College Annual Budget Process

The College of Professional Studies has developed an annual budget process to mirror the Academic Affairs Division and University budget process. The annual budget process is an on-going, continuous cycle as described in the budget process timeline published by the University Budget Office and is tied to the State of California budget process. At the beginning of each Fall semester the President and the executive leadership will begin the budget process by reviewing the HSU mission and setting priorities for the following year (which includes the summer term). The Provost then consults with the Provost’s Council and the Council of Deans to establish divisional goals for the year. In the second week of October, the Provost issues a budget call letter, based on the current fiscal situation and the priorities of the University and the Division, to the divisional Deans and Directors.

Deans and Directors then consult with their faculty and staff to discuss the budget year’s goals, opportunities and challenges. Budget planning documents are prepared by the Deans and Directors for submission to the Provost on the last Friday of the Fall semester. Requests for augmentations are included in the budget planning documents.

Deans and Directors will make budget presentations to the Provost’s Council on the Tuesday and Wednesday of the week prior to the start of Spring semester upon agreement of the faculty serving on the Provost’s Council. The Provost’s Council will make recommendations to the Provost on the prioritization of budget requests by the end of January.

During the first two week of February, the Office of Budget & Institutional Data for Academic Affairs will compile a prioritized divisional request to be submitted by the Provost, via the President, to the University Budget Committee for consideration in the annual budget process.

Base Budgeted Position Salary and Benefit Funding

Salary and benefit costs will be established at the college/major unit level for approved base budgeted positions and posted to the University financial system at the cost center (department/program) level. The approved positions are those maintained by the University Budget Office in a database called the Position Inventory. The Position Inventory tracks each position’s salary and benefit costs associated with each cost center’s budget. Colleges work with the Director of Budget & Institutional Data for Academic Affairs and the University Budget Office to update the Position Inventory annually. Salary and benefits budgets associated with probationary, tenured and FERP faculty, permanent staff and management positions are established by the position, cost center, and July 1 salary level (or the actual salary commitments for new hires with a starting dates shortly after the beginning of the new fiscal year) in the Position Inventory.

In order to ensure that a sufficient funding pool exists to fund salary changes, all base budget salary and benefit savings will be captured at the Provost’s level when the Position Inventory is updated each year.
**Vacant Positions**

When a faculty member retires to FERP status, the position budget will be reduced to 0.5 FTE with a salary calculated at one-half their full-time rate. The remaining 0.5 FTE vacant position will be funded at the faculty vacant rate established by Academic Affairs Division and will remain in the College Position Inventory. The cost center will receive funding equivalent to 0.4 FTE each semester, with the remaining 0.1 FTE pooled at the College level.

When a faculty position is vacated because of retirement or other separation, the position will remain at its budgeted FTE rate (1.0) with funding at the faculty vacant rate established by Academic Affairs Division. The cost center will receive funding equivalent to 0.8 FTE (12 WTUs) each semester, with the remaining 0.2 FTE (3 WTUs) pooled at the College level.

Salary and benefits budgets associated with approved positions that are unfilled as of July 1 (or do not have a hiring commitment) will be funded at a vacant rate as delineated in the Academic Affairs Division Budget Policy.

Benefits will be budgeted at an average rate for vacant positions.

Each time a staff or management position is vacated because of retirement or other separation, the Division will reexamine its priorities before refilling the positions. Therefore, refilling a position will require approval of the Dean and approval of the Provost. Base budget for salaries and benefits to fund the requested position must be identified by the cost center unit.

Faculty position recruitments are authorized by the Provost through an established process which includes identification of permanent budget funding for salaries and benefits. Faculty recruitments can be funded through turnover funds from retirements or other separations, or from money available at the Provost’s level from increased enrollment or other budget augmentations, or from augmentations made in the annual budget process.

**Benefits Management**

Benefits will be managed at the Division (Provost) level by the Director of Budget & Institutional Data for Academic Affairs in consultation with the colleges and major units. Benefits will be budgeted at the beginning of each fiscal year by position. This funding will be distributed to the cost center/department level in accounts designated for benefits expenditures. During the course of the fiscal year, funds will not be moved out of benefits accounts for other expenditure categories, but will be retained for benefits expenditures. At the end of the fiscal year, any net savings in benefits accounts will be pooled at the Division (Provost) level to be used to cover any shortfalls in the Division. Roll-forward benefits funds can be used for other expenditures as approved in the divisional budget process. Base savings in benefits will be used to provide benefits funding across the Division.

Cost centers/programs that receive outside funding (from the Chancellor’s Office or other grants) and incur benefits costs will be required to transfer funds to cover the actual benefit costs each fiscal year.
Cost centers/programs that request increases in the Position Inventory base are responsible for identifying permanent funding for both the position and the benefits.

**Current Year Base Budget Salary Savings**

Changes that occur in the position-level funding during the fiscal year in department/unit budgets because of retirements or other separations may generate salary savings. The College will capture position savings at the central College level. The purpose of recapturing the salary savings is to use this savings to create a contingency addressing increased salary costs, position backfill, budget reductions, new hires, and new initiatives.

**Lecturer Position Funding**

Lecturer position funding will be based on a FTE level authorized by the Dean for the department/unit. The carryover costs for the previous fiscal year’s Fall term will be adjusted annually to accommodate the changes in lecturer staffing levels.

**Department Chair Stipends**

Department Chair stipend funding is pooled at the College level and will be transferred to departments/unit each year. Department Chair stipend funding will be based on the time-base appointments authorized by the Dean for the department/unit. Because of changes in Department Chair assignments, the allocations will be adjusted annually to accommodate the appointment funding needs.

**Operating Expense Funding**

Units and programs need to be budgeted with adequate funding for an operating expense (OE) budget, which may include course materials, office supplies, appropriate technology, student assistants, etc. Each department/unit will maintain control of these funds until April 1 of the fiscal year. The OE balance at that time, less mandated and on-going expenditures (such as phone/computer monthly charges and office equipment maintenance), will be pooled centrally at the College level.

**Roll Forward Policy**

As noted under Current Year Base budget Salary Savings, department position salary savings are pooled at the College level. Any roll forwards generated will be requested to be returned to the college wide account (D20099). Under Operating Expense Funding, excess operating expense funds are pooled at the College level as of April 1st, less mandated/on-going or Dean approved expenditures. Any roll forwards will be requested to be returned to the college wide account (D20099). If a department/unit over expends its current year budget, the deficit will be covered by College funds at year end; however, the department/unit’s budget will be reduced by that amount in the next fiscal year at the discretion of the Dean.

**Department/Unit Budget Reporting Accountability**

Department chairs and unit/program directors have the latitude to utilize their budgets as needed, but it is their responsibility to manage the unit/program budgets and to not exceed
their budget allocations. The College will provide salary reports for validation in the units and to determine position savings to centralize at the College level. Department/units will be requested to provide reports of actual costs and projected expenditure plans.

One-time augments cannot be counted on for subsequent budget years. Departments should try to build reserves of soft monies in Foundation accounts.

Full disclosures of all sources of monies are to be listed on departments’ original budget forms. This would include Foundation accounts that receive occasional donations and the prior fiscal year-end balance would be reported. Income generating accounts should report the average operating budget figure to be more reflective of the account’s annual usage. Other sources would include reimbursed activities and Extended Education accounts with total expected revenues reported.

**Summer Session Budget**

The Summer Session budget is a separate college allotment that is disbursed in accordance with the CPS Summer Course and Instructor Selection Guidelines published each year by the Dean. There are many factors considered in the course and faculty selection process and no budget allotments shall be considered to be a department entitlement.

**Grant Reimbursements (Faculty Buyouts)**

At the Dean’s discretion, the faculty buyouts from grant reimbursements shall be subject to profit sharing with the college under the following terms. Tenure-track faculty positions and full-time lecturer positions that are bought out in accordance with the agreements with granting agencies shall be replaced in the departments at vacant rate for 12 WTUs per semester. The excess funding resulting from the difference from the buyout and the replacement at vacant rate shall be split with 60% going to the department and 40% going to the college.

**Concurrent Enrollment Funds**

Concurrent Enrollment funds earned by each department/unit are for their discretionary disposal according to spending restrictions for Extended Education (CERF) Funds, minus a 10% off-the-top deduction of current year earnings that will be held at the College level.