



**San José State**  
UNIVERSITY

*A campus of The California State University*

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**S07-3**

At its meeting of April 16, 2007, the Academic Senate passed the following Policy Recommendation presented by Senator Hebert for the Organization and Government Committee.

### **POLICY RECOMMENDATION**

#### **REPEAL OF S05-10 AND ADOPTION OF “THE PLANNING AND BUDGET PROCESS AT SJSU”**

- Whereas: The role envisioned for the Resource Planning Board (RPB), a special agency of the Senate established by S05-10, has been found to be unworkable in practice; and
- Whereas: The University Planning Council (UPC) is performing most of the functions envisioned for the RPB and:
- Whereas: Evaluating and reporting to the campus community the effectiveness of resource allocations is desirable; therefore be it
- Resolved: That the Resource Planning Board (RPB) be dissolved and:
- Resolved: That a new special agency, the Resource Review Board (RRB) be created and:
- Resolved: That S05-10, F91-1, F96-4, S02-1, S03-10, S04-1, S04-11, and S93-17 be repealed and:
- Resolved: That the attached document “The Planning and Budget Process at San Jose State University” be adopted as University policy.
- Approved: March 5, 2007
- Vote: 6-0-0
- Present: Parsons (acting chair), Antazo, Backer, Hilliard, Kahanov, Norton (emeritus), Reade.
- Absent: Hebert, Hooper, Selter

Financial Impact: There are no discernable costs created by the abolishment of the RPB and creation of the RRB. Optimistically, there should be a net positive impact as previously overlooked opportunities for efficiencies are uncovered.

Workload: Will likely increase slightly for RRB board members and middle-level administrators within the consulted offices relative to the current workload of RPB members during the first three to five years after implementation of this policy and then decline to current workload levels. Campus-wide, and assuming Parkinson's Law can be repealed, greater efficiencies should have a salutary effect on faculty, staff, and administrative workloads.

Rationale: In practice it was found that the role for the Resource Planning Board envisioned by S05-10 has proved to be unworkable due to budget timelines and the composition of the board. This proposal, if adopted, abolishes the RPB and creates a new special agency, the Resource Review Board (RRB) broadly charged with reviewing and recommending improvements in the processes involved in resource allocation and the procedures for evaluating the effectiveness of expenditures. In consultation with the appropriate offices, the RRB will also recommend to the President how to best communicate complex financial documents into a form understandable by the campus community and the citizens of the State of California.

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 those same 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, priorities and costs will change over time, which requires a process that considers trends, new obligations and needs, and review of 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 the Board of Trustees, is responsible for formulating, articulating and promoting a strategic plan for SJSU. The President is to inform the Goals Advisory Council (GAC), the University Planning Council (UPC) and the Resource Review Board (RRB) of the plan, goals and priorities. Based on UP F04-3 and this policy, it is expected that the President will use recommendations and information from these planning groups to make planning and budgetary decisions. The President is responsible for allocating the budget to the budgetary units.
  - 2.2.2 The Office of Academic Planning and Budgets is responsible for supporting the work of the Goals Advisory Council, the University Planning Council and the UPC Planning Advisory Panels, and for conducting research, analysis and reporting as necessary for strategic planning activities. The Office of Academic Planning and Budgets will also prepare and maintain a schedule to ensure that

strategic planning and resource allocation occurs within the proper budget cycles.

- 2.2.3 The Goals Advisory Council is responsible for setting goals, priorities and future directions for the campus for the next five to seven years. The GAC also is responsible for setting timelines for attaining the goals.
- 2.2.4 The University Planning Council 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.
- 2.2.5 The Resource Review Board advises the president on alignment of resources to priorities and on the effectiveness of allocation and expenditures of campus financial resources. The RRB will review processes and results to determine whether:
  - 2.2.5.1. Sources of funding are correctly identified and employed;
  - 2.2.5.2 Allocations have been timely and appropriate in amount;
  - 2.2.5.3 Allocations have been consistent with established priorities
  - 2.2.5.4 Expenditures have resulted in accomplishment of the intended goals and objectives.
- 2.2.6 The RRB is also authorized to look for and advise the President in regard to:
  - a. possible improvements in budget and planning processes;
  - b. areas of potential savings, and
  - c. potential sources of additional funding, public and private
- 2.2.7 Where CSU Executive Orders or similar mandates call for a budget advisory or similar body, the RRB will serve that function. For example, the RRB 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.

- 3.0 Accountability and Reporting: The RRB shall specify, with approval of the President, the content, detail and means for presentation of budget and actual financial data to the campus
  - 3.1 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 Review Board and approved by the President.
  - 3.2 Budget and actual financial data are to be made easily accessible to campus constituencies via the web and other means as determined by the RRB
  - 3.3 RRB agendas and reports will be available and shall be maintained as a part of

the university strategic 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.

- 3.4 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]
- 3.5 The Senate will announce to the campus the meeting at which the annual budget is presented.
- 3.6 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 RRB by providing information as requested.
- 3.7 The RRB shall keep the campus apprised of its work through periodic reports issued at least once per year and forums at least once per year.
- 3.8 The RRB shall report to the President and Senate Executive Committee at least once each semester on the status and nature of its work.

#### 4.0 Resource Review Board (RRB)

- 4.1 The membership of the Resource Review Board shall consist of:
  - 4.1.1 The Provost or designee
  - 4.1.2 The Vice President for Administration & Finance, serving as co-chair
  - 4.1.3 The Vice President of Student Affairs or designee
  - 4.1.4 The Vice Provost for Academic Planning and Budgets
  - 4.1.5 The Associate Vice President for Finance
  - 4.1.6 A representative of the college deans chosen annually by the college deans
  - 4.1.7 The Executive Assistant to the President specifically charged with representing the President and the divisions not represented on the RRB
  - 4.1.8 The Chair of the Academic Senate, serving as co-chair
  - 4.1.9 The Vice-Chair of the Academic Senate
  - 4.1.10 Four faculty-at-large, selected by the elected members of the Executive Committee, serving staggered three-year terms and selected based on their knowledge and interest in understanding university finances
  - 4.1.11 A department chair selected annually by the University Council of Chairs and Directors (UCCD)
  - 4.1.12 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 interest in serving), serving a three-year term.

4.1.13 The President of Associated Students or designee.

4.2 The Vice President of Administration & Finance will provide support to the RRB for issuance of reports and other administrative needs. The Senate Chair will be responsible for meeting minutes.

4.3 The discussion of fiscal matters gives the RRB the ability to meet in Executive Session with only its members, as determined appropriate by the co-chairs of the RRB. The co-chairs may invite appropriate staff members to attend as may be needed (without voting rights).

4.4 Any action taken by the RRB requires the presence of a quorum of its voting members.

## 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

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.

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.

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.

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.

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.

[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.