

University Budget Committee

Date: March 5, 2010
TO: President Richmond, Humboldt State University
FROM: University Budget Committee (UBC)
RE: UBC Response to the President on the President's and Vice Presidents' 2010-11 Budget Proposal for Humboldt State University

In response to President Richmond's charge to the University Budget Committee, we offer the following commentary on the President's and Vice Presidents' fiscal year 2010-11 Budget Proposal for Humboldt State University: We commend the President and Vice Presidents for jointly presenting their draft budget plan to the UBC on February 12, 2010 and for the conservative planning assumptions in the budget. After reviewing and discussing the budget plan, we reached consensus to accept the overall budget plan as presented.

We recognize the economic downturn in the national economy. The economy of the State of California has also been hard hit and a full recovery is unlikely in the next year. As a result, the strength of both the California and the U.S. economy remain uncertain. The economic downturn has cut California's general fund budget. The State of California faces a substantial budget shortfall that must be addressed in its 2010-11 budget. Additionally, at this time it is unlikely that the CSU will receive a significant infusion of additional federal stimulus funds above those already received, and it is uncertain if the CSU will continue employee furloughs beyond June 30.

With those uncertainties in mind, we agree that HSU must plan its budget conservatively, without the benefit of the proposed funding increase in the Governor's Budget, and without any employee furlough savings. We agree that HSU should not implement new base budget reductions for 2010-11 at this time and instead will mitigate the forecasted base budget deficit with support from accumulated one-time savings. Divisions in the midst of implementing multi-year budget reduction plans to address the 2009-10 budget reductions should continue their implementation until a sustainable base budget level is reached. Also, we support the one-time funding of the following initiatives from the University Contingency Reserve as key investments in the University, and we request an update each fall on any use of the one-time University Contingency Fund:

- Backfill for Academic Affairs Multi-year Reduction Plan: \$575,000
(Total: \$2,000,000 with \$1,425,000 from a Chancellor's Office allocation)
- Diversity & Inclusion Office: \$36,000
- Institutional Research Office: \$73,000
- Learning Center Initiative: \$60,000
- President's Campus University Reserve: \$500,000

We understand the HSU budget plan will change, most importantly to reflect the final actions of the Governor and the Legislature. Further, we recognize that the principles proposed in the budget plan can change as well. We look forward to receiving an updated budget plan, if significant deterioration of the budget occurs.

Additionally, we support the budget plan priorities articulated in the 2010-11 budget proposal including the WASC themes on student success, academic excellence and educational quality, and making Humboldt State University fiscally stable with revenue enhancing functions such as enrollment, advancement, and grants and contracts.