Office Memorandum

DATE: September 25, 2013

TO: Kyle Button, Vice President for Institutional Advancement
Lisa Chavez, Vice President for Administration and Chief Financial Officer
Jose A. Gomez, Vice President for Engagement and Economic Development, and Chief of Staff
Peter Quan, Vice President for Information Technology Services and Chief Technology Officer
Anthony Ross, Vice President for Student Affairs
Ashish Vaidya, Provost and Vice President for Academic Affairs

FROM: William A. Covino, President

COPIES: K. Baaske, H. Jacinto

SUBJECT: **2013/14 FINAL BUDGET GUIDELINES**

This memorandum provides further clarification for the 2013/14 University Resource Allocation Plan (RAP) and serves as the final budget guidelines, in accordance with Administrative Procedure 212.

The 2013/14 Final Budget signed by the Governor on June 27, 2013 (Chancellor's Office memorandum B 2013-02) reflects $2.3 billion in state General Fund support to the CSU System. The Governor's budget appropriation includes:

- $48.2 million increase in health benefits premium, energy costs, and new space maintenance.
- $38 million employee compensation pool.
- $21.7 million enrollment growth.
- $7.2 million student access and success initiatives.
- $10 million innovative use of technology and online courses initiative to address course "bottlenecks."

Cal State L.A. has been assigned a 2013/14 target of 16,546 resident FTES, which reflects an increase of 196 FTES from the prior year 16,350 resident target FTES.

CSULA FUNDING ADJUSTMENTS

Per Chancellor's Office memorandum B 2013-02, the final funding adjustments to Cal State L.A.'s 2013/14 General Fund base budgets are as follows:

Base Budget Adjustments

$ 2,487,800	2012/13 Retirement Adjustment
6,231,000	2012/13 Tuition Fee Rate Rollback
1,538,000	Health Benefits
289,000	Energy
94,000	New Space Maintenance
794,000	Enrollment Growth
1,459,400	Tuition Fee Discount
(44,200)	Campus Operating Interest Assessment
$ 12,849,000	

CSULA ALLOCATION PROCESS

The final General Fund net allocation is $103,544,039. Anticipated revenue and reimbursements bring the total General Fund gross expenditure budget to $221,839,675.

General Fund Appropriation	$ 103,544,039
Tuition Fee Revenue	112,223,870
Non-Resident Tuition Revenue	4,621,000
Other Fee Revenue & Reimbursements	1,450,766
Total Estimated Gross Budget	**$ 221,839,675**

Campus budget allocations are based upon predefined Chancellor's Office allocations and the campus strategic initiatives. Staff benefits and Faculty/Staff compensation increases have not been allocated to the Executive areas.

The following are the estimated 2013/14 Funding Allocations:

	Net Alloc	Benefit Alloc Est	General Fund Gross
Exec. Office of the President	$ 6,760,859	$ 1,456,291	$ 8,217,150
Provost/VP for Acad. Affairs	72,918,904	29,761,914	102,680,818
VP for Info. Tech Services	8,791,415	2,632,026	11,423,441
VP for Student Affairs	53,540,657	3,276,530	56,817,187
VP for Admin. and Finance	22,595,735	5,602,350	28,198,085
VP for Institutional Advancement	1,767,081	766,164	2,533,245
University Wide	11,475,512	494,237	11,969,749
Total	**$ 177,850,163**	**$ 43,989,512**	**$ 221,839,675**

The 2013/14 Lottery Revenue budget for Cal State LA is $1,839,000. This includes the following:

California Pre-Doctoral Scholarship	$	30,000
California Pre-Doctoral Admin. Support		5,000
Campus Based Programs		1,804,000
Total	**$**	**1,839,000**

STRATEGIC PLANNING/BUDGET GUIDELINES

The 2013/14 campus budget priorities are linked to the University Strategic Plan and the Governor's 2013/14 budget. Consideration will continue to be given to selective investments in order to position the University for the future. The campus will seek funding from the Chancellor's Office $10 million set aside to reduce bottleneck courses using innovative online technologies, as well as the $7.2 million allocated to promote student success programs.

The following are campus guidelines for 2013/14:

- Student Success: Emphasis will be placed on promoting the Graduation Initiative and the five themes centered around (1) Comprehensive and Integrated Advisement, (2) Enhancing Academic and Social Support, (3) Student Learning Achievement and Its Assessment, (4) Enhancing Campus-Student Communication, and (5) Effectiveness in academic program design and development.

- Student Recruitment/Enrollment Management: Enrollment management will be a critical element in our strategy. Cal State L.A. has been assigned a 2013/14 college year target of 16,546 Resident FTES. Enrollment target decisions will be made based upon the enrollment management priorities established by the campus. Given our commitment to quality instruction, every attempt will be made to maintain a Student Faculty Ratio (SFR) that is appropriate given our funding level. Undergraduate students may be limited to 16 units and graduate students limited to 12 units per quarter with exceptions considered on a case-by-case and program basis. Campus policies regarding admission, remediation, and academic progress will be enforced.

- Community Engagement: Emphasis will continue to be placed on building the capacity to achieve the outcomes and goals associated with this strategic initiative, inclusive of support to host and maintain the S4 Database to track and maintain the University's community engagement and service learning activities.

- Assigned Time: Faculty assigned time will be determined by each College Dean, in consultation with the Department chairs, and with reference to budget constraints and priorities.

- Summer Session: The University will offer courses on a self-support and a state-supported basis.

- Human Resources: Vacant faculty, staff and administrative positions will be filled on a case-by-case basis.

- Quality Service: Quality service, inclusive of facilities maintenance and cleanliness, will continue to be a campus priority. The University will continue to strengthen its efforts to achieve operational efficiencies and cost savings across all divisions, including collaboration on campus and with other CSU campuses.

- Travel and Professional Development: Support will be provided for the following purposes: a) tenured and tenure-track faculty support for research, scholarly and creative activities, and faculty development; and, b) administrative travel essential to University operations.

- Sabbaticals: In alignment with our institutional commitment to support faculty professional development and educational effectiveness, support will be provided for sabbatical leaves at the 12% level specified in the Collective Bargaining Agreement (CBA).

- Research, Scholarly and Creative Activities: Funding for Research, Scholarly and Creative Activities, emphasizing student participation, will remain a high priority. Funding from the Chancellor's Office allocation will be supplemented with $150,000 in lottery funding and $150,000 from the University Reserve.

- University Advancement: Funding will be directed toward strategies and materials to promote the University's ability to increase non-state funding, with an emphasis on planning gifts and endowments, unrestricted funds, student support and scholarships, private grants, and capital and equipment gifts.

- Instructional and Administrative Technology: Every attempt will be made to meet student, faculty, and administrative needs.

- Open University Funds: Open University funds are reimbursements to the campus for support services provided by administrative and academic departments to the College of Extended Studies and International Programs. Open University funds are allocated to academic departments through the College Resource Allocation Advisory Committee process to supplement operating expenses.

- College Work-Study: Contingent upon continued approval of Title III status, College Work-Study funds will be available without a matching requirement for participating units.

- Lottery Funds: Lottery funds will be allocated consistent with Trustees' policy and campus priorities. Discretionary Lottery funds will be restricted to critical University needs.

- Instructionally Related Activities: Requests for instructionally related activities will be processed in accordance with Administrative Procedure 217.

- Student Success Fee: Requests for Student Success Fee funding will be processed in accordance with Administrative Procedure 205.

Major Capital Projects:

- The renovations to the Television, Film, and Media Center will be completed by the end of summer 2013. The Center will be open fall quarter 2013.

- Phase II Student Housing has been approved for a 4,900 square foot multipurpose addition, which will provide dining space for 150, will also be used for other gatherings and functions, and can seat a maximum capacity of 185 per meeting. The facility will open fall quarter 2013.

- The University-Student Union is moving forward with the final phase of the original project. This project includes revitalization of the Union Plaza, which will include a canopy at the exterior stage, an exterior space to accommodate flexible configurations of 300 seats, additional green space, and increased storage. Construction will begin after Commencement 2014.

- The Administration Building will undergo a seismic upgrade to remedy structural/seismic hazards. This project is proceeding into the code verification of proposed retrofit analysis phase.

Appropriate consultation, discussion and information sharing will continue as University commitments. As in prior years, the University Reserve will be used in a prudent manner to meet campus needs.