

# THE GENERAL FUND

## Allocations and Enrollment

Budget allocations are based on the targeted FTE for each campus. The 2004/05 enrollment target for California State University, Fresno was established set at 16,867 FTES. The State General Fund allocation to support this FTE target is \$177,882,800 that includes \$125,163 in State appropriations, \$44,395,000 in State University Fees and \$8,124,700 in other revenue and reimbursements. The *General Fund Allocation Changes* are displayed on page 10.

## Budget Principles, Policies, and Programs

Prior to 1993/94, funding for the California State University (CSU) was calculated utilizing a complex set of funding formulas (Orange Book) predicated upon FTES, student-faculty ratio and a myriad of additional factors. As a result of the State's fiscal crisis and a commitment to decentralize the CSU, the previous approach to budgeting has been eliminated. In its place, the CSU has adopted a simplified approach that is influenced by student-faculty ratio, size of physical plant and related programmatic considerations. With the change in the CSU budget generation and allocation process, California State University, Fresno redesigned its allocation process.

The new process established a base allocation level for each of the major program areas (Instruction/Academic Support, Student Services, Institutional Support, Plant Operations, Athletics and University Priorities Fund). Level "A" is the allocation made from the President to the Provost and each Vice President/Director reporting to the President. Similarly, Level "B" is the allocation made from the Provost/Vice Presidents to the Deans/Directors/Department Heads. (Each division is responsible for establishing a Level "B" allocation mechanism and monitoring expenditures according to that plan.) The Level "A" policy adopted at California State University, Fresno seeks to develop a predictable allocation methodology that assures equitable distribution of resources within the existing financial constraints of the system and is consistent with the following principles developed and adopted by the University Budget Committee of the Academic Senate at California State University, Fresno in the Spring of 1993.

### Principles

During the Spring semester 1993, the University Budget Committee developed a set of principles which were intended to be of assistance in developing a new model of budget allocation. These principles state that the budget allocation process should:

1. Support the chosen directions and priorities of the University.
2. Recognize differences between programs (i.e., delivery modes).
3. Provide for differential growth and differential needs within the University.
4. Provide certainty of allocation (within realities of public funding) for long-term efficiency and stability.
5. Reward "good" behavior.
6. Be perceived to be fair, based on the chosen plan and policies of the University.
7. Utilize minimum resources to administer the allocation process.
8. Decentralize decision making consistent with University plans and policies.
9. Mandate a consultative process within all schools/departments/units.

10. Provide an easy transition from the present system, with a phase-in period to minimize chaos.

### Policy

An allocation policy has been established which utilizes a base percentage for each of the six program areas and provides a small amount to be allocated to address University priorities. The base percentage for the five program areas and University Priorities were originally established in 1994/95 for a two-year period. In keeping with policy, these percentages have been reviewed every two years to determine whether a change in the percentages should be made. The last review conducted in the Fall of 2002, by the Level-A Review Committee (2 Academic Deans, 2 Faculty members of the Senate's University Budget Committee, a representative from each University division (5), and the University Budget Officer), sustained the current policy through 2004/05. The Level-A Review Committee is now meeting to plan for fiscal year 2005/06 and 2006/07.

A historical view of the Allocable Budget percentages is shown in the chart below. It should be noted that the 2002/03 percentages were changed to reflect the realignment of Information Technology. Portions of Information Technology were formally included in the Instruction/Academic Support and Institutional Support programs.

### **PERCENTAGE OF ALLOCABLE BUDGET**

<b>PROGRAM AREA</b>	<b>1998/99</b>	<b>1999-01</b>	<b>2001/02</b>	<b>2002/03*</b>	<b>2003/04*</b>	<b>2004/05*</b>
Instruction/Academic Support	71.53	71.15	72.86	68.48	67.92	68.17
Student Services	8.49	8.78	8.49	8.03	8.00	7.84
Institutional Support	8.87	9.08	7.75	7.00	6.94	6.91
Plant Operations	9.34	9.25	9.20	9.20	9.02	8.95
Athletics	1.77	1.74	1.70	1.70	1.66	1.76
Information Technology	N/A	N/A	N/A	5.59	6.46	6.37
University Priorities Fund	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>
<b>Total</b>	100.00	100.00	100.00	100.00	100.00	100.00

\*Changes in allocation percentages reflect a decision to create a Level A allocation for Information Technology.

## Programs

*Instruction/Academic Support* includes funding for the Instructional Program, Smittcamp Honors College, Library, University Farm Lab, California Agricultural Technology Institute, Graduate Studies, and Faculty Development and Research.

*Student Services* includes funding for general services to students to include Re-entry Program, Educational Opportunity Program, Advising, Testing, Health Services, Students with Disabilities, Admissions/Records/Evaluations, Outreach, International Students, and Financial Aid.

*Institutional Support* program category includes the President's Office, University Advancement, University Budget Office, Administrative Services (Controller/Accounting/Payroll, Human Resources, University Police, Environmental Health & Safety), as well as the funding for University-wide communications.

The *Plant Operations* program, for budgeting purposes, has been identified separately and includes Facilities Management and Planning, and the University utilities budget.

*Athletics* provides the State funded portion of the Intercollegiate Athletic Program.

*Information Technology* provides a wide range of support including administrative computing, academic computing, digital campus, and a variety of technology projects.

The *University Priority Fund* was established in 1994/95 to provide funding for needs which are consistent with the campus' Plan for the 90s and which are not supported by the regular allocation process. Funding for this program ended in FY 1997/98.

Completing the General Fund are the Centrally Monitored Funds, the University Reserve, and Reimbursed Activities. Centrally Monitored Funds are used for special needs that benefit the University as a whole. The University Reserve is a fund established to accommodate unanticipated and unplanned expenditures during the fiscal year such as legal fees, legal settlements, shortfalls in revenue, emergencies, and major unanticipated expenditures. Finally, Reimbursed Activities is used to record expenditures made initially in the General Fund, for the benefit of other organizations. It contains only those specialized services which are fully reimbursed. For example, the Athletic Corporation funds additional salaries through this fund and then these expenditures are reimbursed to the University.

For future discussions in this document, the budgets have been rearranged organizationally to reflect the more familiar structure of the campus.