

Humboldt State University  
University Budget Committee  
Friday, March 2, 2007  
Meeting Notes

Co-Chairs: Rick Vrem, Saeed Mortazavi

Voting Members: Colleen Mullery, Michael Thomas, Lou Ann Wieand, Laura Weare, Wayne Perryman, Mark Larson, Steve Butler, Judith Little, Robin Bailie, Lumei Hui

Proxy: Noelle Perlmutter for Glenn Sonntag, Carol Terry for Carl Coffey

Staff: Carol Terry, Linda Mortenson, Paul Mann

Observers: Jeff Harkness, Arcata Eye; Courtney Hunt-Munther, Eureka Reporter; Leo Sears, Times-Standard; Eric, Channel 3; John Osborn, LumberJack

Rick announced that there would be a 4pm presentation to the Student Fee Advisory Committee regarding a proposed increase to the existing IRA fee. Consequently, the President has requested that the UBC submit 2 allocation recommendations; one including the fee increase and one without the additional revenue.

Rick encouraged the committee to finish up its budget recommendations to the President as quickly as possible. The deadline for these recommendations is March 20.

Steve questioned whether HSU followed best business practice as he cited examples of previous decisions that did not make good business sense in his opinion. He noted that there have been many places where expenses have increased without any corresponding increases in revenue. He cautioned the committee that without a meaningful allocation process, we will injure HSU's health and stability resulting in a "lopsided stick" rather than a fruitful tree.

Lumei supported Steve's viewpoint and while she acknowledged the good intentions of the UBC, she had concern that we would make a harmful recommendation without a more constructive approach to the problem.

Michael agreed with both Lumei and Steve, but emphasized that we should do our best and learn from our experience in developing our method for next year's budget allocation process.

Colleen chose not to submit a reduction scenario because she felt the task was "impossible" due to the committee's lack of expertise and lack of confidence in making the right decisions. She recommended that the committee would be more efficient by responding to scenarios presented by the leadership group rather than proposing our own.

Steve concluded the discussion by stating that we have an opportunity to recommend principles, allocation percentage and dollar amounts and we should focus on how to accomplish this task. It was suggested we provide written recommendations in conjunction with the allocation percentage for each division.

Rick presented his two scenarios for the budget allocations, one with a \$2.45 million fee increase and one without. It was confirmed that an enrollment increase is projected, but according to Steve, an increase would bring us up to our 7,014 resident student target and did not necessarily imply more revenue. Rick suggested we may be able to increase our target for 2008-09 which would improve the state allocation amount.

Judith was concerned that Ricks proposed 2.55% reduction to Academic Affairs would reduce the FTES below our targeted enrollment per Saeed’s elasticity calculations. Steve questioned Saeed’s presentation of elasticity data as it assumed that only cuts to instruction would result in loss of FTES as compared to cuts in other student support areas. Rick reassured her that his reductions did not all pertain to instruction and any FTES loss will largely depend on the size of the incoming Freshman class. He went on to say that without the additional fee revenue, we would definitely need to cut programs which would be phased out over a few years.

Noelle reminded the committee that students are the sole purpose for the University and they are the future of our state. She asked the committee to please keep students as their primary focus as they consider the impacts of increased fees.

Rick reviewed the rationale for his proposed reductions. He took the Delphi scoring into account in conjunction with his understanding of what each college could bear. He protected University Advancement, targeted specific money in the University-Wide budget and “ballparked” the other divisions. He also assumed the Academic reduction would be in addition to their current deficit.

Rick’s Scenario (based on 07-08 projected base)

	<u>With +\$2.450k Fees</u>	<u>W/O Increase</u>	<u>Difference</u>
President	-\$38k	-\$81k	-\$43k
Univ Adv	-\$45k	-\$95k	-\$50k
Student Aff	-\$211k *	-\$584k	-\$373k
*assumes Athletics base to be replaced by new fees			
Admin Aff	-\$351k	-\$744k	-\$393k
Academic Aff	-\$1.379k	-\$2.923k	-\$1.544k
University Wide	-\$522k	-\$572k	-\$50k
Total	-\$2.546k	-\$4.999	-\$2.453k

UBC Recommendations so far:

- President: Phase out general funding for KHSU and 1<sup>st</sup> Street Gallery over next 3 years.
- Univ Adv: Increase reduction to -\$75k or -\$130k respectively.  
 Consider Op Ex as prime area for reduction.  
 Propose no new Marketing AVP position.  
 Encourage self-support with outside funding.
- General: Divisions must be fiscally responsible and stay within their allocated base.  
 Align program expense with associated revenues and enrollment.

No consensus was reached regarding the appropriate reduction for Academic Affairs.

The topic of assigned time was reviewed briefly by Rick. He informed the committee that there were 53 positions currently in assigned time, including department chairs and some grant buy-outs. A cursory review by the UBO of assigned time approval forms estimated a total expense of approximately \$1.3 million spent on released faculty excluding the department chairs and reimbursed grant buy-outs.

The next meeting is called for Friday, March 9 from 1 – 4pm in the Corbett Conference Room.

Respectfully submitted,  
 Linda Mortenson