

Humboldt State University
University Budget Committee (UBC) Notes
Friday, October 1, 2004

Present: Diana Campos, Greg Crawford, Randi Darnall-Burke, Susie Dodson, Karen Earls, Ken Fulgham, (Co-Chair), Nancy Kelly, TK Koesterer, Judith Little, Saeed Mortazavi, Wayne Perryman, Lori Rudebock, Laurie Sheppard, Carol Terry, Christopher Thompson, Rick Vrem, (Co-Chair), Samantha Williams-Gray.

Absent: Steve Butler, Carl Coffey.

Guests: Bill Cannon, Shawn McDuff.

Agenda:

1. Recap of FY05 Funding Initiatives approved for funding by President Richmond
2. Preliminary funding allocation per the higher education compact and funding obligations
3. Budget Calendar
4. Annual Budget Policy and Process
 - a. Summer work group
 - b. Lines of reporting
 - c. Life cycle of budget policy and process

Recap of FY Funding Initiatives

The 9/27/04 memo from the President is posted on the web at:

<http://www.humboldt.edu/%7Ebudget/Archives/PresAllocation9-27-04.pdf>

- General comments from the committee were that the process worked well, but needs some fine-tuning.
- It was noted that the Library – Book Approval Program initiative was not included in the President’s memo, although it was on the list recommended by the UBC.
- Information Technology Services (ITS) received \$200,000 less than requested. ITS is discussing how handle the reduced funding amount; it is not yet known what the impact will be.
- The President is working hard at the system level to obtain additional funding to help cover rural health care stipend costs, since only a few rural campuses like HSU are affected.
- The enrollment funding for Spring classes (\$850,000) is contingent upon 7,000 FTES and the question was raised if this will be feasible. Several factors will determine spring enrollment, and there may be difficulty in achieving 7,000 FTES. Care is being taken not to run more small classes than necessary in order to try and keep the costs down.

Preliminary Funding Allocation

A handout from Carol Terry was distributed; it provides a financial and quantitative look at the Governor’s Compact, estimating funds that will be available and provides a preliminary look at campus funding initiatives for FY05-06.

- A 3% increase in state funds each year is reflected, based on the Compact Agreement.

- Funding for enrollment growth is based on meeting a 2.5% increase in enrollment.
- According to the budget policy, the campus needs to add to the contingency reserve until it reaches \$2 million.
- It was noted that many initiatives should be base-funded, rather than one-time.
- A state supported summer session is desirable as it will help the campus to meet its FTES target.
- The increases in health benefits and workers' compensation on the hand-out are a "best guess" of the likely increases.
- Total draft funding initiatives is already over \$6 million, with only \$4.5 million in estimated revenue, resulting in a net loss of ca. \$1.5 million.
- It is hoped that the system will be successful in arguing for salary increases outside of the Compact. This is a potential "wild card".
- The budget process for FY 05-06 will need to include a budget reduction scenario.
- M/S/P (Perryman/Little) to add the "Library – Book Approval Program" (\$115,000) to the list of draft funding initiatives.
- Requests for additional funding initiatives will go out to the campus.
- Feasibility studies will be most likely a constant in the future, it was suggested that ca. \$200,000 a year be included in the budget to cover the cost.
- The list illustrates that we are not "living within our means"; we need to narrow our scope, focus, and think strategically. Otherwise, the gap will continue to widen.

Summer Session discussion:

- The enrollment target for FY05-06 is 7,389. This year's enrollment is expected to be about 7,000. It is unlikely that we will gain 389 FTE, given the base enrollment that we're starting with this year.
- We need to add summer enrollment. In general, summer is more expensive to offer because class sizes are smaller. On the other hand, benefit costs are also lower. Decisions need to be made on how much money can be generated versus the cost. We need to set a goal of at least 400.
- The campus is being strongly encouraged to hold state-funded summer session. The message from the Chancellor's Office is mixed as to whether or not state-funded summer session will be mandated. The agreement that allowed HSU to offer summer session through Extended Education was negotiated with the union is for only one year.

- It is not clear whether or not state-funded summer session causes overall loss in AY FTE; this is difficult to measure given the various factors involved. Many decisions on summer session are hard to make, since most data is anecdotal and too many factors are involved.
- Summer session enrollment increase is seen as a “one-time fix”.
- It was noted that the loss of use of Forbes Complex, which generates ca. 500 FTES, will have considerable impact unless an alternative temporary site can be found.

Budget Calendar

- Consensus was to use the goals and priorities outlined in the budget policy as a starting point. Eventually goals used in the budget process should fit in with the University’s Strategic Plan.
- It was suggested that UBC ask the President and the Executive Committee to provide a list of goals and priorities.
- Enrollment seems to be the number one priority; operationalized, this expands to include retention, campus beautification, etc.
- There is a need to share information on what all parts of campus have done/are doing to meet their respective share of reductions.
- Carol will develop a template form for initiative funding proposal requests. Accountability measures will be included in the proposal request. The form will be distributed to UBC members via email. Committee members should review and provide comments on the form via email; Carol will be the primary contact person for the purpose of the email discussion.
- Committee members were asked to respond by October 15. If necessary, UCB will meet on October 22 to finalize the form.

Annual Budget Policy and Process – Postponed to November 5 meeting.

Next Meeting: October 22 (tentative) ; Friday, November 5, 2-4 p.m., CCR.