Frequently Asked Questions

Why change?

For more than two decades, the University has operated under a traditional incremental budget model with minimal budget re-alignments. While the traditional model of incremental budgeting served the institution well in times of growth, it needs to be enhanced to meet today’s demands to address the structural imbalance evolved from diminishing state appropriation and increasing operational cost: and to include accountability efforts to measure effectiveness in meeting strategic goals.

Budget model redesign initiative is to develop a sustainable budget model that:

- Improves budget alignment with strategic priorities
- Enhances transparency
- Fosters innovative activities
- Incorporates accountability and performance assessment

The new Budget Allocation Model will better support executive leadership to make evidence-based decisions as the University continues to promote student success during and after college, stronger engagement with the community, and a more collaborative culture across campus.

What are the Guiding Principles in developing a new Budget Allocation Model?

In support of the University’s strategic initiatives, the new budget model embraces the campus’ five budget guiding principles of accountability, transparency, equality, adaptability, and mission sensitivity. Funding provisions will be provided for Essential Operations and Mission Critical investments. In addition, Divisions will be required to complete annual performance/accountability report.

1. Accountability and Autonomy with Distinction
   University leadership will be accountable for performance and accountable to the general public. Able to prioritize the welfare and well-being of students, faculty, and staff.

2. Transparent - Easy to Understand
   The funding model will be simple to understand and can be easily communicated to the campus community and stake holders.
2. **Equitable**
The funding formula will provide allocations consistent with the University’s strategic initiatives.

3. **Adaptability**
Divisions and colleges will have flexibility to best manage their budgets. They will have autonomy to manage their budget while adhering to University-wide standards.

5. **Mission-Sensitive - Represents Collective Interest of University**
Funding model will be mission-sensitive and will incorporate campus strategic initiatives into the planning and resource allocation process.

**What is different?**

Our current approach uses an incremental budget model in which new programs are funded based on the campus priorities. The new budget model incorporates the qualities of three budget models commonly used in higher education; Incremental Budgeting, Responsibility-Centered Management, and Performance-Based Budgeting.

On November 2, 2015, the Budget Allocation Model Taskforce unanimously recommended the above blended budget model for Presidential approval.

In this Blended Budget Model, new budget requests will be considered in the following categories:

- **Essential Operations:**
  Maintains base support for on-going commitments critical for University operations.

- **Mission Critical:**
  Supports campus strategic initiatives, investments that expand innovations in research, entrepreneurial projects, community engagement, and social responsibility which are required for a world class university.

Annual performance reporting of division operations will be conducted to assess the outcomes.

Cal State L.A. will implement annual campus-wide budget townhall where division vice presidents will present and outline divisional goals, objectives, action plans, and budget funding proposals. Division annual performance assessment will be conducted and the campus community will have opportunities for engagement and dialogue with campus vice presidents.

**How is the new Budget Allocation Model being developed?**

The new budget model is being developed through vigorous research and consultation work led by the Budget Allocation Model Task Force.
The Budget Allocation Model Task Force consists of:

- Mae Santos, AVP Administration and Finance/Financial Services*
- Troy Allen, Director of Strategic Planning and Quality Improvement**
- ASI President
- Lisa Chavez, Vice President for Administration and CFO
- Janet Dial, Vice President for University Advancement
- Daniel Frankle, Faculty Appointee
- Jose A. Gomez, Senior Vice President and COO
- Lynn Mahoney, Provost and Vice President for Academic Affairs
- Peter McAllister, Dean College of Arts & Letter
- Veena Prabhu, Chair of Fiscal Policy Committee
- Peter Quan, Vice President for Information Technology Services
- John Tcheng, Associate Director of University Budgets**
- Nancy Wada-McKee, Senior Associate Vice President for Enrollment Management
- Nancy Warter-Perez, Chair of the Academic Senate
- Janet Yup, Staff Appointee

*Chair
**Staff resource

Throughout the budget redesign process, there have been on-going campus communications to gather input. The Budget Model Redesign webpage has been created to promote enhanced campus engagement and communications. As the University advances in its shift to the new Blended Budget Model, the Budget Allocation Model Task Force will provide additional campus engagement and communications including townhall meetings during winter 2016.

**What is the timeline?**

After three years of comprehensive research and campus consultative and engagement processes, the newly redesigned budget model will be implemented effective Fiscal Year 2016-17.
Who do I contact if I have any questions about the University’s Budget Model Redesign Initiative?

A dedicated email, BudgetAdmin@calstatela.edu, has been created to receive questions, comments, and feedback from the campus community. We welcome your questions, feedback, and comments on this very important initiative.

Footnote:
The information provided in this document is intended for informational purposes only and is subject to change without prior notice throughout the Budget Model Redesign development process.