

ACADEMIC SENATE – BUDGET AND LONG-RANGE PLANNING COMMITTEE

Fall 2019

Due: Friday, December 20, 2019

| MEMBERS | |
|----------------------|----------------------------|
| Name | College/Unit |
| Davol, Andrew | CENG |
| Dorris, Cole | ASI |
| Hailer, Jason | CAED |
| Keen, Aaron | CENG |
| Kolodziejski, Lauren | CLA |
| Maber, David (CH) | OCOB |
| Rainbolt, Ed | Admin – Academic Affairs |
| Rein, Steve | CSM |
| Kraetsch, Angie | Admin – Budget and Finance |
| Valadez, David | Admin – Budget and Finance |
| Volpe, Richard | CAFES |
| VACANT | PCS |

| CHARGES | | |
|---|--------------------------|---|
| Charge | Complete? | Status/Notes |
| Map university budget and report to the Academic Senate. AY 2019-2020 | <input type="checkbox"/> | The Committee learned that Administration and Finance is in the process of developing an all-funds annual report. The Committee is thrilled by this development and will collaborate with Administration and Finance on the report in the coming quarters. The Committee believes this report can be used to satisfy this charge. |
| Continue discussion of faculty representative on university budget formation. AY 2019-2020 | <input type="checkbox"/> | This has been a recurring charge (see, e.g., the Winter 2019 report). Based on this quarter’s successful collaboration with representatives from Administration and Finance (David Valadez, Angie Kraetsch, and Cindy Villa), the Provost’s Office (Ed Rainbolt), and student services (Joette Eisengart, Jo Campbell, and Denise Gibbons), the Committee is unsure that additional faculty representation is necessary. Overall, we have been very pleased with the information and access that we have been given. We will revisit this charge in the winter and spring quarters. |

NOTES:

The Committee met four times this quarter.

- In the first meeting, we discussed some fund-accounting basics. We discussed the University's General Fund (the CSU Operating Fund), the University's self-support Enterprise Funds (Housing, Student Union, Parking, Extended Education) and the relation between the Operating Fund and the Enterprise Funds (i.e., cost recoveries).
- In the second meeting, we clarified our charge—to map the university's budget and report to the Academic Senate.
 - The Committee reached a consensus that Cal Poly needs a visual and/or narrative roadmap that clearly outlines incoming revenues and the distribution across divisions with a terminology breakdown.
 - The Committee also reached a consensus that this report should provide a high-level overview of fund accounting, including the key types of funds and their restrictions. The committee believes this information would help members of the Cal Poly community better understand the (often limited) fungibility of the university's financial resources.
 - The Committee reviewed the University's financial disclosures and came to realize that Cal Poly does not presently report financial information for its various Enterprise Funds (housing, extended education, parking and student union) to the Cal Poly community. The Committee believes the omission of such disclosures may cause some members of the Cal Poly community to draw erroneous conclusions about the activities recorded in the CSU Operating Fund.
 - Consider Student Services. It is well known that Student Services has grown significantly in recent years. However, much of this growth has no implications for the CSU Operating Fund (which finances instructional activities, faculty hiring, etc.). Much of the growth in Student Services has been in Housing, which is a self-support auxiliary unit. Assuming appropriate cost-recovery practices, growth in self-support activities should have no implications for the CSU Operating Fund and the many important activities it finances.
 - The Committee reviewed the financial disclosures of other CSU campuses and came to realize that Cal Poly's financial disclosures are currently subpar. Most other CSU campuses provide all-fund reporting. Presently, Cal Poly reports results for only the CSU Operating Fund.
- In the third meeting, the Committee discussed some of the actions that Administration is taking to increase financial transparency. The Committee came to learn that Senior Vice President Villa is taking important steps to move Cal Poly toward all fund reporting.
 - Notably, David Valadez indicated that Administration and Finance is presently working on an Annual Report modeled after San Jose State University's Annual Budget Report. The Committee had independently determined that San Jose's

Annual Budget Report is among the best in the CSU. Thus, the Committee is pleased to learn of this effort.

- The Committee reached a consensus that it should be involved in the report's preparation to ensure that (a) the report meets the information needs of the campus community, (b) the report is deemed legitimate by members of the campus community, and (c) members of the campus community are aware of the report's existence.
 - The Committee believes this report provides a vehicle that can be used satisfy the bulk of its charge for Academic Year 2019-2020.
 - The Committee and Administration and Finance agreed to work on this report in the winter quarter.
 - Overall, the Committee is very pleased with the actions that Administration and Finance is taking to improve financial transparency and its willingness to collaborate with the Committee on the annual budget report.
- In the fourth meeting, David Valdez, Angie Kraetsch, and Ed Rainbolt explained the university's various revenue sources and the critical distinction between base and one-time funds.
 - The Committee determined that Cal Poly's reporting of base and one-time funds could be improved. At the time of the meeting, the budgets on the Budget and Finance website reported only base funds. They did not report one-time funds.
 - David Valadez and Angie Kraetsch provided the Committee with more detailed 2018-2019 financial reports that included information on one-time funds. The Committee indicated its preference for these more detailed reports.
 - The Committee is pleased to see that the recently posted 2019-2020 budget is more detailed and provides information on one-time funds.
 - The Committee feels the new 2019-2020 reporting format is a significant improvement and applauds Administration and Finance for its efforts to improve budget transparency.
 - The Committee learned that the financial reports on the Budget and Finance website are primarily intended for members of cabinet. The Committee indicated that it believes the reports can be made more useful to the broader campus community without compromising their usefulness to cabinet.
 - The Committee brainstormed some more intuitive ways to report base and one-time funds. Ed Rainbolt, David Valdez, and Angie Kraetsch discussed options for a new, simplified, reporting template. The Committee appreciates being included in these discussions and hopes to continue them in the next two quarters.
 - For winter quarter, we plan to work with our colleagues in Administration on the Annual Report. On January 24, Jo Campbell and Denise Gibbons will explain the budgeting process in Housing.