



San José State
UNIVERSITY

A campus of The California State University

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S05-10

At its meeting of May 9, 2005, the Academic Senate passed the following Policy Recommendation presented by Senator Donoho for the Executive Committee.

**POLICY RECOMMENDATION
THE PLANNING AND BUDGET PROCESS AT SJSU**

- WHEREAS, The CSU Board of Trustees recognizes that the collegial process of academic governance benefits from the participation by the faculty in budgetary matters,¹ the Chancellor's Office has for many years called for campuses to have committees consisting of students, faculty and other appropriate constituencies to offer advice on budget policy, planning and resource allocation (see set of principles included as Appendix A),² and
- WHEREAS, The CSU Statewide Senate has called upon the Board of Trustees to include evidence of working collegially with campus senates on budget planning as a criterion for presidential evaluation;³ and
- WHEREAS, To effectively address its policy, planning and curricular functions, the Senate must have an understanding of the university's finance and budget processes and resources; be able to determine the financial impact of proposed policies, provide a budget overview to the Senate annually, help identify areas where resources might be used more efficiently, provide members for the Resource Planning Board and identify policy implications of the work of the RPB; and.
- WHEREAS, F96-4, The Budget Process at SJSU, as amended by S01-1 and S03-10 lays out principles of the budget process, setting of budget priorities, handling of budget priority requests and lottery dollars, and the role of the Senate's Budget Advisory Committee and others involved with SJSU budgets; and
- WHEREAS, F91-1 calls for budget information to be reported out by the colleges, but is often an overlooked policy because it is not part of F96-4; and
- WHEREAS, SJSU is subject to certain reporting and funding obligations as directed by the Chancellor's Office. For example, CSU Executive Order 805 states that "all revenues derived from the enrollment of non-matriculated students in state-supported regular courses or in self-support special session courses shall be deposited in the Continuing Education Revenue Fund or in campus trust," and "the allocation of all revenues derived from the enrollment of non-matriculated students in state-supported regular courses or in self-support special session courses shall be

¹ Report of the Board of Trustees' Ad Hoc Committee on Governance, Collegiality, and Responsibility in the California State University, 9/85.

² Letter dated June 26, 1987 to campus presidents from Chancellor W. Ann Reynolds.

³ CSU Academic Senate, AS-2599a-03/FGA/FA, March 2003.

determined by the campus president, following consultation with the campus budget advisory committee,” and

- WHEREAS, The Budget Advisory Committee (BAC), a group consisting of the AS President, faculty members of the Executive Committee and additional senators to ensure that there is at least one faculty member from each college, has worked well for many years, but has limited input with respect to the entire university budget and allocation of resources; and
- WHEREAS, The budget process at SJSU has continued to evolve, becoming more open as a result of campus forums and the development of a cadre of faculty who have served on the BAC over the years, and because faculty have become more knowledgeable about various components of SJSU finances; and
- WHEREAS, Decisions about budget allocations have traditionally only been discussed by the President and his staff with limited input from the Senate’s BAC regarding budget priority requests and lottery dollars, all totaling to less than 5% of the overall campus budget; and
- WHEREAS, The annual set of budget priorities established by the Senate and the President have been questioned in recent years for lack of prioritization and being too general and that system was replaced in December 2004 with the new strategic planning process provided for in F04-3 with such process also eliminating the need for the “budget priorities” process noted in F96-4; and
- 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; at the urging of an incoming President, the RPB was extended to May 2005 rather than made permanent in Spring 2004; and
- WHEREAS, The function of the RPB has changed as a result of the newly-instituted strategic planning process (F04-3); therefore be it
- RESOLVED, That the attached new planning and budget policy that also establishes the Resource Planning Board as a special agency of the Senate be adopted as university policy and F91-1, F96-4 as amended by S02-1 and S03-10, and S04-1 all be repealed, and that S04-11 which temporarily extended the RPB be repealed; and be it further
- RESOLVED, That the Budget Advisory Committee be abolished and all references to it in the Senate by-laws and standing rules be eliminated, and S93-17 be repealed.

Approved: April 25, 2005
Present: Ashton, Bros, Donoho, Greathouse, Heisch, Kassing, Lee, Lessow-Hurley, Maldonado-Colon, Nellen, Phillips, Sigler, Thames, Van Selst, Veregge
Absent: None
Vote: 15-0-0
Financial Impact: None

THE PLANNING AND BUDGET PROCESS AT SJSU

1. Planning and Budgeting at SJSU – Overview [mostly from F96-4]
 - 1.1 The planning and budget process is designed to find the most effective means to identify the goals of the university and to apply the resources of the university to efficiently and effectively pursue those goals. It can also be described as a resource allocation process. Yet, to be effective, allocation of resources must be guided by a framework where university goals and objectives have been identified through an informed shared governance process and realistic paths identified to enable the university to achieve its goals. The university community must understand the goals so that budgetary units can also guide their budget and planning processes with the key goals in mind. Budget decisions must be based on how the use of resources will help the university and units achieve the specified goals.
 - 1.2 The planning and budget process must consider all parts of the university so that planning and budgeting can be coordinated and the university can speak with one voice regarding its goals, objectives and priorities.
 - 1.3 The planning and budget process must be guided and informed by a strategic planning process whereby the vision, mission, goals and priorities of the university have been articulated so that they can guide resource allocation. A process is needed to ensure that the strategic plan is a living document and functional so that long-term, mid-term and short-term resource allocation decisions can be made to help the university achieve its vision, mission and goals.
 - 1.3.1 Strategic planning must help the campus to understand its goals and priorities in the areas of enrollment management, academic planning, student services and institutional resource needs. It must also be guided by system-wide mandates, recommendations and goals.
 - 1.3.2 Strategic planning must be informed and continually guided by a set of measurable objectives to enable the university to measure progress to attaining the goals and to identify areas where additional resources or work is needed.
 - 1.3.3 Strategic planning must involve communication to, from and among campus constituencies so that the process is informed and broadly known across the SJSU community.
 - 1.4 The planning and budget process should be fair and open to members of the university community through the broad dissemination of information via the web, printed form and campus forums.
 - 1.5 The planning and budget process should encourage virtuous behavior over entrenched interests; the process should encourage the pursuit of university-wide goals over parochial concerns.
 - 1.6 The planning and budget process should focus on the academic mission of the University and should encourage cross-divisional collaboration in the effort to set university-wide priorities that transcend organizational boundaries.
 - 1.7 The planning and budget process should achieve a balance between centralized and decentralized decision-making; too much centralized decision-making tends to discourage entrepreneurial behavior, while too much decentralization tends to encourage local protectionism and lost sight of the broader campus goals and needs.

- 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 A) 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. The strategic planning process is provided in UP F04-3.
- 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, is responsible for formulating, articulating and promoting a strategic plan for SJSU. The President is to inform the Resource Planning Board (RPB) of the plan, goals and priorities. The President is responsible for allocating the budget to the budgetary units. Based on UP F04-3 and this RPB policy, it is expected that the President will use recommendations and information from the planning groups and the RPB in making planning and budgetary decisions.
 - 2.2.1 The Office of Planning is responsible for supporting the work of the Goals Advisory Council, University Planning Council and University Planning Council (UPC) Planning Advisory Panels, and conducting research, analysis and reporting as necessary for strategic planning activities. The Office of Planning will also prepare and maintain a schedule to ensure that strategic planning and resource allocation occurs within the proper budget cycles.
 - 2.2.2 The Goals Advisory Council (GAC) is responsible for setting goals, priorities and future direction for the campus for the next 5 to 7 years. The Council is also responsible for setting timelines for attaining the goals.

- 2.2.3 The University Planning Council (UPC) is responsible for using the recommendations of the GAC and the President to develop strategies for achieving the goals, as well as developing action plans and performance indicators.
- 2.2.4 The Resource Planning Board serves to advise the President on allocation of all resources among the divisions and any special projects or activities based on the plan, goals and priorities approved by the President as informed by the GAC and UPC.
 - 2.2.4.1.1 To effectively do its work, the RPB must consider all campus resources in its allocation plan.
 - 2.2.4.1.2 The RPB must consider the variety of restrictions placed on some funding sources (lottery funds and parking funds, for example) in completing its resource allocation task.
 - 2.2.4.2 The RPB will not consider requests that do not come from the President.
 - 2.2.4.3 Where CSU Executive Orders or similar mandates call for a budget advisory or similar body, the RPB will serve that function. For example, the RPB shall serve as the “campus budget advisory committee” (referenced in CSU Executive Order 805) for the purpose of consultation regarding the allocation of all revenues derived from enrollment of non-matriculated students in state-supported regular courses or in self-support special session courses.
 - 2.2.4.4 The RPB shall specify, with approval of the President, the content and detail for presentation of budget and actual financial data to the campus.
- 2.2.5 The Senate Executive Committee will consult with campus constituencies to determine whether the RPB is functioning such that the principles of section 1.0 and Appendix A 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 the university budget and how it is shaped.
- 2.2.6 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 in Appendix A and help the work of the RPB by providing information as requested.

3.0 Resource Planning Board (RPB)

- 3.1 The membership of the Resource Planning Board consists of,
 - 3.1.1 The Provost
 - 3.1.2 The Vice President of Administration & Finance, serving as co-chair
 - 3.1.3 The Vice President of Student Affairs
 - 3.1.4 The Vice President of Advancement
 - 3.1.5 The Associate Vice President of Academic Planning and Budgets

- 3.1.6 The Associate Vice President of Administrative Systems and Finance
- 3.1.7 A representative of the deans chosen annually by the deans
- 3.1.8 The President of Associated Students
- 3.1.9 The Chair of the Academic Senate, serving as co-chair
- 3.1.10 The Vice-Chair of the Academic Senate
- 3.1.11 Three faculty-at-large, selected by the elected members of the Executive Committee, serving staggered 3-year terms and selected based on their knowledge and interest in understanding university finances
- 3.1.12 A department chair selected annually by the University Council of Chairs and Directors (UCCD)
- 3.1.13 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 interest in serving), serving a 3-year term
- 3.1.14 The Assistant to the President for Institutional Planning (non-voting)
- 3.1.15 The Executive Assistant to the President (non-voting)
- 3.2 The Vice President of Administration & Finance will provide support to the RPB for issuance of reports and other administrative needs. The Senate Chair and Vice Chair will be responsible for meeting minutes.
- 3.3 The discussion of fiscal matters gives the RPB the ability to meet in Executive Session with only its members, as determined appropriate by the co-chairs of the RPB.
- 3.4 Any action taken by the RPB requires the presence of a quorum of its voting members.
- 3.5 The RPB shall keep the campus apprised of its work through periodic reports issued at least once per semester and forums at least once per year.
- 3.6 The RPB shall report to the President and Senate Executive Committee at least once each semester on the status and nature of its work.
- 3.7 The faculty serving on the RPB shall meet at least once each semester in order to serve as a resource to the Senate and its committees through such roles as:
 - 3.7.1 Assisting Senate policy committees in determining the financial impact of proposed policies.
 - 3.7.2 Providing a presentation to the Senate annually on the basics of the university budget to help senators to understand the details provided by the Vice President of Administration & Finance.
 - 3.7.3 Identifying policy implications of work and decisions of the RPB and bringing them to the attention of the Executive Committee.

The Senate Chair shall be responsible for calling meetings of the RPB faculty.

4.0 Accountability and Reporting

- 4.1 Budget and actual financial data are to be reported to the university annually. Broad categories of salaries and operating expenditures are to be further broken down into details such as travel, office supplies, etc. as specified by the Resource Planning Board and approved by the President.
- 4.2 Budget and actual financial data are to be made easily accessible to campus constituencies via the web and printed copies available in the university library and division offices.
- 4.3 RPB agendas and reports will be available and shall be maintained as a part of the university planning website. From this website, there will be links to budget-related policies and procedures and other campus budget reports as well as system-wide budget and financial data.
- 4.4 College deans each year shall, within the first 30 working days of each semester, report in writing to their faculties the resources allocated to and within their colleges for the current year and the uses made or to be made of these resources. A copy of the report for fall semester shall be filed with the Academic Senate office not later than October 15 and a copy of the report for spring semester shall be filed not later than March 15. **F91-1**

5.0 Definition of Terms

- 5.1 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.
- 5.2 Strategic Planning – an organized effort whereby an organization develops a vision (what it desires to become, why it exists), mission (describes why it exists, what it does), goals (what it strives to do to reach its vision and meet its mission) and measurable objectives to help it assess how it is progressing in achieving the vision and mission. Strategic planning helps all members of the organization to be able to make decisions that will help the organization reach its vision. The strategic planning process at SJSU is provided in UP F04-3.

6.0 Related Policies

- 6.1 UP F03-3 – Principles and Strategies to be Observed and Utilized During Times of Budget Cuts
- 6.2 UP F04-3 – The Strategic Planning Process at SJSU

Appendix A

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

1. Access to Information

- a. 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.
- b. 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.
- c. 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.
- d. 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.
- e. 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.

2. 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.

**ACTION BY UNIVERSITY PRESIDENT: APPROVED BY PRESIDENT DON KASSING
ON MAY 13, 2005**