

Date: 14 December 2011  
To: Rachel Fernflores, Chair, Academic Senate  
From: Samuel Frame, Chair, Budget and Long Range Planning, Academic Senate  
Subject: Budget and Long Range Planning Quarterly Report, Fall 2011

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The Budget and Long Range Planning Committee (BLRP) had one meeting this quarter. The meeting minutes detail the work completed prior to and during the meeting. Below is a description of the work that has been completed since the meeting.

- **Advancement:** Frame will contact Cassie Carter, formerly major gifts officer for CSM current Associate Vice President for Advancement, to establish a relationship with Advancement and identify ways that BLRP can help the advancement effort.
- **Budget:** The BLRP members requested clarification of the model and level component in the budget charge set by the Executive Committee (see page 8). Frame contacted Provost Koob for clarification, and he provided the following statement: "Rick is correct that 'mode and level' calculations have not been used for budget decisions since the early 90's. I resurrected an abbreviated m&l analysis for the deans to examine how we have varied in the present from that vast past. The findings were interesting, but not useful enough to apply directly to today's budgeting issues. We are, however, testing the m&l course weighting factors as a possible tool in our current evaluation of possible new budget allocation models, the framework for which I earlier sent you some slides." The budget allocation method being developed by the Provost's office will be presented to BLRP next year. Future discussions about the budget allocation method will include a conversation about mode and level, so that faculty can be educated about the historical and current use of mode and level. Faculty should send questions or comments to Frame and/or their caucus BLRP representative.
- **Budget Reports:** Faculty have inquired where detailed university budget information is made publicly available. Budget information is publicly available at the following location.

<http://www.afd.calpoly.edu/budget/inforeports.asp>

Faculty should send suggestions and comments on how to improve the publicly available budget information to Frame and/or their caucus BLRP representative.

- **Cost of instruction:** After the Fall meeting's discussion about the cost of instruction, BLRP member Gragson offered the following to quantify the cost of instruction.
  - Method 1 - Here is how the gross number works out.
    - (a) From the 11-12 budget summary (attached below) it looks like we received ~ \$218 mil (not sure this is correct, Rick [Ramirez] can you verify?)
    - (b) From the Fall 2011 final census (attached below) we had a headcount of 18672 (17725 undergraduate) or 17952 FTES (full-time equivalent student based upon a 15 SCU load).

Dividing the \$218 mil by the 17952 FTES gives roughly \$12k per student. This is a gross average over all majors.

- Method 2 - I have tried to calculate the cost per CHEM major based upon our curriculum sheet and an average cost per FTE (full time equivalent ) faculty. I have prepared an Excel document describing this calculation and have separated the 180 unit degree into the various courses with the appropriate portions of lab and lecture in each case. I come up with about \$16k per student in just instructional costs (faculty not supplies). Chemistry is likely on the high-end when it comes to low enrollment lab based courses so it should not be surprising that it would cost more.

This information has been distributed to all BLRP members, and Provost Koob, Steve Rein, Rachel Fernflores, and Andrew Kean. Faculty should send suggestions and comments to Frame and/or their caucus BLRP representative.

- Dashboard: Faculty have inquired about obtaining dashboard access for all faculty. Frame contacted Provost Koob, and he provided the following statement: "The original deal with the Senate was that members of BLRP would teach members of each caucus how to use and understand the dashboards. The caucus members would then teach interested faculty. That never happened. In fact, the chair that insisted on getting access demonstrated in his report to the Senate that he, himself, had not learned how to use the dashboards. The original deal is still available." A dashboard training guide (Finance Dashboard Training Guide), is available at the following location.

<http://www.afd.calpoly.edu/budget/cmsfinance.asp>

Faculty interested in obtaining and using dashboard should contact their caucus BLRP representative.

- Procedures and Guidelines: At the Fall meeting, the members discussed the charge to update the BLRP procedures based on the input the Senate provided at the retreat. A member suggested that we consider adding content about understanding the cost of instruction. Faculty should send suggestions for updating the procedures to Frame and/or their caucus BLRP representative.

This report includes the Fall 2011 meeting minutes, comments from Provost Koob made at the Senate retreat, input from the faculty on the desired role of BLRP, and the charges set by the Executive Committee. The planned work for Winter 2012 is listed below.

- Work with the Provost's office to understand the budget allocation method.
- Discuss ways to improve how budget information is made publicly available, work with the Provost's office to accommodate faculty requests.
- Update the procedures and guidelines.

Budget and Long Range Planning Committee  
California Polytechnic State University  
Friday 02 December 2012  
Meeting Minutes

- Attendance: Frame, Gragson, Mulligan, Ramirez, Smith, Stephens
- Announcements
  - Kimi Ikeda gave a presentation at the Tuesday 28 November Academic Senate Meeting on the proposed Student Success fee. Frame has distributed a copy of the presentation for consideration by the members. The members can provide feedback either to Frame or directly to Ikeda. If the members are interested, BLRP can make this an agenda item for early next year.
- The members discussed the charge to update the BLRP procedures based on the input the Senate provided at the retreat. Members should submit suggestions and possible changes to Frame, so that changes can be discussed at the first meeting of 2012.
- The members discussed the budget and enrollment management charges. The members asked Frame to inquire with the Executive Committee about the mode and level charge, since mode and level has not been used for budget allocation decisions since the 1990's. The Provost's office is developing a new budget allocation model. Over the break, Frame will be meeting with Brent Goodman and the Provost to discuss the new allocation model. Then, Frame (and possibly others including Goodman and the Provost) will present the updated allocation model at the first meeting next year.
- Smith gave an update on Strategic Planning, and how BLRP can participate in future efforts. There will be two workshops on Strategic Planning next year (February and May) to determine future action plans. BLRP may be asked to help develop materials and provide representation.

Next Meeting: January 2012

**Comments from Provost Koob** I will talk about long term budget implications, enrollment management, and budget and long range planning. There is a major shift happening in the state of California and the view of public education. California became famous, across the world, for its master plan in education which said that education is a public good, in the best interest of the people of California, the economy of California, etc., to make sure that a large number of people is educated. The premise was that everyone should have access to a free public education. Access was key. California built one of the most successful corporate developments in the state. Even today, California is spending less on state government than ever in the history of the state, we are still wealthy. What has changed is our perception of what education is and whose responsibility it is. This began to change in the late 80s when we could no longer fund it. There was a formula for each activity (labs, lecture, etc) in every campus and how to fund. The budget got rewritten in the 90s by the legislatures due to the large amount of students. It was never a funding reduction; it was an adjustment of expectation. The way funding flowed to campus started to change by replacing the complex formula with something call marginal cost increase. This had high implications on a polytechnic campus. We have high exposure to expensive programs. The reason we were able to retain the difference was because of the Cal Poly plan and college based fees. Marginal cost allows for XXX of dollars for each freshman without looking at the cost of education or program as the students progress. California has been high in access with little regard for graduation. After that, Cal Poly adapted, and worked well until a few years ago. All budget tracking was lost and everyone was blaming each other for lack of funding. Last time we proposed the last round of college fees students agreed and passed. That would have helped all the budget cuts. Three years ago we were \$1000 below for each student, since then we have lost \$60+ millions. This is more than a lot of CSU campuses ever got. The public doesnt see the problem. The public sees student fees going up. The students feel like they are paying more and getting less. In order to justify raising fees and due to Californias commitment to access, 1/3 of that fee increase goes to financial aid. I understand the argument for education being a public good but dont understand why a group of students should have the obligation to educate another group of students. We have taken the responsibility for access from the tax payer. We have disinvested as a whole.

Second problem - due to furlough the expectation was to reduce the system enrollment by 10% and that is how targets were set. Suddenly, within six months, we were told to raise the target (3 times) to get more money from the state. The targets went up, the money was promised but it never happened. One factor is an increase in workload and the reduction in marginal cost support for students. Since we didnt raise our target all the way, our budget was cut. Bottom line, we are not getting the dollars to supports the students we are asked to educate. We made a proposal to find student who can subsidize others so we target out of state students. Never imagine how successful that was. It will offset the reductions. Long term we have lots of choices. How do we maintain our commitment to a high quality education in a polytechnic university? Cal Poly plan is a good example. How do we account for lower marginal cost increase per students? I dont see a way to do that today. President Armstrong has proposed to look at international students based on the diversity they bring to the campus. We are left with an increase work load and we have to find another way to maintain the quality of what we do by providing the same quality of education to our students. Some things we could do is raise all class size, other CSUs are doing that but Im not proposing that. Another possibility, the one that allowed us to be successful, is to make sure students move more rapidly thru the curriculum. Another possibility is to instead of thinking of students as liability, to think of them as a resource. For example have them teach labs, lecture class, etc. we underutilize our students on this campus. Our students are smart and motivated, lets involve them. Im inviting everyone to debate this: What do we do that doesnt jack up the

work load of faculty? What would help students improve? Those kinds of things will only happen if routine tasks are done by others. I do believe there are choices that we still have that will allow us to accommodate this long term structural change.

The average incoming class at Cal Poly when we were at 17,350 students was around 4,000. This year our target is 16,000 but our incoming class is over 4,000. How do we handle this? We move students thru faster and that allowed us to provide service to more students in the state of California. The number of California students has remained the same even though our target has been reduced. We are also bringing out of state students. When our target was 16,000, our models seem to be consistent with the number of students coming in, which is usually less. Our show rate went up by 3% at the same time; we are going to increase the size of the transfer class this year because we need a group of people to move through. We are trying to make sure we have an even flow of students, planned out department by department, and that requires good information. The budget committee can help in determining how to put all this together. When admission is opened to international and out of state students enrollment cant be targeted by major like state students. All we can do is set an academic threshold for academic qualifications. Certain major attract more students than others. It doesnt impact us immediately by it does when they do migrate into majors. If we are going to have multiple sources of income, we have to reward appropriately the efforts that feed that income. We need to figure out what reward structure will look like. Want to invite Academic Senate budget to sit in consultation to determine how much money will follow each students. Need to have funds from discretionary sources follow students. Second task is the interaction between the budget and curriculum. Strongly believe that not accepting responsibility for understanding the economic impact of curricular decisions, that diminishes the value of consultation on the curriculum. How many courses we need to educate all of our students? We need to become intentional about what we do. We need to understand the mix of curriculum we have and how it impacts the demand of our resources.

**Focus Group:** At the Academic Senate retreat, the break-out groups were asked to provide input/feedback on the following question specific to BLRP.

“The Academic Senate Budget and Long Range Planning Committee (BLRP) is the main body that exercises the Academic Senate’s ”advisory powers” over the budget. What does the BLRP need to know regarding the budget and long term planning in order to help the university move forward successfully with a plan to support and maintain excellence as a comprehensive polytechnic university?”

The answers from each break-out group are contained below.

- Table 2: A better alignment between the allocation resources and goals - appropriate reward system
- Table 3: Need more time for meaningful deliberation and ideas here. This is only a good beginning. Need to brainstorm. High-powered talent inside and outside this roomwe CAN come up with more options than what we have heard so far
- Table 4
  - Budget implications of co-curricular activities not being exploited
  - Fully understand mode and level model approach
  - How much does learn by doing cost the university?
  - Quantifying the value of small classes and learn by doing, in comparison to more traditional approaches
  - Informing the faculty on the cost of instruction
- Table 5
  - Senate needs to be an equal partner in helping shape a shared vision of enrollment goals, financial multi-year commitments to fund the growth, and facilities.
  - Fundraising is a critical component to helping smooth out the ups and downs of state fundsand this requires a shared compelling vision for where we want to go.
  - Senate and administration also need to have a way to respond creatively and quickly when external conditions change.
  - Better systems need to be in place to help all constituents on the campus to understand and embrace shared enrollment/funding/facilities plans, and what changes may be necessary along the years.
  - Senate needs history and context to help address annual issues and be a good partner in helping achieve common goals, OR to make necessary changes. Some of this will require the senate to help new academic leadership and committee chairs to have sufficient history, and current information, with which to act.
- Table 6
  - What types of funds can be used for what? Restrictions, other sources, limitations.
  - Who makes the decisions and what formulas are used?
  - What are all the resources and costs that go into education our students?

- How can departments / colleges get additional funds for changes in curriculum, technological needs, etc?

- Table 7

- Quality of labs, equipment.

- Getting back to educational basics - reduce the noise - committees, etc.

- Evaluate classes - what is most effective way to teach each course - tenured faculty, grad student assistants, small lecture, large lecture, add discussion sessions, etc.

**Charges:** The Executive Committee has approved the following charges for the Budget and Long Range Planning Committee.

- General for Budget and Long Range Planning: submit procedures for approval (retreat should provide input on desired role) Resolution due to Senate office by Fall 2011
- Budget: Work with Provost and others toward a process for evaluating budgetary decisions including targeted growth. Ideally one that the deans support. Discuss the mode and level approach in contrast to other possible approaches under discussion by the deans. Presentation to the Senate regarding how the university has developed its approach to budget. Due Winter 2011
- Long Range Planning: Follow up on establishing relationship with Advancement and seek consultation on new campaign plans
- Enrollment management: obviously tied to how much state \$ CP gets, our programs, and student fees, so how does it work at CP? Reach out to Provost and to colleges for discussion.
- Participate in strategic planning