

University Budget Committee

TO: President Richmond, Humboldt State University
Date: March 10, 2009
FROM: University Budget Committee (UBC)
RE: UBC Response to the President on the President's and Vice Presidents' 2009/10 Budget Proposal for Humboldt State University

In response to President Richmond's charge to the University Budget Committee, the we offer the following commentary on the President's and Vice Presidents' fiscal year 2009/10 Budget Proposal for Humboldt State University:

We commend the President and Vice Presidents for jointly presenting their draft budget plan to the UBC on January 30, 2009 and for the conservative planning assumptions in the budget. This year's conservative plan will provide HSU with flexibility to address funding uncertainties allocated to HSU from the State level. As noted in last year's UBC memo, we encourage the university to meet its Reserve goals as outlined in existing University Budget Policy, and support the \$1.5 million University One-Time Cash Reserves as an initial step toward achieving that goal.

We also commend the proposed use of differential cuts, rather than pro rata cuts by division, and are hopeful that these differential cuts will indeed help us to expand our student enrollments and meet the goals of the WASC accreditation.

We recommend that if actual enrollments exceed the enrollment budget, then the additional enrollment fees and tuition be added to the list of one-time funds available to the University One-Time Cash Reserves pool.

We strongly encourage the University to develop a strategy to generate alternative revenue sources, such as external grants. A good use of one-time funds might be to support grant writing and other potential alternate income sources.

Based on information provided by you and the vice presidents, we regrettably accept that these divisions have an appropriate plan to manage their budget reductions. There was a general consensus that we do not want to ask you and the vice presidents to attempt to rework your plan for the \$831,816 budget reduction. However, members discussed concerns that the University may eventually need to take more focused, programmatic cuts in order to maintain the quality and viability of the remaining HSU functions. We offer the following specific observations for each division:

- a) Academic Affairs: The reduction strategy memo for Academic Affairs that was distributed to the committee by Provost Snyder provided us with comfort and an understanding of how the reduction would be handled in Academic Affairs. Certain

- members expressed some concern about the potential long-term impact to the University of the Provost's strategy. We accept the Provost's plan.
- b) Administrative Affairs: We accept the cuts to Administrative Affairs, but remain concerned about the long term impact of multiple years of cuts to this division. We recommend that the President work with the division to identify one-time funding to allow the division more time to make its cuts in an orderly manner.
 - c) President's Office: We accept the relatively small dollar amount cuts to the President's Office as manageable.
 - d) Student Affairs: We accept the cuts to Student Affairs, but remain concerned about the impact to student retention. We are also concerned that important areas of this division are exempt from budget cuts, such as the Enrollment Management Unit and the University Police Department. This makes cuts to the remaining areas more severe. Again, we recommend that the President work with the division to identify one-time funding to allow the division more time to make its cuts in an orderly manner.
 - e) University Advancement: We accept the relatively small dollar amount cuts to University Advancement as manageable.

We agree with the initiative to add additional Institutional Research (IR) capacity at HSU as a key to a successful WASC reaccreditation. Moreover, we recommend that HSU maximize and enhance its existing IR resources and structures, rather than "starting from scratch" with a newly minted Office of Institutional Research. However, we would like to see a comprehensive plan for the IR initiative.

We were split on our support of the proposal to authorize a \$500,000 President's Initiative Reserve of one-time funds. Many UBC members supported the President's Initiative Reserve, however several members were concerned about the level of the proposed funding for the Reserve. Other members preferred keeping these funds in the University One-Time Cash Reserves pool, where the President could still access the funds for initiatives as needed. We would have liked to have received additional information on the likely types of allocations from this pool. However, we agreed to support the plan with the recommendation that a report be prepared for the UBC on how the funds were used.