

**Resolution Supporting CSU Academic Senate Resolution  
Regarding Reconsideration of Trustees' Proposed Budget  
(#08-02/03-EX)**

WHEREAS, The CSU Academic Senate passed a resolution calling on the Chancellor and the Board of Trustees to reconsider the proposed 2003-2004 budget to be "consistent with the priorities clearly enunciated by the Chancellor, the Senate, and other CSU faculty representatives"; and

WHEREAS, The CSU Academic Senate resolution clearly articulates the importance of including specific aspects of the budget within the partnership portion of the budget to increase the likelihood of funding; therefore, be it

RESOLVED: That the Academic Senate of Humboldt State University endorse the resolution "Call for Reconsideration of Trustees' Proposed Budget" passed by the CSU Academic Senate on November 8, 2002; and be it further

RESOLVED: That the Academic Senate of Humboldt State University convey this endorsement to the CSU Chancellor, the Board of Trustees and other CSU campus senates.

Deborah Hennessy, 04:10 PM 11/8/02 -0800, Senate Resolution re BOT Proposed Budget Page 2 of 3

Academic Senate CSU  
562.951.4015

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AS-2588-02/FA/FGA  
November 7-8, 2002

**Call for Reconsideration of Trustees' Proposed Budget**

**RESOLVED:** That the Academic Senate of the California State University (CSU) reaffirm the resolutions entitled "Short-Term Budget Priorities for 2002-2003 and 2003-2004" (AS-2572-02) and "Priorities for Strategic Budget Planning" (AS-2573-02) adopted in May 2002 (see attached); and be it further

**RESOLVED:** That the Academic Senate CSU find that the budget proposal adopted by the CSU Board of Trustees on October 31, 2002, fails to address key budget priorities in the previously cited Senate resolutions; and be it further

**RESOLVED:** That the budget proposal adopted by the Board of Trustees is inconsistent with Senate budget priorities in that it:

- provides for only a 1% faculty salary increase within the partnership agreement;
- seeks funding for salary costs already funded under previous legislative allocations;
- sets the interests of faculty and university staff against each other through an attempt to achieve "salary parity";
- fails to cover first-year costs of ACR-73 in the partnership agreement; and be it further

**RESOLVED:** That the Academic Senate CSU call upon the Chancellor and the Board of Trustees to develop a budget request for 2003-2004 consistent with the priorities clearly enunciated by the Chancellor, the Senate, and other CSU faculty representatives; and be it further

**RESOLVED:** That the Academic Senate CSU encourage the Chancellor to engage in meaningful dialogue and collaborate with the Senate to develop strategies to apply Senate budget and strategic planning priorities in revising the current and devising future budgets.

**RATIONALE:** Funding to adjust faculty salaries to a level that makes CSU competitive in recruiting new faculty was a high priority in both short-term (AS-2572-02/FGA) and long-term (AS-2573-02/FGA) budget goals of the Senate adopted in May 2002. In response, Executive Vice Chancellor David Spence stated that "The resolutions received are important views that influence CSU budget decisions and recommendations to the Board of Trustees, and they are appreciated for articulating the view of the CSU faculty."

The CPEC gap continues to grow under the deficit budget conditions that exist today and in the foreseeable future. ACR-73 has challenged the CSU to raise full-time tenure track faculty to 75% of total faculty. Below-market starting salaries, meager raises, heavy workloads, and high living costs make faculty recruitment and retention difficult. Experience shows that requests within the partnership portion of the CSU budget proposal have a much higher likelihood of being achieved than items, however worthy, in the augmentation portion, "below the line." The Chancellor has stated publicly that improving faculty salaries by closing the CPEC salary gap is one of his top priorities; this gap currently stands at 10.6 %. The Chancellor, moreover, has called for a culture of unity and trust within the CSU. A first step in establishing this trust is to engage in sincere efforts to implement the Senate budget priorities.

The Board of Trustees on October 31 rejected an amendment to the Chancellor's proposed budget request that would have given high priority to compensation increases for all employees, including faculty.

**APPROVED** November 7-8, 2002

## 2003/04 CSU Support Budget - Gold Book Final Draft 3 (5% Enrollment Growth)

**Sources of Funds****Partnership Funding Agreement Base Budget Calculation**

2002/03 Final General Fund Budget	\$2,680,280,000
<i>Less: Lease Bond Payments and Deferred Maintenance Borrowing Debt Service Payments</i>	(65,697,000)
<i>Plus: Restore Funding for 2002/03 One-Time Long-Term Need Reduction</i>	38,000,000
<b>Total, CSU 2003/04 Base Budget General Fund Support</b>	<b>\$2,652,583,000</b>

**Partnership Agreement**

4% Increase for General Operations (\$2,652,583,000 x .04)	\$106,103,000
1% Increase for Long-Term Need (\$2,652,583,000 x .01)	26,526,000
Full State Marginal Cost for 5% Enrollment Growth @ \$6,594 per FTES	105,880,000
State Marginal Cost Supplement for YRO Conversion	7,713,000

**Partnership Revenue Agreement**

Revenue from Enrollment Growth	28,238,000
Revenue from YRO Conversions (@ 2002/03 marginal cost rate)	2,065,000
Buy Out Revenue from Increase in State University Fee Rates	16,294,000
<b>SUBTOTAL, PARTNERSHIP REVENUE ESTIMATE 2003/04</b>	<b>\$48,597,000</b>

## 2002/03 Unfunded Partnership Revenue

115,646,000

## Total Sources of Funds

**\$408,659,000****Use of Funds****Mandatory Costs**

* Full-Year Cost of Faculty (Unit 3) Compensation Agreement (2.64% Increase)	\$29,920,000
Full-Year Cost of Non-Faculty Compensation Agreement (.18% Increase)	1,917,000
Cost of Unit 6 2003/04 Compensation Agreement (2% Increase)	979,000
Health Benefits Rate Increase	32,206,000
Insurance Premium Increases	7,265,000
New Space	6,322,000
Total, Mandatory Costs	<b>\$78,609,000</b>

## Enrollment Growth - 16,057 FTES (5% Increase)

\$118,934,000

## Enrollment Growth YRO Conversions - 1,683 FTES

\$9,778,000

## Financial Aid

\$8,960,000

## Long-Term Need

Technology-Network Equipment	\$5,000,000
Libraries	10,000,000
Deferred Maintenance	11,526,000
	<b>\$26,526,000</b>

## Non-Faculty Compensation Adjustment for Parity with Faculty Agreement (2.46% Increase) \*

\$26,573,000

## General Compensation Increase; 1% Increase for all employees (excludes Unit 6)

\$23,439,000

**SUBTOTAL, 2003/04 PARTNERSHIP FUNDING AGREEMENT****\$292,819,000**

## Compensation (3% effective July 1 = \$37.3 million Faculty; \$34 million non-faculty - excludes 1% Unit 6)

\$71,295,000

## ACR 73 First Year Cost Requirement

Maintain Faculty Position Base	\$5,800,000
Marginal Cost Supplement for Enrollment Growth Faculty at Average New Hire Rate	16,791,000
SFR 18.0 to 1 First Year Phase In Cost	13,024,000
Total, First Year ACR 73 Cost Requirement	<b>\$35,615,000</b>

## Off-Campus Centers (at \$991,000 per Center over 500 FTES)

\$2,973,000

## High Cost Academic Programs (Nursing, Agriculture, Engineering, Computer and Bio Technology)

\$5,957,000

## Total Use of Funds

**\$408,659,000**