

HSU
FY0809 Mid-Year Reduction Planning

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One-time funds to mitigate reduction impact			
Risk Premium Dividend - FY0708		550,000	
CMS Loan Repayment Deferred		800,000	
Extra Fee Revenue from - FY0708		2,000,000	
Business Management Trust		1,000,000	
Unallocated Base Budget		751,000	
Total One-time Funds Available		5,101,000	
Campus target for mid-year reduction			
If	3%	reduction	2,286,000
If	4%	reduction	3,048,000
If	5%	reduction	3,811,000
If	6%	reduction	4,573,000
If	7%	reduction	5,335,000
If	8%	reduction	6,097,000
If	9%	reduction	6,859,000
If	10%	reduction	7,621,000

Unallocated Base Budget	1,600,000
CA Operating Budget Reduction	849,000
Unallocated budget	751,000

	CSU Cut	HSU Reduction
A CSU Target Reduction of	31,314,000	848,600
A CSU Target Reduction of	66,300,000	1,796,700
		2,645,300

This reduction level essentially puts us back at the January Governor's budget level by reducing the CSU by \$97.6M

Risk Premium – When the CSU initially made the decision to create a system-wide risk pool (CSURMA), each campus annually paid into that fund. HSU's premium has been just short of \$2,000,000 annually. This year, CSURMA had more than they needed to cover the costs, so have returned a \$9,867,829 dividend to the 23 campuses.

CMS Loan – Humboldt State borrowed funding for the Common Management System implementation costs—Finance, Human Capital Management, and Campus Solutions (student). This year HSU will make its first two payments on the loan totaling \$400,000. The University has set aside a total of \$1.2 million annually for these loan payments. We will not need the other \$800,000 for loan payments this year, but the full \$1.2 million in loan payments will be in effect next year.

Extra Fee Revenue from FY07/08 – Last year, the University's budget was conservatively based on receiving student fees for 7,150 annual average full-time equivalent students (FTES). The University enrolled students well over that number which provided additional revenue for the campus.

Business Management Trust – Business Services is required by CSU Executive Order to charge auxiliaries for services that the state provides. Over the years, the balance of this fund has increased to approximately \$1,000,000.

Unallocated Base – Last year, the University Budget Committee planned its recommendations on the latest information available at the time, which was the Governor's January budget. The January budget cut HSU 9.3% off our 2008-09 state appropriation base requirement. By the time the final budget was signed, the cut was softened to about a 5.9% cut. Thus, HSU received some funding that we had not planned on receiving, so we set-aside \$1.6 million. Of the \$1.6 million, \$751,000 remains this year after taking the \$849,000 reduction into account. The University has used this source of funds to cover the current year, one-time reduction discussed above.