#### Budget Update - Hawk

- 1. Since our last meeting in December, California, like the rest of the nation, is in the midst of a continuing economic decline.
- 2. The combined effect of the state's continuing structural budget deficit and the loss of revenues resulting from this economic downturn is resulting in a projected budget deficit of \$14.8B this fiscal year and if unaddressed, is anticipated to grow to \$41.6B by the end of FY 2009-10.
- 3. Many of the proposed budget solutions, whether they be spending reductions or revenue enhancements, require time to achieve full value. This is why the Governor declared a fiscal emergency and called special sessions of the state legislature on November 6<sup>th</sup>, December 1<sup>st</sup> and again on December 19<sup>th</sup>. Lack of action to date has resulted in the shutdown of state funded construction projects and the prospect of running out of cash as early as February 1<sup>st</sup>.
- 4. The Governor released his proposed budget for the 2009-10 fiscal year on December 31<sup>st</sup> which was a few days ahead of the normal schedule given the magnitude of the state's fiscal crisis.
- 5. The Governor's budget proposal for 2009-10 reflects \$14.3B in revenue adjustments, \$17.4B in spending cuts, and \$10B in warrants and borrowing to achieve a balanced budget over the next 18 months that leaves a \$2B reserve.
- 6. For the CSU, this budget proposal restores the \$31.3M budget reduction that was taken this fiscal year, treating it as one-time budget action. However, the \$66.3M, if enacted by the special session, would be a permanent budget reduction.
- 7. Compact funding continues to be suspended so the CSU will not receive enrollment growth funding or funding for other mandatory costs such as increases in health/dental benefits, new space and energy.
- 8. For our students, the Governor's budget assumes a 10% increase in the State University Fee projecting \$130M in gross revenue with one-third set aside for student financial aid. The Governor is also proposing changes to the Cal Grant financial aid program which is estimated to result in a \$15M impact for those students attending a CSU campus.
- 9. The net impact of the proposed budget changes to the CSU is a funding shortfall of approximately \$16M even with the 10% student fee increase and funding for an additional 340 FTES nursing students.
- 10. It is important to note that the situation is very fluid and to the extent the Legislature adopts solutions other than those proposed, the budget will be adjusted to reflect the Legislature's actions.
- 11. The CSU, as announced in Chancellor Reed's communication dated January 9<sup>th</sup>, has requested that campuses limit hiring to essential positions, curtail travel, and cancel non-critical equipment and supply purchases. In addition, the Chancellor has also imposed a salary freeze for all vice president/vice chancellor level positions and above including campus presidents and the chancellor through the 2009-10 budget year.
- 12. In the President's campus communication this week, she will continue to review and approve all personnel requisitions, travel that is outside the United States, and purchases that are over \$25,000. Also, there will be no MPP merit increases for FY 2008-09.
- 13. On the construction side, the primary projects on our campus that are impacted by the shut down directive are SBSB and Science Hall II nursing facility improvements. These projects are currently on hold; the Parking Structure and Road are proceeding since they are funded with SRB funds along with The McMahan House since it is donor funded.
- 14. At this time, I will turn it over to Mary who will review an updated MYBM highlighting the Governor's January budget proposals.



College of Business Administration Dennis S. Guseman, Dean dauseman@csusm.edu

Dennis

# **MEMORANDUM**

TO: Emily Cutrer, Provost and VP of Academic Affairs

CC: Janet McDaniel, Academic Senate Chair

Dennis Guseman, AA Organizational Structure Committee Chair FROM:

January 22, 2009 DATE:

RE: Final Report of AA Organizational Structure Committee

Attached you will find the recommendations of the AA Organizational Structure Committee. I would like to thank all of the committee members – Don Barrett: Jennifer Jeffries: Linda Holt: Jeff Marks; Laurie Stowell; Kathleen Watson – for all of their hard work. I believe the committee has produced a document that should serve Academic Affairs well as we grow and change as an institution. The committee members would like to thank you for the opportunity to have input into how these important decisions are made.

Our recommendation has three components: a set of definitions, a set of principles of when a change in organizational structure might be warranted, and processes for engaging in various types of organizational change. As part of its work the committee has sought feedback from AALC, the Academic Senate Executive Committee, and the Arts and Sciences Department Chairs. These documents reflect their input.

It became apparent during the committee's work that these documents would impact the work of the Academic Senate and its committees, so there is interest in your reaction and acceptance of the committee's recommendations.

We hope you find this report of value and would be happy to discuss it with you, should you desire.

# Academic Affairs Restructure Task Force Final Report

# **Presented to:**

**Provost Emily Cutrer** 

# **Committee Members:**

**Don Barrett** 

Dennis Guseman, Chair

Jennifer Jeffries

Linda Holt

Jeff Marks

**Laurie Stowell** 

Kathleen Watson

#### Scope of the AA Restructure Task Force Charge

The initial charge of the AA task force on restructuring was interpreted broadly by the committee to include concerns about the location within Academic Affairs of ancillary units that were instruction-related but were not directly part of an existing college or school (e.g., Library, Southwest Riverside County operations, the Faculty Center, Global Education, First Year Programs and many others). Our review found multiple inconsistencies between these unit's responsibilities and their levels of reporting authority within AA, but that these inconsistencies were often dictated by factors (e.g., budget constraints, formal requirements from the Chancellor's office, workload exigencies) that were not amenable to change. The task force thus makes no recommendations regarding the protocols for organizing ancillary, instruction-related services within AA in order to focus on units that fit the definitions described below.

#### **Definitions Used by the AA Restructure Task Force**

The AA task force's recommendations on appropriate terminology for academic units that generate FTES took into consideration the factors associated with such terminology. Both within the university and to external bodies, terms such as 'college' and 'school' serve to indicate multiple organizational factors including: 1) the extent that the activities of the unit have been vetted by the faculty through the Senate or College governance processes, 2) the location of the unit within both faculty governance administrative reporting (e.g., whether there are Senators from the unit and where the unit would fit in an AA organizational chart), 3) the evaluation obligations of the unit (e.g., to WASC), and 4) the obligations of the unit within personnel actions (e.g., RTP). The task force also recognizes that the terms used to describe an academic unit have important public-relations impact on how the status of the unit is perceived by future students and users, employers, external accrediting organizations and the like. The task force feels that the organizational factors are of primary importance within the question of the structure of AA, but acknowledges the public-relations value of the 'school' terminology in its recommendations (below).

#### **University:**

- 1. A larger institution of higher learning that encompasses such academic entities as colleges and/or schools, institutes, and graduate and professional schools/programs.
- 2. It has an administrative structure (president/chancellor, provost, vice presidents, directors), support staff, teaching faculty, and governance.

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<sup>&</sup>lt;sup>1</sup> When a new unit is formed, it is the responsibility of the Academic Senate to determine the new unit's representation.

3. A university will also have a research component involving faculty in contrast to some colleges (especially community colleges) that focus on teaching.

#### College:

- 1. A college is a sub-unit of a university, part of the organizational structure with its own distinct leadership and governance structure.
- 2. It consists of subgroups of related academic departments or programs offering degrees or credentials, organized for efficient resource usage and efficient and equitable governance.
- 3. Through its colleges, the university shall grant baccalaureate degrees, and graduate degrees.

#### School not housed within a College:

1. A school functions in the same way as a college, with the difference being that a school is more specialized than a college in that it offers a single degree or a distinct cluster of closely related degrees. A school may focus on nursing or law but would not have as many degree offerings as a college of Natural Sciences, which may have Physics, Chemistry, Biology, Ecology, Earth Sciences, and others. Typically schools are professional programs with distinct accrediting standards.

#### **Principles for Changing the Organizational Structure of Academic Affairs**

#### **Goal of Organizational Structure**

The goal of the organizational structure is to facilitate people performing their duties and responsibilities in an effective and efficient manner in achieving the overall mission of Academic Affairs.

#### Signs When an Organizational Change Might be Needed

- Decision making is dysfunctional due to differences in values and perspectives.
- Decision making is delayed. Decision-makers are overloaded and/or information is not reaching the right people.
- The current organization does not respond in an innovative manner to a changing environment.
- A different grouping would allow better synergy due to common interests, purposes, and values, creating an increase in cohesion in the unit.

# Principles to Consider When Changing the Organizational Structure (Creating, Merging, Splitting or Transferring Units)

- Any change in the organizational structure needs to be consistent with the mission, vision, core values, and goals of Academic Affairs.
- The organizational change needs to be consistent with the Division's human, fiscal and physical resources. There must be sufficient fiscal resources to sustain the new unit(s) and the change should produce a net positive benefit for the entire division.
- The organizational change should result in a more effective and efficient decision making and operation in terms of effective communications, coordination and integration of efforts across and within units.
- The organizational change should provide for clear authority, responsibility and control/accountability.

#### **Academic Affairs Restructure: Process for Restructuring Academic Units**

Proposals
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Proposals for the creation, merger, split, transfer or abolition of departments<sup>2</sup> or schools or colleges may be initiated by departments or schools or colleges, faculty members, or administrative officers of the university. The proposal is written justification based on the Academic Affairs Principles for Restructuring. The proposal shall address employment options, informed by the Memorandum of Understanding, for the affected tenured and probationary faculty and for permanent staff.

Create <sup>3</sup>						
The appro	priate administrator n	nay hire an outside consultant to prepare the propos	sal when sufficient exp	pertise in the subject matter is	s deficient internally.	
7	1 To AALC	7				
Initiator		To Provost				
Я	To Senate BLP → To	Academic Senate				
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				A		
Initiator $\rightarrow$ To Schools or Colleges affected $\rightarrow$ Faculty Vote $\rightarrow$ To Deans affected				To Provost		
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Provost				To Courte DID NTs Assis		
			<u> </u>	To Senate BLP →To Acade	mic Senate /	

1/22/2009

<sup>&</sup>lt;sup>2</sup> The creation, merger, split or transfer of a department within an existing school or college is handled internal to that entity.

<sup>&</sup>lt;sup>3</sup> If the process requires a curriculum change, the proposal is sent to the University Curriculum Committee (UCC) concurrent with Budget and Long-Range Planning (BLP) review.

#### Transfer

Initiator → To Schools or Colleges affected → Faculty Vote → To Deans affected → To Provost

Abolish

Initiator<sup>4</sup>  $\rightarrow$  Faculty in affected units vote  $\rightarrow$  School or College faculty vote  $\rightarrow$ To Dean

To Provost

 $\mathbb{Z}$ 

□ To Senate BLP → To Academic Senate 
□

对 To AALC

Faculty Vote

For any change requiring a faculty vote, faculty (individually or as groups) may provide written rationales that accompany the delivery of the voting results to the next level.

#### Timeline

The initiator may start the process at anytime during the Academic Year. The timeline clock stops temporarily during Winter break and Spring break. The clock resets between the last day of classes for Spring semester until the first day of classes Fall semester. In the event the Senate does not receive the proposal in time to have both a first and second reading, the timeline for Academic Senate starts at the beginning of the next Academic Year.

<sup>&</sup>lt;sup>4</sup> The Program Assessment Committee (PAC) of the Academic Senate may initiate the formation of an Ad Hoc Program Review Committee (AHPRC) when "the PAC finds that the Program Review report fails to document satisfactory program viability." Thus the PAC may be the initiator, and the process outlined in Appendix C of the PAC policy on Program Review will be followed.

#### Recommendation

The Ad Hoc Program Review Committee (AHPRC) procedures referenced in footnote 4, includes the wording "the AHPRC will take additional guidance from the CSU Policy on Discontinuance of Academic Degree Programs." The CSU Policy requires each campus to have a Policy on Discontinuance of Academic Degree Programs, which CSUSM has not yet formulated. We recommend the campus develop this policy.

1	Resolution in support of the report of the AA Structure Task Force
2	DRAFT
3	
4	WHEREAS, The Academic Senate of CSUSM recognizes its responsibility as the
5	representative body of the faculty and that faculty have purview over the academic
6	quality of degrees and programs offered by the University; and
7	
8	WHEREAS, Academic excellence and instructional quality are core values of CSUSM
9	and are stated as a primary mission of the University; and
10	
11	WHEREAS, the Academic Affairs Structure Task Force has written and submitted a
12	thoughtful final report to the provost after having sought feedback from the Academic
13	Affairs Leadership Council, the Academic Senate Executive Committee, the Academic
14	Senate and the Arts and Sciences Department Chairs and the recommendations of the
15	Academic Affairs Structure Task reflect their input; and
16	WHIEDEAC the Tests Ferrer's remort in chudes definitions main sinks to consider when a
17 18	WHEREAS, the Task Force's report includes definitions, principles to consider when a change in organizational structure might be warranted, and processes for engaging in
19	various types of organizational change, all of which would, if adopted, affect the work of
20	Academic Affairs at CSUSM; and
21	Academic Arrans at Coosivi, and
22	WHEREAS, policies based on this report would impact the work of the Academic Senate
23	and its committees; and
24	
25	WHEREAS, the creation of or changes to academic units impacts governance, the
26	representation of faculty and the ability of faculty to have voice in academic affairs; now,
27	therefore be it
28	
29	RESOLVED, that the Academic Senate of CSUSM recognizes, appreciates, and praises
30	the thoughtful work resulting in the Academic Affairs Structure Task Force Report, and
31	
32	RESOLVED, that the Academic Senate of CSUSM urges the provost to adopt the
33	recommendations of the AA Structure Task Force regarding principles, process and
34	definitions and to consult with the Academic Senate as needed to develop University
35	policies based on the same.