*NOTE: The following analysis pertains to the Operating Fund only. Further analysis will need to be conducted to incorporate other funding sources. This is meant to provide a starting point for the conversation. Budget category assumptions will continue to be refined in URPC discussions and as we gather insight from our respective data experts.*

## Investment in Strategic Planning Priorities (Dennis, 2%)

* Innovation, experimentation, rewards, incentives
* Investments should be one-time, allowing the strategic initiatives pool to replenish annually
* Successful initiatives have potential to become ongoing base budget allocations over time
* *2015-16 Strategic Initiatives Budget: $0*
* 2% = $2.25 million

## Continuing and Sustaining Assets

### Maintain/improve personnel (faculty/staff)

* 75% of our budget is spent on personnel, 84% when excluding student financial aid
* *2015-16 Personnel (Salaries and Benefits) Budget: $93.25 million ($93.65 million including $400k in student assistants reflected in student section below)*
  + This includes approximately $9.4 million for lecturers, $400k for seasonal staff and overtime costs, $600k for TAs and GAs, and $1.0 million student assistants ($1.4 million including student assistants reflected in student section)
* *2015-16 Travel and Professional Development Budget: $650k (.5%)*
  + The travel portion excludes foreign and Admissions department travel
  + Previous three year spending ranges from $1.0 - $1.3 million per year

### Maintain/improve programs

* Much of HSU’s investment in maintaining and improving students is reflected in our personnel assets
* How do we quantify our investment in curricula?

### Maintain/improve students

* Much of HSU’s investment in maintaining and improving students is reflected in our personnel assets. Only the student assistant budgets in Student Affairs, RISS and International Programs are currently reflected below. What other components should we include?
* Current 2015-16 Budget: $14.2 million (11.4%)
  + *Student Aid (State University Grant (SUG), EOP, Grad Fellowship) Budget: $13.8 million*
  + *Student Assistants in Student Affairs, RISS, International Programs: $400k*

### Maintain/improve facilities (Dennis, 2% CRV)

* The current replacement value (CRV) of our facilities is $674 million, and this is a low estimate.
* 60% of our buildings are more than 40 years old.
* *2015-16 Deferred Maintenance Budget: $0 (There were one-time allocations in previous years)*
* Note: We are receiving funding from the CO for five capital projects this year totaling $15 million
  + Library Seismic Upgrade
  + Van Duzer Theatre Seismic Upgrade
  + Switchgear Replacement
  + Fire System Replacement, Phase 1
  + Substation Replacement
* *2015-16 Routine Repairs and Maintenance Budget: $700k (.6%) - does not reflect personnel related costs*
* 2% of CRV = $13.5 million (10.8% of 2015-16 Budget)

### Maintain/refresh equipment, including IT

* There is no central refresh process, refreshes often occur when one-time funding is available
* Departments with resources refresh computers, departments with no resources do not
  + Not a strategic process
* *2015-16 Equipment and IT Hardware Budget: $500k (.4%)*
  + Previous three year spending ranges from $1.6 - $2.2 million per year
* Projected annual IT hardware refresh on 4 year cycle: $1.65 million

### Maintain/refresh collections, including Library

* Library collections include books, book binding, serials, and periodicals
* *2015-16 Library Collections Budget: $300k (.2%)*
  + Previous three year spending is around $150k per year
* What other collections need to be factored in?

### Maintain/improve brand

* Our brand represents an intangible asset
* How do we quantify this?

## Consumables

* Reflects costs such as utilities, insurance, and supplies and services
* *2015-16 Budget: $15.6 million (12.5%)*
  + Currently, consumables amount does not include any costs related to personnel

## Contingency/emergencies (URPC, 4%)

* *2015-16 Base Budget Contingency: $260k (.2%)*
* 4% = $5 million

## Reserves (Dennis, 10%)

* *2015-16 Projected Ending Operating Fund Reserve Level: $4.7 million (3.7%)*
  + Updated Projection: $5.7 million (4.5%) - we are getting $1 million CMS Loan reimbursement!
* 10% = $12.5 million