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Faculty Senate Report on CEL/ Summer Session Revenue

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College of Extended Learning (CEL) New Construction and Summer Session Revenues

The College of Extended Learning (CEL) has been evaluating the need to expand the size of their college for nearly a decade. The 2016 CSUSB Master Plan continued this evaluation and based on the needs of both the university and CEL programs and services, recommended that a centrally located college building would be more advantageous to CSUSB as compared to an expansion of Yasuda Center, which suffers from proximate links to the core of the university. The location of the new facility was approved through the master plan to be located between the Colleges of Natural Science and Education, north of Coyote Walk and the Pfau Library, and south of Parking Lot N. CEL's space needs were evaluated at approximately 50,000 square feet.

Addressing CSUSB Classroom Demand

CSUSB currently has the 2nd highest utilization of classroom and laboratory space in the CSU. As enrollment continues to grow, additional academic space is urgently needed. Additional classroom space will allow for greater scheduling flexibility for faculty and students, particularly at highly desired teaching times during the week (many of these times are 100% utilized), as well as a better match of the classroom sizes needed with the courses offered. The university has not received a state-supported allocation for major capital construction since the College of Education was financed more than a decade ago. In 2014, Governor Brown announced that the authority and responsibility for current and future academic space would no longer be the responsibility of the State and will now rest with the campuses to plan for out of their operating budget or from funds raised externally. In 2015, in response to this announcement, the CSU Board of Trustees approved additional authorities to the campuses so that capital construction could be funded from campus resources. Prior to this approval, the General Fund and a number of campus special funds were prohibited from being used for capital construction.

The costs of constructing a new stand-alone academic building are beyond the financial reach of CSUSB in the near future. Based on recommendations received from members of the Faculty Senate Executive Committee and the University Budget Advisory Council (UBAC), a Capital Development Reserve was established in 2015-16 and General Fund permanent funds were allocated to the reserve. However, it will likely take more than a decade of strong state allocations to CSUSB to fund the reserve to levels where a new building could be financed.

Joining a growing number of CSU campuses, CSUSB is seeking to partner with other campus self-support programs (in this case, CEL), which are better positioned to move forward with new capital construction projects as their revenue bases grow with additional student enrollment. To acquire additional academic space for the state-supported programs, campuses across the CSU are partnering with the self-support programs to obtain greater costs efficiencies for campus construction.

Financing the New Building and Sharing the Debt Service

CSUSB based its determination of how much university-use classroom space to be added based solely on what it could predictability afford over time. The goal was to not commit university General Funds

towards the project. As we evaluated the net revenue streams produced by CEL-sponsored summer session, an opportunity presented itself to pay for university's portion of the project.

<u>Project Estimates</u>	<u>CEL</u>	<u>University</u>	<u>Total</u>
Square Footage (Gross)	49,300	22,000	71,300
Share of the Building (approx.)	70%	30%	100%
Cost	\$37,800,000	\$16,200,000	\$54,000,000
Up Front Payment (10%)	\$ 3,780,000	\$ 1,620,000	\$ 5,400,000
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Debt Obligation	\$34,020,000	\$14,580,000	\$48,600,000
Annual Debt Service Payment	\$ 2,610,000	\$ 1,000,000	\$ 3,610,000

While we most certainly need classroom space beyond what this partnership will yield, the \$1,000,000 annually for the university portion is what we can commit to at this time. The amount aligns almost perfectly to the amount the university is allowing CEL to retain in summer revenues, above their operating costs. Please see the attached Summer Session Cost Recovery and Distribution plan for both summer 2014 (operated stateside), as well as summer 2015 and 2016 (operated by CEL). CSUSB continues to net more than \$5 million annually for students and the university with summer session is administered through CEL, as compared to when summer was last administered Stateside.

Ownership of the Building, Space Administration, and Operating Expenditures

A formal Memorandum of Understanding is being established to reflect all operating agreements between state funds and CEL funds as it relates to this project. CEL is a self-support State program, so the State of California will own the building and CSUSB operates it. The building is broken into 3 components: CEL administrative offices and programs, CEL classrooms, and University classrooms. CEL will pay all of the projected \$3,600,000 annual debt service, including the university's portion, as stated above. No stateside General Funds are planned to be committed.

CEL administrative offices and CEL classrooms will be scheduled and controlled by CEL. The University classrooms will be scheduled and controlled by Academic Affairs. There will be no charge for any academic department to use the University classrooms. If either party wishes to schedule in the other's classroom (pending availability), cost recovery will apply.

The University will assume all financial responsibility for grounds, as it does for all campus buildings today. The University will also provide all of the maintenance, custodial, and utility services to the building. CEL will reimburse the University for 70% of all total costs in these areas through cost recovery. The University will receive an additional allocation from the State for maintenance and custodial services for the University classrooms.

The building will also have a food service venue, the first such offering in the center of the campus, which will be administered through the University Enterprises Corporation.

Summary Thought

This is the one and only opportunity for CSUSB to obtain additional classroom space for the foreseeable future. It will likely be more than a decade before we can set aside enough funding on our own to afford an academic building or expect our turn to come up for Chancellor's Office sponsored funding.

EPRC Recommendations

The following responses and comments are in response to the EPRC's report to the Faculty Senate on March 7 on the administration and use of summer session funds.

- Recommendation 1: To comply with CSU EO 1099, recover cost for the use of university facilities resources.

CSUSB utilizes the CSU's marginal cost ratios to determine cost recovery. The marginal cost ratio is the cost to educate an FTE student, broken into the categories of instruction, public service, academic support, student services, institutional support, and operations/maintenance. CSUSB utilizes this ratio against all expenditures in the university operating fund over the prior year to determine the amount that should be recovered from CEL for summer session. Finance and Administrative Services completes this and sees no discrepancy between the determined cost recovery amounts and EO 1099. Facilities costs for classroom utilization and operating are assumed in the CSU calculation and the \$211,820 recovered in summer 2015 for operations/maintenance matches with the CSU ratios.

- Recommendation 2: Provide cost recovery for academic departments and colleges at a rate that is reflective of the level of contribution that academic units make to the running of summer session. (We believe the academic colleges should each receive an amount that is at least equal to, if not greater than, the amount that CEL received for its cost.)

In summer 2015, CEL operating costs (marketing excluded) for summer session were \$338,652. Academic Affairs received \$325,267 in cost recovery for their services provided centrally and in the colleges for the work outlined in the EPRC report. These are roughly equivalent allocations and appear to be in line with this recommendation.

In summer 2016, CEL operating costs were \$317,425 and Academic Affairs cost recovery is \$370,831. Again, the data supports that this recommendation is not only already being implemented, but Academic Affairs is now receiving a larger share of operational support.

For information, Finance and Administrative Services completed a summary of summer funding to Academic Affairs, comparing summer session funds received in 2014 (run stateside) with 2015 and 2016 (run through CEL):

	2014 (State)	2015 Actual	2016 - Planned
Revenue Net of Waivers	\$ 6,182,535	\$ 7,140,492	\$ 7,843,891
Fin Aid	(2,386,685)	(1,874,978)	(1,619,889)
SSD	(50,000)	(20,227)	(49,043)
CO Assessment	-	(370,534)	(415,558)
Net Revenue	\$ 3,745,850	\$ 4,874,753	\$ 5,759,401
Colleges - Faculty Salary & Benefits	\$ 1,875,696	\$ 1,836,413	\$ 2,077,816
Colleges - Chair Stipends	100,000	100,000	100,000
Colleges - Department Incentive	-	316,802	412,178
College Incentives	200,000	357,777	412,178
Aca Affairs - Cost Allocaiton	-	325,267	370,831
Total Contribution to Academic Affairs	\$ 2,175,696	\$ 2,936,259	\$ 3,373,003

Please note that Academic Affairs is now receiving more than a million dollars in additional support college-based and centralized programs and faculty activities, as compared to when summer was operated state-side in 2014. In addition to these increased amounts for Academic Affairs, please note that \$2.6 million, which used to support state-side summer costs, was redirected to additional instructional support.

- Recommendation 3: Provide a greater percentage in profit-sharing for departments and colleges (after cost recovery).

The Administration is supportive of this recommendation. Currently, the model for summer session net revenue distribution is 40% to CEL (to pay for the new university classroom space), 20% to the Colleges, 20% to the Academic Departments, and 20% University Discretion. Amounts distributed to the Colleges and Academic Departments are based on pro-rated summer session enrollments. The Administration would not want to consider a lower award to CEL because we are committing these revenues towards the new university classrooms in the CEL college building. We also feel strongly that any new strategy must continue to incentivize the Colleges and Academic Departments that actually provide the summer session classes. A portion of summer session net revenues are still unallocated and we suggest that \$206,089, representing half of the remaining unallocated balance, be committed to Academic Affairs to additional support of faculty and academic programs. It is also recommended that the Provost determine the allocation of these additional funds, based on the needs of the colleges.

- Recommendation 4: Work with the EPRC and the Faculty Senate towards a more transparent and sustainable self-support summer-session revenue distribution model that better addresses the needs of the academic units.

Again, we remain supportive of this recommendation and look forward to working together to develop revenue distribution strategies that meet both the space infrastructure needs of the campus and also address the professional development needs of faculty. We commit to annually reviewing the summer revenue distribution plan at UBAC.

- Recommendation 5: Clarify the “ownership” of the future CEL building: will it be owned solely by CEL or co-owned by the university and CEL? What will be the financial implications for the

stateside budget?

This was clarified in the earlier section of the report entitled, “**Ownership of the Building, Space Administration, and Operating Expenditures.**” No stateside General Funds are planned under the existing financial model, which utilizes summer session revenues for this purpose.

- Recommendation 6: Clarify and confirm the allowable uses of CERF monies.

CERF funds do have restrictions by state law, specifically:

Continuing Education Revenue Fund (CERF) (College of Extended Learning) - “All revenues are hereby appropriated, without regard to fiscal years, to the trustees for the support and development of self-supporting instructional programs of the California State University.” California Education Code Section 89704(b), also see Code 89708 and 89709.

As Dean Karmanova provided in a subsequent communication to the Faculty Senate EC and EPRC after our December meeting, the use of CERF funds should be restricted to certain categories of expenditures. While it would not be prudent to expense salaries or benefits to these funds, nearly all regular operating expenses are appropriate to charge against the CERF accounts that hold summer session revenues. For example, if an academic department has available CERF funds and wishes to fund a course release for a faculty member, the way to do this is to charge normal operating expenses against the CERF accounts, thereby freeing up General Funds which can fund a part-time salary.

- Recommendation 7: Work with the EPRC toward a more collegial and transparent budget consultation process that includes greater transparency and specificity in budget reporting, consultation before decision-making, and meaningful consideration of faculty input.

Again, as in responses to recommendations 3 and 4, University Administration has regularly expressed its commitment to enhancing financial transparency and remains committed to making itself available to EPRC at any time to provide information that supports the committee’s work. The Administration has spent more than 4 hours providing in-person information and explanations on topics related to summer session revenues and the College of Extended Learning expansion plans, along with committing dozens of hours preparing written information reports for EPRC and Faculty Senate EC members. A summary of summer session cost recovery for 2015 and 2016 is attached to this report. Also, the prior December 2016 report for the Faculty Senate EC and EPRC on these topics is attached.

Additional Questions from EPRC

- What was the level of support provided to the divisions in past years when summer session was run by CEL? What overall distribution model did we use?

Summer session was last operated by CEL in 2011. The same methodology was used (Marginal Cost formulas) to determine allocations to the campus. During those years, instead of allocating net summer revenues to divisions and colleges, the university retained these funds to offset reductions in the state’s allocation.

- We understand that in Box 1, the \$370,534 for CO expenses represents the “tax” set assessment set aside for the CO. Has this money posted to the CO? If not, where is the \$ now? Stateside? CEL?

CEL has inquired with the Chancellor’s Office on when these systemwide cost recovery funds will be collected. The Chancellor’s Office has instructed us to hold them in reserve and that billing will occur approximately two years after program revenues have posted.

- What are other campuses doing in terms of CEL summer sessions and \$\$ distribution?

When CEL has reviewed other distribution models for summer revenues, they vary significantly based on the goals and needs of that particular university. If one could make an “average” out of how CSU campuses handle this, it would be safe to say that 50% of summer session net revenues are for use by the university and 50% are for use by CEL.

California State University San Bernardino
 Summer 2016 Cost Recovery/Revenue Distribution

Final - As of October 2016 COB

Net Revenue Computation				
		2014 Summer (State Side)	2015 Summer (Self Support)	2016 Summer (Self Support)
FTE Equivalent		694	712	732
Tuition Revenue (net of waivers)		\$6,182,535	\$7,140,492	\$7,843,891
Total Revenue (net of waivers)		\$6,182,535	\$7,140,492	\$7,843,891
Financial Aid (SUG/PELL)	Actual	(2,386,685)	(1,874,978)	(1,619,889)
SSD Expenses	Actual	(50,000)	(20,227)	(49,043)
CO Expenses	Actual	0	(370,534)	(415,558)
CEL Direct	Actual	0	(284,029)	(259,999)
CEL Marketing	Actual	(50,000)	(80,123)	(122,840)
CEL Indirect	15% of Direct	0	(54,623)	(57,426)
Faculty Salary/Benefits	Actual	(1,875,696)	(1,836,413)	(2,077,816)
AY Dept Chair Stipends	Actual	(100,000)	(100,000)	(100,000)
Cost Recovery To State	(Annual. MC x FTE)	(218,000)	(1,008,406)	(1,080,432)
Net Revenue		\$1,502,154	\$1,511,159	\$2,060,888

Net Revenue Distribution			Base (20/20/40)
College Incentive	200,000	357,777	412,178
Acad. Dept Incentive	0	316,802	412,178
CEL Incentive	0	674,580	824,355
Remaining Balance	\$1,302,154	\$162,000	\$412,178

Cumulative Balance (Self-Support)	\$574,178
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State Cost Recovery/Incentive Distribution			
Distribution	2014	2015	2016*
President	0	24,479	29,912
Student Aff.	119,000	195,808	201,714
Acad. Aff.	0	325,267	370,831
A&F	54,000	295,534	318,528
Univ. Adv.	0	38,309	48,208
ITS	45,000	129,009	111,239
Total - Cost Recovery	\$218,000	\$1,008,406	\$1,080,432
Acad. Aff. Incentives (CEL/Colleges)	200,000	1,349,159	1,648,710
Total - Campus Distribution	\$418,000	\$2,357,565	\$2,729,142

80% of Net Revenue

*\$935,303 of the 2016 Division Cost Recovery funds was reallocated to CFS

Division Cost Recovery Distribution Detail by Program Group

2015

14/15 Actuals by Prog Group	Expenses	% of Total	Distribution
04 - Academic Affairs	\$16,978,996	88.8%	\$255,422
ITS	2,148,432	11.2%	32,320
04 Total	19,127,428		287,742
05 - President	356,197	2.5%	6,186
Student Affairs	10,820,894	77.0%	187,939
Academic Affairs	2,868,741	20.4%	49,825
05 Total	14,045,832		243,950
06 - President	2,101,825	6.9%	18,293
Student Affairs	904,134	3.0%	7,869
Academic Affairs	2,300,180	7.6%	20,020
Admin & Finance	9,618,270	31.6%	83,714
Univ Advancement	4,401,460	14.5%	38,309
ITS	11,109,140	36.5%	96,689
06 Total	30,435,009		264,894
07 - Admin & Finance	16,212,297	100.0%	211,820
07 Total	16,212,297		211,820
Grand Total	\$79,820,566		\$1,008,406

2016

15/16 Actuals by Prog Group	Expenses	% of Total	Distribution
04 - Academic Affairs	\$18,031,794	93.9%	\$294,771
ITS	1,163,083	6.1%	19,013
04 Total	19,194,877		313,784
05 - President	482,479	3.5%	9,188
Student Affairs	10,340,683	74.0%	196,923
Academic Affairs	3,155,563	22.6%	60,093
05 Total	13,978,725		266,204
06 - President	2,344,031	7.5%	20,724
Student Affairs	541,867	1.7%	4,791
Academic Affairs	1,806,011	5.8%	15,967
Admin & Finance	10,692,624	34.2%	94,536
University Advancement	5,452,641	17.4%	48,208
ITS	10,431,382	33.4%	92,226
06 Total	31,268,556		276,452
07 - Admin & Finance	15,499,879	100.0%	223,992
07 Total	15,499,879		223,992
Grand Total	\$79,942,037		\$1,080,432

Distribution of Summer Session Revenues December 6, 2016

On November 8, 2016, the Educational Policy and Resources Committee of the Academic Senate issued a series of recommendations related to summer session revenue distribution, subsequently adopted by the Faculty Senate Executive Committee. This report intends to enhance understanding of the role of the College of Extended Learning in administering summer session and how revenues are distributed and utilized.

Where to host Summer Session?

During the 2014-15 academic year, an analysis was conducted to compare the financial and enrollment management implications of continuing to host summer session state-side, where it had been from 2012-2014, or to return summer to be administered out of the College of Extended Learning (CEL), where it was administered in 2010 and 2011. The financial analysis determined that significant revenues were being left on the table annually by administering summer session state-side.

In addition, state-administered summer session requires the university to use precious federal and state financial aid allocations to support summer enrollments, when these funds could be held and distributed in higher amounts to students during Fall, Winter, and Spring Quarters. Summer session through CEL could in turn generate an equivalent amount of additional summer financial aid support, creating nearly \$2 million of additional financial aid per year for CSUSB students.

Lastly, when summer session is run state-side, CSUSB must count the FTEs generated by enrollments against our annual state enrollment allocation. As a result, in both 2012-13 and 2013-14, CSUSB was overenrolled as compared to state targets and paid substantial financial penalties totaling \$2.68 million. When run through CEL, summer enrollments are not counted against annual enrollment targets.

This financial analysis concluded that moving summer session back to CEL starting in Summer 2015 was a clear choice. It would generate significant additional revenue for the campus as a whole, provide students with additional financial aid support, and assist CSUSB with better controls over growing enrollment demand. CSUSB became the 21st CSU campus to come to the same conclusion and an announcement to the campus community that summer session would return to CEL was completed in early 2015.

Results of Summer Session 2015

In January 2016, Interim Provost Delgado provide a summary to the campus community on the impact of moving summer session to CEL administration in Summer 2015. In total, CSUSB netted an additional \$5 million as compared to Summer 2014, which was administered state-side. Below is a summary of Summer 2015 Summer financial benefits:

- \$1.9 million was returned to students in additional financial aid.
- \$675k was allocated in incentive funding to the colleges and academic departments, prorated by those that generated summer enrollment. When compared to summer enrollment incentives in 2014, this amount represents a three-fold increase.
- \$675k in incentive funds were retained by the College of Extended Learning. CEL in turn will invest these funds in the planned capital expansion of the college, which will provide additional academic support space (classrooms and offices) to the university in the near future.
- \$1 million was allocated to university divisions as cost recovery for providing services to summer students.

There were a number of additional benefits and achievements, including:

- Reduced costs for most students. For students who sought to take 8 units or less during summer, which was the predominant majority, tuition costs to attend summer were actually lower than regular state fees. Total net tuition savings to students was up to \$175 for undergraduate students, \$260 for graduate students, and \$2,048 for non-resident students.
- Increased summer enrollment. Due to the lower cost of attendance and the outstanding marketing coordinated by CEL, overall headcount increased by 15% over Summer 2014 and FTES increased by 10%. The total number of students who attended was 3,754.
- Enhanced student enrollment during the regular academic year. Since CSUSB did not use any of its annual state enrollment allocation for summer, we were able to serve more students during the other academic terms. In total, up to 800 additional students were able to attend CSUSB in 2015-16 with this change.

How were the summer session revenue incentives developed?

For summer session to be successful, it was critical that colleges and academic departments directly receive incentive funds and benefit from the net revenues. While the initial thinking was for a 40% (Colleges & Departments), 40% (CEL), 20% (University) sharing of net revenues, final distribution in summer 2015 ended up being 45% total to colleges/departments (24% colleges, 21% departments), 45% retained by CEL, and 10% unallocated for use at the university's discretion. This formula resulted in a three-fold increase in incentive funds to the colleges and departments as compared to the state-administered summer session in the prior year.

What happened to the \$2.6 million in General Fund support that Academic Affairs was utilizing to support state-administered summer?

In consultation with UBAC, these funds were reallocated to hire additional net new tenure-tenure track faculty and also helped make permanent CSUSB's part-time instruction costs, which had been previously supported through one-time allocations.

What can summer session net revenues and incentives be used for?

All fee revenue from CEL-administered summer session must be deposited to the Continuing Education Revenue Fund (CERF). By state law, funds are prohibited to be transferred to the General Fund. Incentive revenue was transferred to the colleges/academic departments in trust accounts, which do have restrictions on their use. The funds can be used for one-time expenses supporting college/department operations including, but not limited to temporary salaries, hospitality, travel, professional development, supplies, equipment, improvement of facilities, etc. These funds should not be used for permanent commitments such as salaries and employee benefits.

Are there any financial impacts for faculty who teach in CEL-administered vs. state-administered summer session?

No. Faculty selection for summer session is exclusively done by the colleges and academic departments with no involvement by CEL. CEL fully compensates all summer faculty based on their current year contract.

Need for Additional Academic Space at CSUSB

CSUSB currently has the 2nd highest utilization of classroom space in the CSU. As enrollment continues to grow, additional academic space is urgently needed. The university has not received a state-supported allocation for major capital construction since the College of Education was financed more

than a decade ago. In Fall 2014, Governor Brown announced that the authority and responsibility for current and future academic space would no longer be the responsibility of the State and will now rest with the campuses to plan for out of their operating budget or from funds raised externally. In Summer 2015, in response to this announcement, the CSU Board of Trustees approved additional authorities to the campuses so that capital construction could be funded from campus resources. Prior to this approval, the General Fund and a number of campus special funds were prohibited from being used for capital construction.

The New Space Dilemma for CSUSB

The costs of constructing a new stand-alone academic building are beyond the financial reach of the campus in the near future. Based on recommendations received from members of the Faculty Senate Executive Committee and the University Budget Advisory Council (UBAC), a Capital Development Reserve was established in 2015-16 and General Fund permanent funds were allocated to the reserve. However, it will likely take more than a decade of strong state allocations to CSUSB to fund the reserve to levels where a new building could be financed.

Partnering with Special Funds to Acquire Academic Space

CSUSB state programs that are funded through self-support revenues (CEL, Housing, Parking, etc.) are better positioned to move forward with new capital construction projects as their revenue bases grow with additional student enrollment. To acquire additional academic space for the state-supported programs, campuses across the CSU are partnering with the self-support programs to proportionally share the costs of new construction. While CSUSB is not positioned for a stand-alone new academic building, revenue streams do exist that allow us to move forward with smaller projects inside of self-support buildings.

College of Extended Learning Global Center for Innovation

For the past year, CEL has been actively working on the design of a new college building to support CEL programs and administrative space. The new university master plan has sited the project between the Colleges of Natural Science and Education. In conjunction with that effort, CSUSB is seeking to meet the demand for additional academic space by adding square footage to the building for additional classrooms that could be available for use by all colleges. In total, 20-25,000 square feet of the new building will be dedicated to general university classroom use. In addition, CEL has a number of classrooms in the building to meet the needs of their programs. CEL will also make those classrooms available for general university use when not needed by their programs.

How will CSUSB cover the construction costs for the university-use classrooms?

Final costs for the university portion of the project will be determined at the end of schematic design in early 2017. This is when the project cost estimates are reconciled for the first time. CSUSB estimates that annual costs of \$800,000 to \$1 million will be required for the additional university space. As summer session 2015 was reconciled, CEL retained \$675k in incentive funds and \$532K remains unallocated. If summer session continues in a similar manner, these retained earnings could be utilized for the purposes of paying for the university allocated academic space.

Will the university need to commit General Funds towards the use of new classrooms?

If CEL-administered summer session continues to maintain or increase enrollments, no additional General Fund contributions will be needed to support the new university-allocated classroom space.

Who “owns” the new building?

The State of California. No different than any other building on campus. The only difference is that the project is funded by Continuing Education, which is required to be self-support, and its revenues are restricted by state law to be used for its purposes.

How will the new classroom space be scheduled?

The new university-use dedicated classrooms will be scheduled by the Office of Academic Curriculum and Scheduling. The classrooms dedicated for CEL use will be scheduled by CEL.

How are the university classrooms being determined?

The Office of Academic Curriculum and Scheduling, in conjunction with advice from colleges and the University Space Committee, have determined the types and sizes of classrooms needed.

Will academic departments or colleges have to pay to use any of the classrooms?

No. As long as the classrooms are used for university purposes, there will be no charge.

How will these financial agreements between CSUSB and CEL be documented?

The Chancellor’s Office requires the university to develop an operating memorandum of understanding (MOU) to document all agreements related to facility use and how operating costs will be administered and shared. As agreed with the Chancellor’s Office, the MOU will be developed in early 2017 after the schematic design is complete and budgets reconciled between the project architect and contractor.

If summer enrollment continues to grow, what will the excess net revenues be used for?

As summer enrollment grows, incentives to campus programs will continue to increase, including colleges, academic departments, CEL, and the university. While the funds must stay separate from the campus operating fund, the university may be able to support additional programs and services, provided the expenditures are allowed.

What happens if summer session reverts back from CEL-administered to state-administered?

In total, the university would be forfeiting more than \$5 million annually in additional revenues to support colleges, departments, and financial aid support for students. The cost of attending summer session would increase for most students. Since summer enrollment would have to be counted against annual state allocations, a large number of students would have to be turned away from CSUSB who could otherwise attend. This would also compromise any likely path towards additional university academic space.

Does CEL need the university classrooms to move forward with the Center for Global Innovation?

No. CEL has the financial resources to proceed on this project with or without the university classrooms being added. The additional university classrooms are for the university’s benefit.

What happens if the university classrooms are removed from the CEL Center for Global Innovation project?

CSUSB will have no other viable way to build additional university classroom space. CSUSB would have to seek to expand the use of existing facilities during the less utilized days and times of the week. It would almost certainly increase time to degree for students.

If additional summer session net revenues are switched from supporting the new classroom space to university use, what could they be used for and what can't they be used for?

All revenues from CEL-administered summer session must be kept separate from the campus operating fund. In general, funds can be used for general operating costs, equipment, construction and improvement of facilities, and faculty and staff professional development. These funds cannot be used for permanent commitments such as salaries for new hires, base compensation or increases, or employee benefits.

How can the Academic Senate be more involved in this project?

The university would welcome a representative from the Senate to fill the vacant spot on the University Space Committee. If interested, the Executive Committee and/or the full Senate could receive periodic project updates. We would also encourage a conversation with the colleges and academic departments on the utilization of incentive funds, a good portion of which have gone unutilized.