



San José State
UNIVERSITY

- WHEREAS, For the past few years, the BAC has strived to learn more about SJSU finances and at its September 2003 retreat began looking at budget processes used at other universities with the agreement to work with university administrators to have the BAC evolve into a group that has a more proactive and less reactive role in the overall campus budget process;
- WHEREAS, In early Spring 2004, the Senate Executive Committee passed, and Interim President Crowley signed, S04-1 to create a Resource Planning Board to increase budget transparency and have a more broadly representative group to advise the President regarding budget cuts and resource allocations, with the structure to be tested in Spring 2004 before being made permanent;
- WHEREAS, Various groups on campus, including the BAC, WASC Steering Committee and the President and his staff, have identified the need for strategic planning to enable the university to have a clear and focused way to align its resources with its long-term goals and to operate at a higher level of efficiency and purpose;
- WHEREAS, There is greater acknowledgement by the BAC and others that budget decisions need to be informed by a set of well-thought out goals that guide the campus in broad allocations and assist the units in developing their goals and objectives and thus, their budget decisions;
- WHEREAS, The RPB needs additional time to complete its work for 04/05 before making permanent a structure and charge for it;
- WHEREAS, Incoming President Paul Yu implemented planning and budgetary approaches at SUNY Brockport that provided transparency and decision-making by a faculty-led committee and has indicated his desire to support the RPB model but requests time to work with the Senate to establish a resource planning structure which best meets the needs of the campus; therefore be it
- RESOLVED, That the RPB as described in S04-1 continue until a new budget policy is established or until May 31, 2004, whichever occurs first, with the existing membership continuing except for persons holding an elected position, such as AS President; and
- RESOLVED, That in considering a new budget policy, the Executive Committee consider its report prepared in May 2004, attached as Appendix B;
- RESOLVED, That the principles articulated by the Chancellor and Board of Trustees in 1987 (see Appendix A) are to be followed in planning and budgeting decisions and activities; and
- RESOLVED, That the Executive Committee of the Senate work with the President to establish a body or mechanism that will guide ongoing strategic planning efforts for the campus with that work and outcomes used to inform the Resource Planning Board and units on campus with respect to university goals and priorities; and
- RESOLVED, That in the event there is no strategic planning group or process to establish budget priorities or goals by the date the President calls for proposals for priority funding for 05/06, the Senate encourage the President to work with the RPB and Senate Executive Committee to create a set of budget priorities for 05/06; and
- RESOLVED, That the Senate Officers (as defined in Senate By-law 2.1) engage in ongoing review of the Resource Planning Board, including considering whether a committee separate from that board is warranted for effectiveness of Senate functions and duties.

RESOLVED, That in any budget and planning policy adopted, effective linkage to the Academic Senate should be assured by provisions similar to those stated in paragraphs 3.1.6 – 3.1.10, 3.7 and 3.8 of the Resource Planning Board policy attached to this resolution as Appendix B, section 2; that is, substantial Senate representation, regular reports to the Senate, and identification of actual and potential policy issues for Senate consideration.

Approved: May 10, 2004

Financial Impact: None

Appendix A

CSU Principles Regarding the Role of Faculty and Students in Budgetary Matters

Appendix B
Senate Executive Committee Report of May 2004

- 1.8 *The planning and budget process should foster year-to-year stability, which allows for long-range planning, and also provides sufficient flexibility to allow for changing needs and conditions.*
- 1.9 *The planning process should take into consideration information identified through assessment (including WASC, HERI and SNAPS) and campus and system-generated statistics that illustrate trends and needs. Initiatives and plans identified through strategic planning should include techniques to assess their effectiveness and progress. The budget process should also include assessments using comparable universities as benchmarks.*
- 1.10 *The principles articulated by the Chancellor and Board of Trustees in 1987 (see Appendix I) are to be followed in planning and budgeting decisions and activities.*
- 1.11 *The planning and budget process should encourage the development of initiatives that are cost-effective and avoid duplication of effort and encourage collaborations between units on related matters. Cost efficiencies to be gained through use of technology (such as email and web-based processes) must be considered in planning and budgeting.*
- 1.12 *The planning and budget process should be educational for those who participate in it; each year's iteration should result in a better informed base of participants.*

2.0 Framework of SJSU's Planning and Budget Process

2.1 Overview: The process of resource allocation requires knowing the university's goals, obligations, and short-term and long-term priorities. While the past is some indicator of current resource needs, needs and priorities and costs will change over time which requires a process that consider trends, new obligations and needs, and reviews assessments of prior expenditures to judge current expenditures.

2.2 Roles and Responsibilities

2.2.1 The President, as chief operational officer of the university, answering to the Chancellor and Board of Trustees, has the final decision-making authority over resource allocation matters. To be sure he/she is able to make decisions on planning and resources that reflect the campus and system needs, the President will consult with and obtain advice from the Resource Planning Board (RPB). This group will be informed on campus needs, priorities, activities and accomplishments through the Academic Senate, University Council of Chairs and Directors, Management Personnel Plan employees, and similar groups, as well as via campus forums, as appropriate. The President will meet annually with the RPB, as it begins work on the current budget cycle and remind the RPB of its obligation to seek broad campus input and to perform careful review of institutional data, statistics and performance indicators. The President will ensure that a process is in place to enable the RPB to have information on university goals and priorities, as informed by a strategic planning process.

2.2.2 The Resource Planning Board serves to advise the President on allocation of resources among the divisions and any special initiatives approved by the President. The RPB reviews budget priority funding requests from the divisions and makes recommendations to the President as part of the RPB's general work. The RPB makes recommendations to the President on the broad categorical use of lottery dollars, with review of individual

proposals handled by a task force (with a majority of the membership being faculty) created by the RPB and Senate Executive Committee. The RPB shall develop guidelines for the solicitation of budget priority and lottery requests and the procedures for review of the proposals and making recommendations to the President for funding. The RPB shall ensure that requests for funding indicate what campus goals the request addresses, what assessment measures will be used to gauge the success of the funding, why current base budget is not adequate to handle the funding need and what other sources and ideas were pursued to obtain the funding. The RPB shall specify, with approval of the President, the format and detail for presentation of budget and actual financial data to the campus.

- 2.2.3 The Senate Executive Committee will consult with campus constituencies to determine whether the RPB is functioning such that the principles of section 1.0 of this policy are honored and the roles explained above are followed and are appropriate to benefit the campus and advise the President. The Senate should also co-sponsor annual forums with the RPB to help educate the campus about its processes, purpose, role and current activities.*
- 2.2.4 Personnel in charge of unit budgets are to be sure that they follow the principles laid out in section 1.0 of this policy and help the work of the RPB by providing information as requested.*
- 2.2.5 Each division is to identify a person to be in charge of data collection and reporting so that institutional performance indicators (such as those listed in Appendix II) can be timely maintained. The Vice Presidents of the Divisions should review the data annually, in light of goals identified by strategic planning efforts and their Division, to ensure that useful data and indicators are available.*

3.0 Resource Planning Board (RPB)

3.1 The membership of the Resource Planning Board consists of,

- 3.1.1 The Provost, serving as a non-voting co-chair*
- 3.1.2 The VP of Administration & Finance, serving as a non-voting co-chair*
- 3.1.3 A representative from each of the four divisions: Academic Affairs, Administration & Finance, Advancement, and Student Affairs*
- 3.1.4 A representative of the deans chosen by the deans*
- 3.1.5 The President of Associated Students*
- 3.1.6 The Chair of the Academic Senate*
- 3.1.7 The Vice-Chair of the Academic Senate*
- 3.1.8 The Chair of the Curriculum & Research Committee*
- 3.1.9 The Chair of the Professional Standards Committee*
- 3.1.10 The Chair of the Instruction & Student Affairs Committee*
- 3.1.11 A department chair selected by the University Council of Chairs and Directors*

3.1.12 A staff member selected by the Executive Committee from nominations including self-nominations (such nominations are to be accompanied by a brief statement of the person's experience with the SJSU budget and

- 5.1 *Budget Priority Funding Requests- proposals from the Divisions requesting an expenditure of additional base funds or one-time funds.*
- 5.2 *Lottery – funds made available to the CSU by the State with restrictions as set out in state law. See the Chancellor’s Office budget website for information on the restrictions on use of lottery funds.*
- 5.3 *Strategic Planning – an organized effort whereby an organization develops a vision*

Appendix I

CSU Principles Regarding the Role of Faculty and Students in Budgetary Matters

The CSU Chancellor's Office and Board of Trustees have for many years recognized the need and benefit of campuses having constituency groups involved in the budget process and have information on financial condition. The following set of principles included in a June 26, 1987 memo from then Chancellor W. Ann Reynolds to the campus Presidents, is included in this policy as a helpful set of principles to help ensure budget transparency at SJSU.

Principles

3. Access to Information

- f. Faculty, student, and other members of the University community are entitled to information which provides a meaningful summary of the institution's budgetary status and financial condition.*
- g. Persons serving in a formal consultative role should have early access to relevant information regarding the public funds available to the institution and their use.*
- h. The campus policies and procedures employed in the development of the campus budget should be clearly described and understood by those engaged in formal consultative roles.*
- i. The campus policies and procedures employed in the allocation of the campus resources should be clearly described and understood by those engaged in formal consultative roles.*
- j. The groups engaged in formal consultation, and the procedures employed in the consultative process should be clearly described and understood by those engaged in the process.*

4. Formal Consultative Process

- a. There will be a committee, or committees, advisory to the President, or designee(s) of the President. The committee(s) will include faculty and students selected through established campus governance procedures. The President or designee, may appoint additional members because of their special expertise or value to the committee.*
- b. The role of the committee(s) in budget matters, including special considerations such as lottery funds, will be made known clearly through a written charge to the committee.*
- c. Regular committee processes normally should be followed, including the preparation of timely agendas, advance distribution of discussion material, and maintenance of a written record of the committee's recommendation. Actions regarding recommendations will be communicated to the participants.*
- d. The desirability of membership continuity in budget deliberations should be recognized by appropriate terms of service.*

Appendix II

Institutional Performance Indicators

The portfolio and performance indicators assembled as part of the WASC accreditation process in 2004 provided a significant start on organizing data and identifying measures that would help the university assess its performance in a variety of areas from enrollment management to resource utilization. Listed below are some of the measures identified. They are included here to serve as examples of what data and measures the RPB will need to effectively do its work from year to year. The RPB will work with various campus constituencies to identify performance indicators that will help guide its work.

Enrollment data by category

Degrees awarded

Faculty headcount and FTE

Percent of applicants that were admitted and percentage of admitted students that enrolled

GPA's by categories

Retention rates

FTE's by department and college

Results of outside surveys such as NSSE and SNAPS

Alumni giving rates

Classroom utilization rates

SFR by department and college

Average class size by department and college

Library materials expenditures per FTE student

Deferred maintenance amounts

3. Matters to Consider in Drafting a New Budget Policy

In its discussions in spring 2004 on drafting the above new budget policy, the Executive