant-writing skills

D. Develop and implement strategies to increase alumni and community participation and support
   a. Implement programs that educate and engage alumni and community members in university activities
   b. Promote the university through Division I intercollegiate athletics

E. Adopt innovative strategies to improve campus efficiencies and balance environmental, economic, and community needs
   a. Enhance university reporting and analytical capacity to improve data-based decision making
   b. Uphold the Talloires Declaration and President’s Climate Commitment
Conclusion

We are committed to educational access, quality, and excellence. The strategic themes outlined here speak to the responsibility that we have to promote learning, create knowledge, and support our region. Essential to the achievement of these aspirations is the “Fullerton Way,” where the views of all are sought, considered, and treated with mutual respect.