

CLA 2019-20 Budget Report and 2020-21 Budget Projections

Executive Summary

Good news:

CSULB is in much better shape to absorb the 5% budget cut from the state because our enrollment is up slightly and because we have some reserves to use for this emergency.

The Chancellor's Office is not pursuing layoffs or furloughs for this academic year.

In 2019-20, Academic Affairs fixed a \$500K structural deficit in the CLA budget that resulted (with other favorable factors) for the college to end the year with \$1M carryforward.

Bad news:

Although Academic Affairs absorbed about half of the college's share of the 5% budget cut from the state, all of the college's 2019-20 carryforward funds plus another \$120K will need to be returned to Academic Affairs to meet the remainder of the budget cut.

Limited good news for 2020-21

The CLA Budget Committee approved the following modest expenses for 2020-21:

Unfunded RSCA assigned time and Small Grants for Faculty (SGF) proposals that were approved but were unfunded by Academic Affairs will be funded by the college for Spring 2021

Department and independent programs can apply for up to \$5000 for anti-racist/social justice projects (the money cannot be used for assigned time).

Scholarly Intersections is going forward with a reduced budget (no travel or catering)

College will fund up to \$600 for one virtual conference registration for those who are eligible for the usual travel call.

Academic Affairs has indicated that current tenure-line searches are going forward and that it plans to fund RSCA assigned time and SGFs for 2021-22

Steps to Prepare for 2021-22

Good News:

Academic Affairs will have some reserves to offset a continued 5% budget cut from the state in 2021-22, and the college may be able to contribute carryforward again if we manage instructional and other expenses conservatively in 2020-21

Potential Bad news:

1. If the cut from the state is substantially increased in 2021-22, the college will likely need to contribute more to the Academic Affairs share of the cut. Possible sources include:

--cutting assigned time drastically

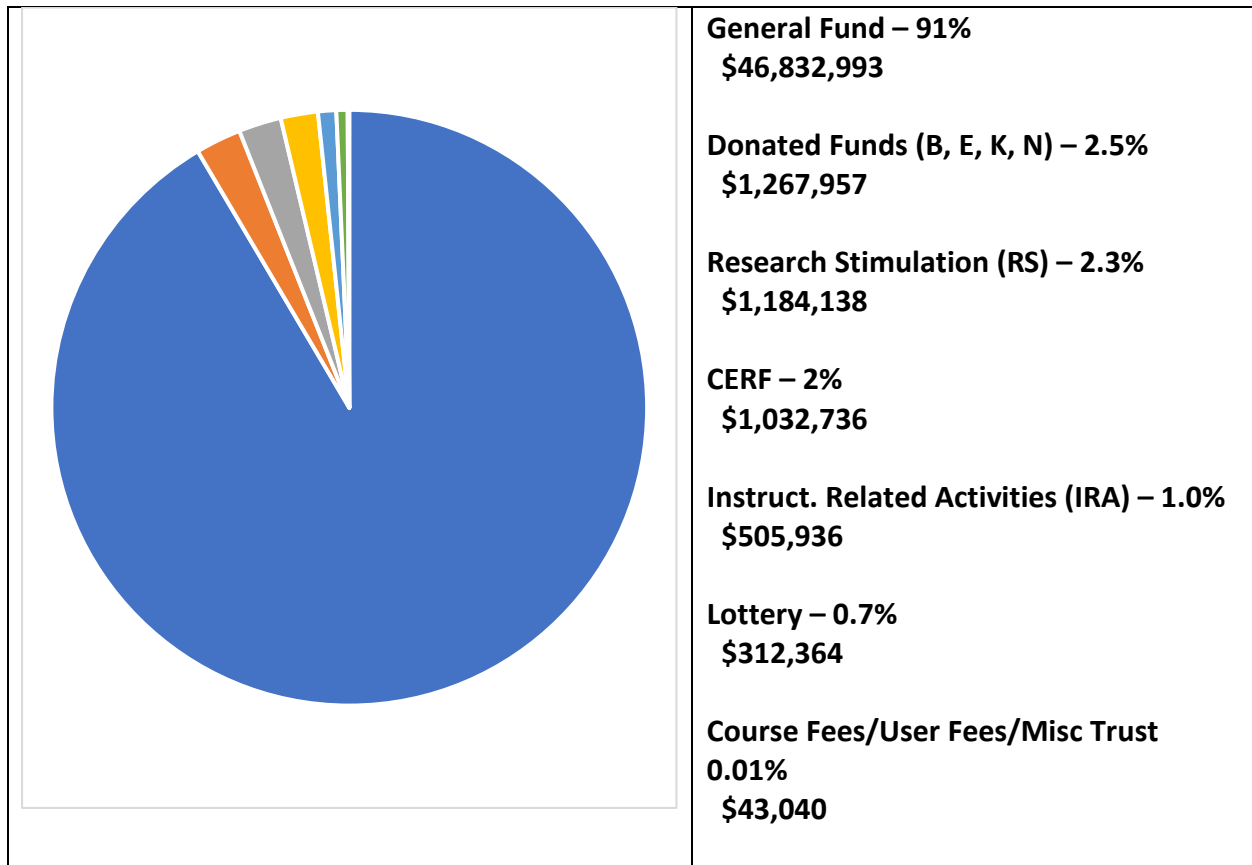
- no travel or virtual conference support
- cutting operating funds to departments
- delaying computer refresh
- as a last resort, cutting the course schedule

2. COVID-related leaves in Fall 2020 have already raised the college's 2020-21 instructional costs by over \$600K

Bottom-Line Summary:

- Our campus is better positioned to absorb the 5% budget cut from the state because enrollment is up slightly and our campus has substantial (but not inexhaustible) reserves for this year and next.
- The 5% state budget cut (general fund) will require CLA to return \$1,150,000 (about 2.5%) of our general funds to Academic Affairs. Academic Affairs is paying nearly \$1 million of what CLA's share of the 5% cost would be.
- The college has about \$1,030,000 in carryforward funds to put against this bill without any draconian measures (e.g., cutting assigned time for department advisors or sweeping department research stimulation funds).
- We will attempt to find the remaining \$120,000 by trimming expenses--careful control of instructional costs, slightly reducing operating funds to departments and programs, and finding alternate means to pay for start-up costs for our new tenure-line faculty.
- The best hope for next year is that the state cut will remain only at 5%; if it is more, or if we do not control costs to have significant carryforward for next year, then painful cuts will likely be unavoidable for 2021-22, and, more broadly, the system might move to a layoff/furlough plan to cover the cost of deeper state budget cuts.

Table of 2019-20 Revenue Percentages by Budget Category
\$51,179,173



Example #1: Lottery Funds

Description:	College's share of state lottery funds to support education
Restrictions:	Instructional use only (no faculty salaries or research)
2019-20 Available Revenue:	\$312,364 (includes \$9,909 carryforward)
2019-20 Lottery Expenditures	\$182,468
Travel:	\$158,988
Tech Student Assistants	\$23,481
Carryforward available for 2020-21:	\$129,894

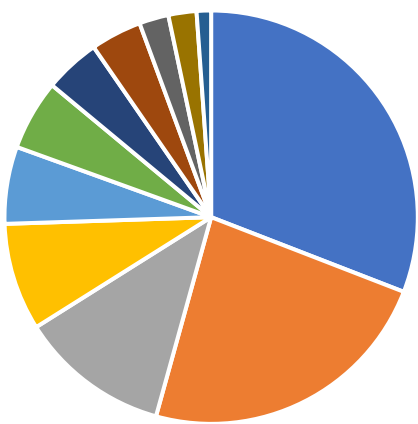
NOTES:

- Carryforward is due to truncated travel because of COVID-19.
- All of the carryforward will be applied to the CLA share of the Academic Affairs budget cut.
- Income in 2019-20 and (likely in 2020-21) is up by about \$100K because money usually used by AA for programs not run due to COVID-19 were redistributed to colleges.

Example #2: General Fund

Description:	State appropriation and student tuition and fees																
Restrictions and other notes:	<p>--technically very flexible funds (no alcohol or employee-only hospitality)</p> <p>--functionally very constrained as CLA has had to use all of these funds to pay salaries (97%)</p> <p>--Student Excellence Fee (SEF) and Graduation 2025 funds come with additional restrictions</p> <p>--adjusted by Academic Affairs annually for:</p> <ul style="list-style-type: none"> • changes in # of tenure-line faculty • gains or losses in FTES • salary increases 																
2019-20 Available Revenue:	\$46,832,993 (includes a loan from Academic Affairs to close the 2018-29 fiscal year)																
Base Budget:	\$35,760,188																
*Variable Funds:	\$9,867,549																
Student Excellent Fee (SEF) for Technology and Equipment:	\$542,845																
SEF for Highly Valued Degree Initiative:	\$407,444																
Graduation Initiative 2025:	\$254,967																
*Includes various buy-outs of faculty time that are essentially in and out																	
2019-20 Expenditures																	
<ul style="list-style-type: none"> • Tenured, Tenure-track - 52% • Lecturer - 30% • Staff & Admin- 10% • Department Chair – 5% • GA/TA/ISA – 3.4% • Operating Expense and Equipment (OE&E) – 2.5% • Misc Personnel & Benefits -0.4% 	<p style="text-align: center;">GF Expenditures</p> <table border="1"> <caption>GF Expenditures Data</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Tenured, Tenure-track</td> <td>52%</td> </tr> <tr> <td>Lecturer</td> <td>30%</td> </tr> <tr> <td>Staff & Admin</td> <td>10%</td> </tr> <tr> <td>Department Chair</td> <td>5%</td> </tr> <tr> <td>GA/TA/ISA</td> <td>3.4%</td> </tr> <tr> <td>Operating Expense and Equipment (OE&E)</td> <td>2.5%</td> </tr> <tr> <td>Misc Personnel & Benefits</td> <td>0.4%</td> </tr> </tbody> </table>	Category	Percentage	Tenured, Tenure-track	52%	Lecturer	30%	Staff & Admin	10%	Department Chair	5%	GA/TA/ISA	3.4%	Operating Expense and Equipment (OE&E)	2.5%	Misc Personnel & Benefits	0.4%
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Example #3: CERF

Description:	Continuing Education Revolving Fund (CERF)
Restrictions and other notes:	--indirect returns from Continuing Professional and International Education Programs (CPIE) --typical use department operating funds (i.e. supplies, copying, equipment & hospitality (dept. faculty meetings))
2019-20 Available Revenue:	\$1,032,745
Open University	\$278,040
Summer 2019	\$271,755
Dept. Chair Salary Reimbursement for Summer	\$199,595
Programs – BALA, MSGIS	\$154,578
Carryforward from 18/19	\$ 57,696
GS 700	\$ 33,215
Winter Session 2020	\$ 26,221
May Intersession 2020	\$ 8,586
Transfer in	\$ 3,060
2019-20 Expenditures	100% Operating Expenses & Equipment
<ul style="list-style-type: none"> • CERF Exp moved to GF – (-80%) • Dept OE&E – 61% • Awards - 31% • College Support/COVID – 22% • MSGIS - 16% • Add'l Emp (Summer Adv) – 14% • Dean’s Office – 11% • New Faculty Startup – 10% • Recruitment – 6% • Tech Serv/ATLAS GF – 6% • Fac/Staff Refresh - 2% 	 <p>The pie chart illustrates the distribution of 2019-20 Expenditures. The largest portion is Awards at 31%, followed by College Support/COVID at 22%, and Dept OE&E at 61%. Other categories include Add'l Emp (Summer Adv) at 14%, MSGIS at 16%, Dean's Office at 11%, New Faculty Startup at 10%, Recruitment at 6%, Tech Serv/ATLAS GF at 6%, and Fac/Staff Refresh at 2%.</p>

2019-20 Carryforward

Fund	Total Amount	Available for Mitigation
General Fund	\$443,904	\$49,859*
CF/UF	\$1,518	\$0
CERF	\$734,561	\$734,561*
Lottery	\$129,894	\$129,894
GRC/ER/MT	\$36,278	\$0
Research Stimulation	\$172,967	\$119,126
Totals	\$1,519,122	\$1,033,440

*CLA traded about \$200K of General Fund to Academic Affairs for CERF funds

Bottom line:

Without the COVID-19 cuts, CLA would be rich!

CLA Required Mitigation (funds to be returned to Academic Affairs):

\$1,150,000 - \$1,033,440 = \$116,560.

AA proposes that we cut \$140,000 in assigned time (25 3-WTU course releases), Instead, the Dean proposed to manage instructional, operating, travel, and misc costs to avoid cutting AT, and the CLA Budget Committee approved this plan.

2020-21 Budget Projections

CERF—may be stable; summer 2020 income will likely be up but Open University may be down
Lottery—reduced travel likely means we can save \$100K if our allocation remains the same as 2019-20

Scholarly Intersections: save \$12,000c

Operating and Equipment costs may be down and could save about \$100K.

Conclusions

1. Putting all our carryforward toward this year's return to Academic Affairs allows us to maintain current levels of assigned time, keep a reasonable teaching schedule, support the unfunded RSCA proposals, invest in some anti-racist activities, fund Scholarly Intersections, and fund virtual conferences.
2. If the state cut to the university is larger next year, CLA might have a \$2-3 million cut and draconian cuts will likely be unavoidable.

2020-21 Recommendations Approved by the CLA Budget Committee

1. Continue to support RSCA to the level recommended – 14 additional awards for Spring '21
2. College will continue to support attendance at virtual conferences one conference up to \$600
3. Scholarly Intersections will continue with a reduced budget (no travel or catering necessary)
4. Department and independent programs can apply for up to \$5000 for anti-racist/social justice projects (the money cannot be used for assigned time).

Example #4: Donated Funds

Description:	Gifts from individuals & corporations Funds carryforward from year-to-year
Restrictions and other notes:	--typically given for a specific use (i.e. Scholarships or program) --Annual fund contributions mostly from alumni for a particular department or program --Most Funds balances are due to years of Carryforward --Program funds my award scholarships too
2019-20 Available Revenue:	\$1,267,957
Scholarships K funds or Endow (B or E)	\$624,541C
Program funds (N, B, or E)	\$336,292C
Annual Funds (Dept N)	\$307,125
2019-20 Expenditures	Expenses tend to be OE&E & Student Asst.
<ul style="list-style-type: none"> • Scholarships • Program Course Releases • Hospitality • Student Assistants 	

Example #5: Research Stimulation

Description:	Indirect returns (IDR) from grants
Restrictions and other notes:	--typically used purchases and support for research, fund release time, or student research assistants --IDR are divided 1/3 to each College, Dept. and Principal Investigator --College has been using these funds to support new faculty startup
2019-20 Available Revenue:	\$1,184,138
College	\$150,030
Departments	\$ 77,915
Principal Investigators (PI)	\$956,193
2019-20 Expenditures	
• Research Support	\$341,602
• New Faculty Start Up	\$ 26,034

Example #6: Instructionally Related Activity

Description:	Student Fee administered by University Student Fee Committee
Restrictions and other notes:	--can only be used for approved program budgets any changes have to justified and approved --CLA has 22 approved programs --These programs enhance student experience -- There are programs that generate revenue in addition to IRA funds
2019-20 Available Revenue:	\$505,935
IRA Allocation	\$282,100
Carryforward & Program Revenue	\$223,835
2019-20 Expenditures	\$414,557
<ul style="list-style-type: none"> • Student Assistants • Fieldtrips • Produce journals • Presenters 	

Example #7: Course Fee/Miscellaneous Trust/User Fees

Description:	Revenue collected funding express purpose
Restrictions and other notes:	--Course fees expense for particular course (CLA has only 2) --User Fee for Geography plotter & Archaeological Materials Analysis --Conference Registrations for CLA conferences
2019-20 Available Revenue:	
Course Fees	\$ 3,268
User Fee	\$12,243
Miscellaneous Trust	\$24,239
2019-20 Expenditures	\$5,244
• Presenters payments • Equipment & Upgrade equipment • Supplies for conferences	