



## Memorandum Vice President, Finance & Budget

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**TO:** ALL FACULTY, STAFF & STUDENTS

**FROM:** Patricia Charlton Dayar  
Vice President, Finance & Budget

**SUBJECT:** Governor's Mandated Budget Reduction

**DATE:** January 14, 2008

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To address the level of funding required to accommodate the 4.5% general fund reduction and operating shortfalls, effective immediately state operating budgets and appropriate lines will be reduced by 40% of the current uncommitted balance. The 40% budget reduction is equivalent to approximately \$1.3 million, of the CSN FY 2007-08 Operating Budget of \$124.6 million. The budget reductions will be distributed equally across all budgets. This does not include those areas previously identified as "restricted" items, which includes Letter's of Appointment for direct instruction (part time faculty) of courses or sections, disabled students, utility budgets, insurance, property rental, scholarships, and library acquisitions.

NOTE: Recruitments for full-time replacement positions and searches will continue to be reviewed on a case-by-case basis. While positions may be delayed, be assured they are not being eliminated from the budget at this time. All efforts are being made to address these operating cuts during the current fiscal year, so as to safeguard the 2008-09 operating budget base prior to the next budget biennium.

While this reduction is at the higher end of the range that was discussed earlier, the committee working in concert with administration, thought this the most prudent course of action. Finance & Budget staff is in the process of implementing these reductions. Managers will receive a report within the next couple of weeks that illustrates the funding (by line item) that has been reduced from accounts.

In order to address the budget reduction and operating shortfall, the following recommendations were provided by the Committee and accepted by the Administration.

1. Effectively immediately, operating budget line items including Letters of Appointment, Wages, In-State Travel, and Operating will be reduced by 40%. This does not include those budget accounts and line items that were previously identified by CSN's administration as "restricted"; in fact, the committee, at the recommendation of the Vice President for Finance, added the *Instructional Departmental Accreditation* account to that "restricted" list.
2. Services that facilitate student success, learning, and access to classes, sites, centers, and campus services including the computer labs, tutoring, writing centers, library hours, and tech center and site administration will need to be addressed through resource reallocations within each functional area (Instruction, Academic Support, Student Services, Institutional Support, and Operations and Maintenance).

3. The Committee recommends that departments and divisions work collaboratively through the use of Departmental Advisory Committees to facilitate the reduction process. A proposed structure for the Committees is attached.
4. Departments and divisions within each functional area (Instruction, Academic Support, Student Services, Institutional Support, and Operations & Maintenance) must work together to reallocate funds to assist departments within their division that are identified as having insufficient funds available to meet their needs and provide services to students.

In addition to state operating budget reductions the following additional restrictions are being implemented:

- **Freeze** on out-of-state travel. Faculty and staff are requested to work through their respective vice president to address specific trips that have been approved and are in various stages of process, and presentations that have been accepted.
- **Reduction** in all host account allocations;
- **Review** of all College issued cellular telephones and wireless devices, including the assignment of phones and the reimbursements that are received;
- **Freeze** on funds set aside for equipment requests and project support that were to be considered by Budget and Academic Technology Advisory Committee.

In an effort to soften the impact on College departments, funding from sources other than the State (e.g., equipment and project support funding), is being reviewed to determine if it can be appropriately allocated to the divisions. That evaluation process continues, and as additional information is available it will be communicated to the College.

The application of budget reductions is extremely difficult and we know this will be challenging for everyone at the College. Department heads including deans, associate vice presidents, department chairs, and managers, will need to work collaboratively to address these reductions. To that end, guidelines will be provided that include creation of departmental advisory committees to assist in the process.

On behalf of the entire College community, I would like to thank the members of the Ad Hoc Committee on Budget Reductions. The members will continue their work over the coming weeks and they are also available to confer with you. The membership includes:

Committee Members:

Judy Stewart, Faculty Senate  
Taylor Gray, Student Government  
Raquan Snead, Student Government (alternate)  
Chemene Crawford, Student Services  
Dale Warby, Department Chair Education  
Hyla Winters, Dean, School of Health Professions  
Cindy Ray, Classified Council  
Brenda Talley, Administrative Faculty Assembly  
Anne Zemek de Dominguez, General Counsel

Ex-Officio Members:

Mary Kaye Bailey, Financial Services  
Lisa Bakke, Budget Services  
Patty Charlton Dayar, Finance & Budget

Your support and participation in this process is essential. If you have any questions, please feel free to contact the committee, Director of Budget Services Lisa Bakke (ext. 4321) or me; I can be reached at ext. 5667.

## Budget Advisory Committee

**Purpose:** The purpose of the budget advisory committee is to collaborate with budget managers within a functional area; i.e. (Academic Schools, Student Services, Academic Support, etc.) to identify expenditure reductions, budget line item reallocations, etc. These recommendations would be referred to the appropriate manager signature authority for the account; which may include the Dean, Associate Vice President, and/or Vice President.

### Membership:

Within each academic area, membership should include

- department chairs,
- one (1) faculty member from each department,
- one (1) classified staff member
- and the account clerk.

Within each non-academic area, membership should include

- account managers,
- directors/deans,
- and (1) classified staff member.
- Optional – include Budget Services staff as needed.

### Objectives:

1. Review each budget within the operational area.
2. Identify expenditure needs for each account.
3. Recommend reallocations of funding from one budget to another to cover necessary expenditures.
4. Identify cost reduction strategies for the operational area.