

URPC Presentation

April 12, 2019



Agenda

- Highlight Progress
- Overview of Where We Are – 2019-20 Proposed Budget
- Enrollment
- Related Activities and Initiatives
 - Category II Student Fees
 - Budget Oversight Policy and Roll Forward Guidelines
 - University Space and Facilities Advisory Committee (USFAC)
- Capital Budget Planning

Student Success Progress

A Reflection of Our Collective Campus Effort

- Graduation rates at an all time high
- Student debt has decreased significantly
 - **2017-18: \$12,743**
 - Back in 2008-09: \$20,982
 - National average: \$28,350
 - State average: \$22,744
 - CSU average: \$16,625

Financial Progress

A Reflection of Our Collective Campus Effort

- Full \$9M in reductions have been assigned - many of which have already been achieved, a few still in progress
 - Evidence that the campus is making difficult decisions
 - Important to acknowledge how challenging this process has been
- Year-to-Date spending on track in all MBUs – first time in many years
- Reserve balances have increased in the past few years – reflects proactive reduction planning
- 2019-20 GI 2025 Request process piloting the Integrated Assessment, Planning & Budget (IAPB) process

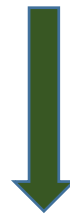
Budget Changes Reflect Strategic Decision-Making (2018-19 compared to 2017-18)

FIRMS Code Spending



Instruction: +\$4M

40% of budget, up from 38%



Institutional Support: -\$3M

14% of budget, down from 17%

Salaries & Wages Spending



Student Wages: +\$1M

Faculty Salaries: +\$2.9M



Administrator Salaries: flat

Despite a 3% general salary increase

Where Are We Now?

Cabinet has submitted a [2019-20 Budget Proposal](#) to the URPC

- GOOD: Previous structural deficit has been eliminated at the University level
- GOOD: State fully funding 2019-20 compensation and mandatory costs
- GOOD: State proposes \$45M in funding to CSU for GI 2025 – HSU share is \$1.1M

- CHALLENGE: Enrollment declines continue beyond previous estimates

- RESULT: Anticipate a \$953K deficit in 2019-20
 - Additional reductions are proposed to be distributed by division using a marginal cost of instruction methodology

2019-20 Reductions – Marginal Cost Method

CSU Support Budget Request – 2019-20 Marginal Cost (MC) of Instruction

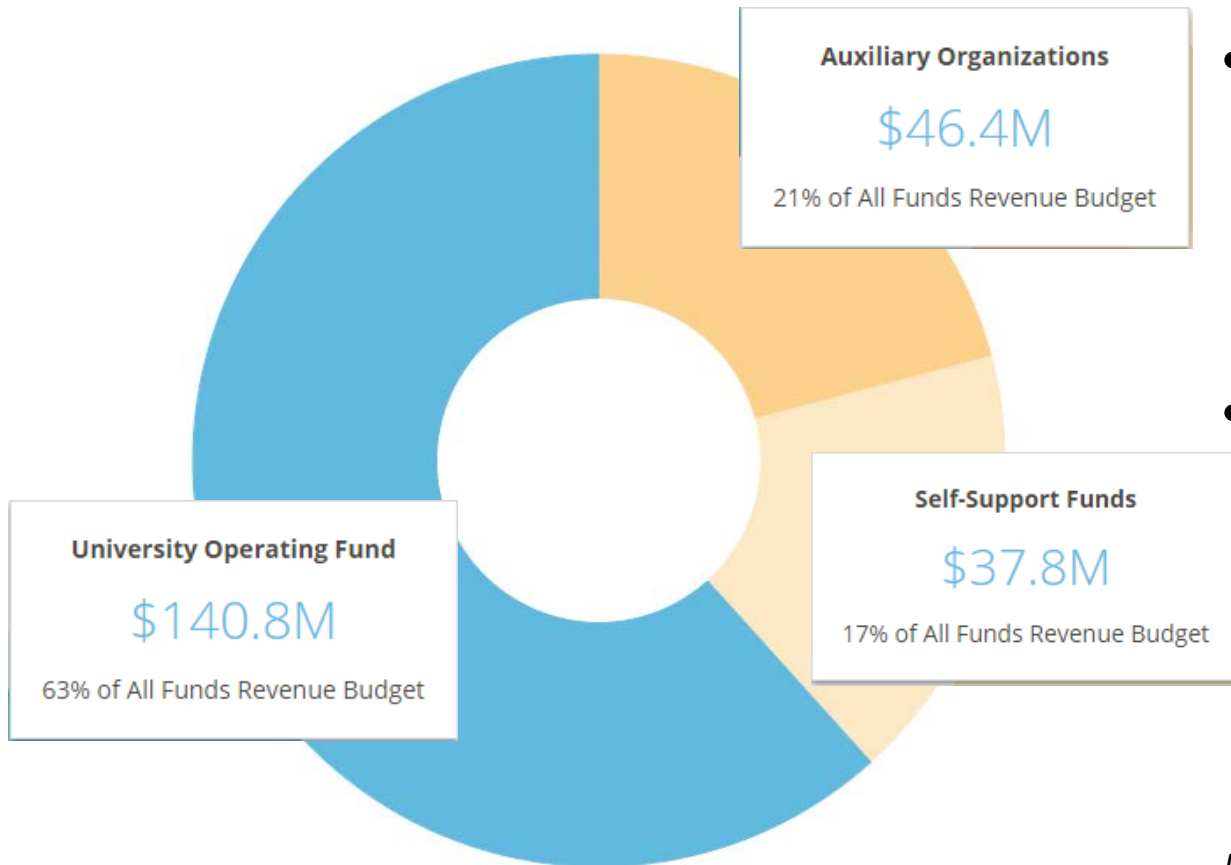
FIRMS Program	2019-20 Total MC Per FTES	MC % of Total	MC of Total % Distribution
Instruction	6,230	55%	(528,615)
Research	-	0%	-
Public Service	-	0%	-
Academic Support	1,393	12%	(118,196)
Student Services	1,285	11%	(109,032)
Institutional Support	1,304	12%	(110,644)
Op and Maint of Plant	1,016	9%	(86,208)
Student Financial Aid	-	0%	-
Totals	11,228	100%	(952,695)

Divisional Distribution

Division	Reduction Amount
President's Office	(11,576)
University Advancement	(22,552)
Academic Affairs	(739,387)
Administrative Affairs	(108,250)
Student Affairs	(51,529)
University Wide	(19,401)
Total	(952,695)

2018-19 All Funds Revenue Budget: \$225 million

What are all of the budgeted sources of funding on campus?



- **University Operating Fund:** our main operating budget for state matriculated instruction (primary funding sources are state appropriation and tuition)
 - URPC makes a recommendation for the University Operating Fund

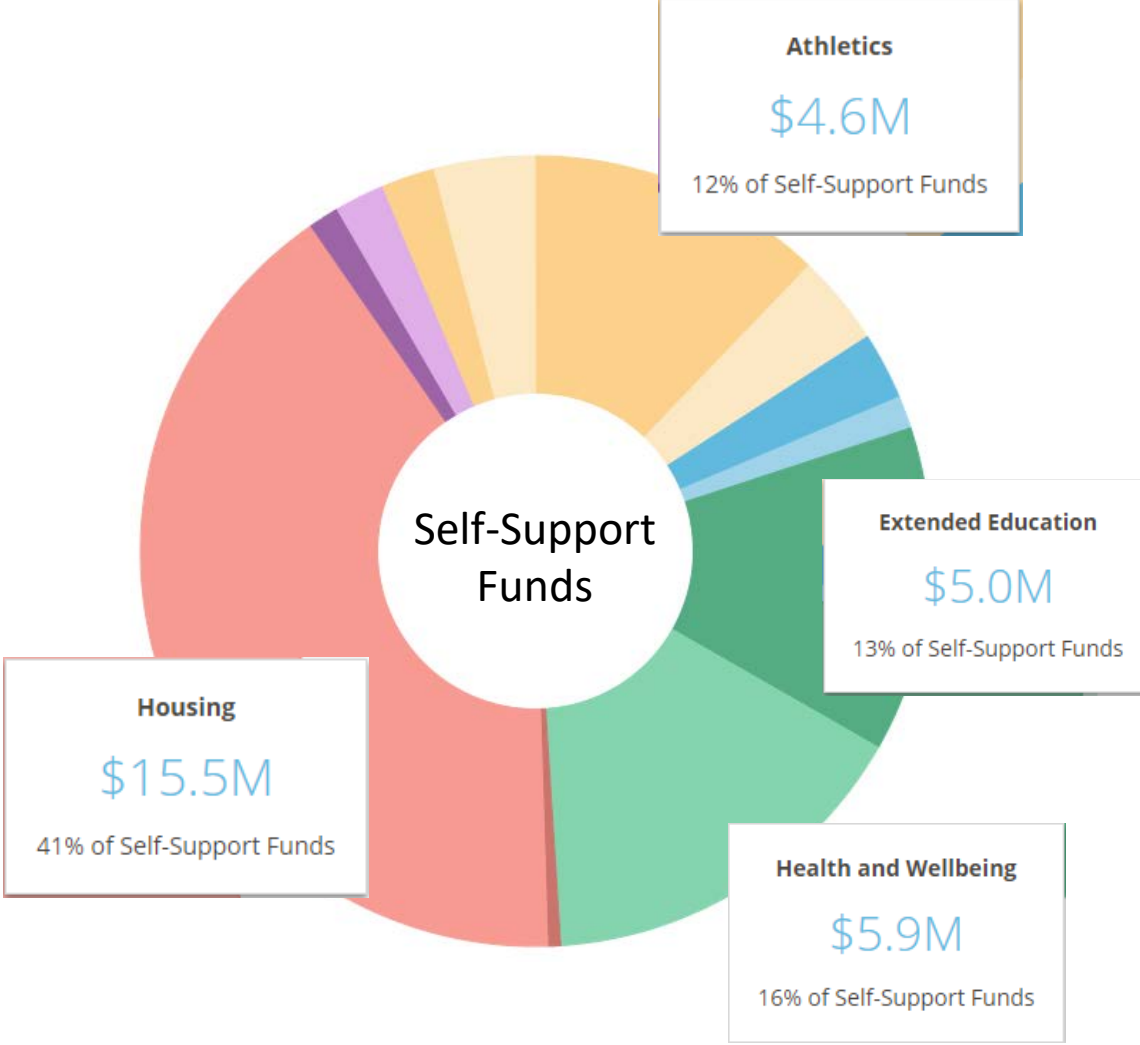
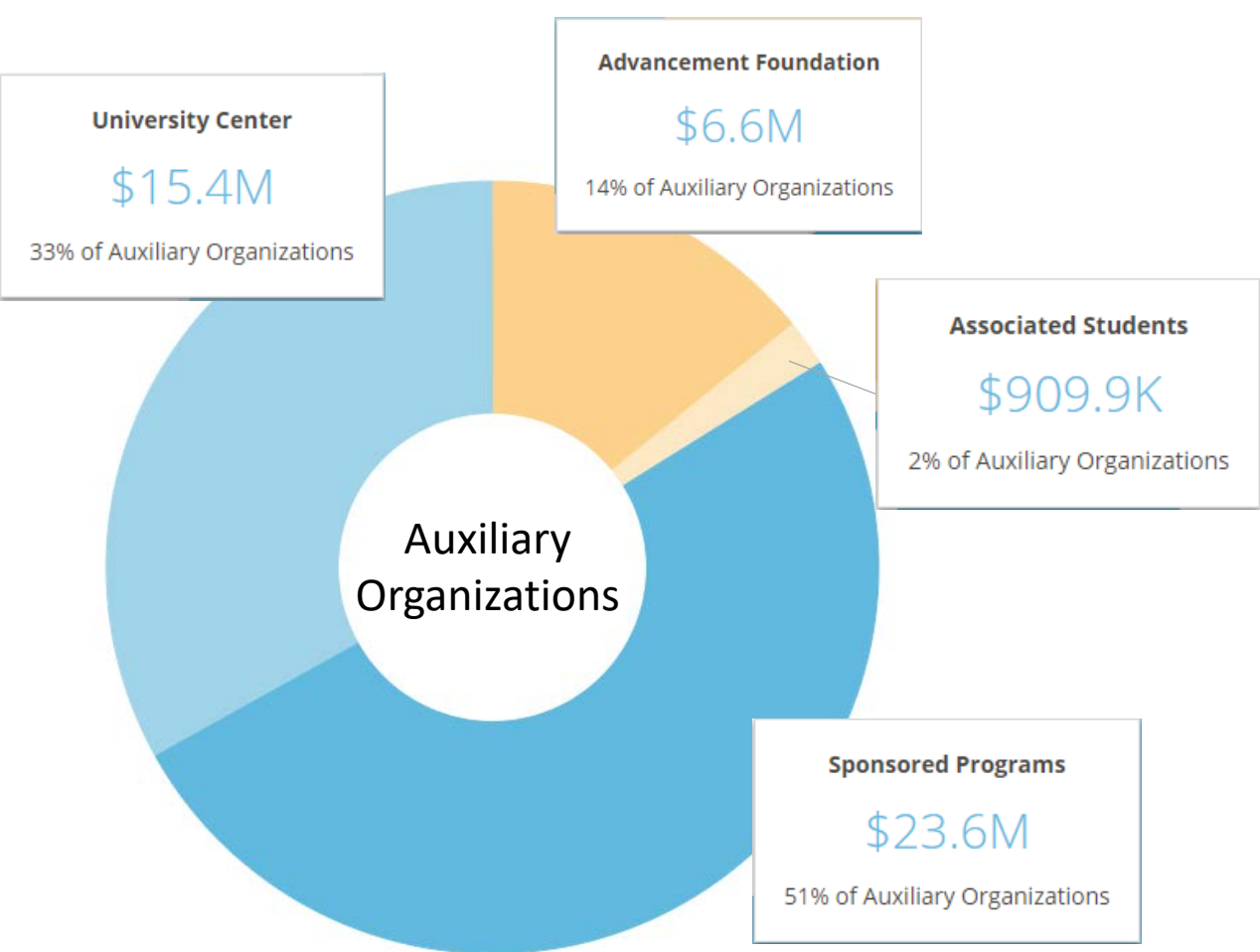
- **Self-Support Funds:** reflect activities supported by student fees and other sources that are designated for specific purposes

Auxiliary Organizations: separate not-for-profit organizations, with boards

Note: Revenues from Self-Support Funds and Auxiliary Organizations must remain with the unit and be used for the purpose intended based on applicable CA Education Code, CSU Executive Orders and policies, etc.

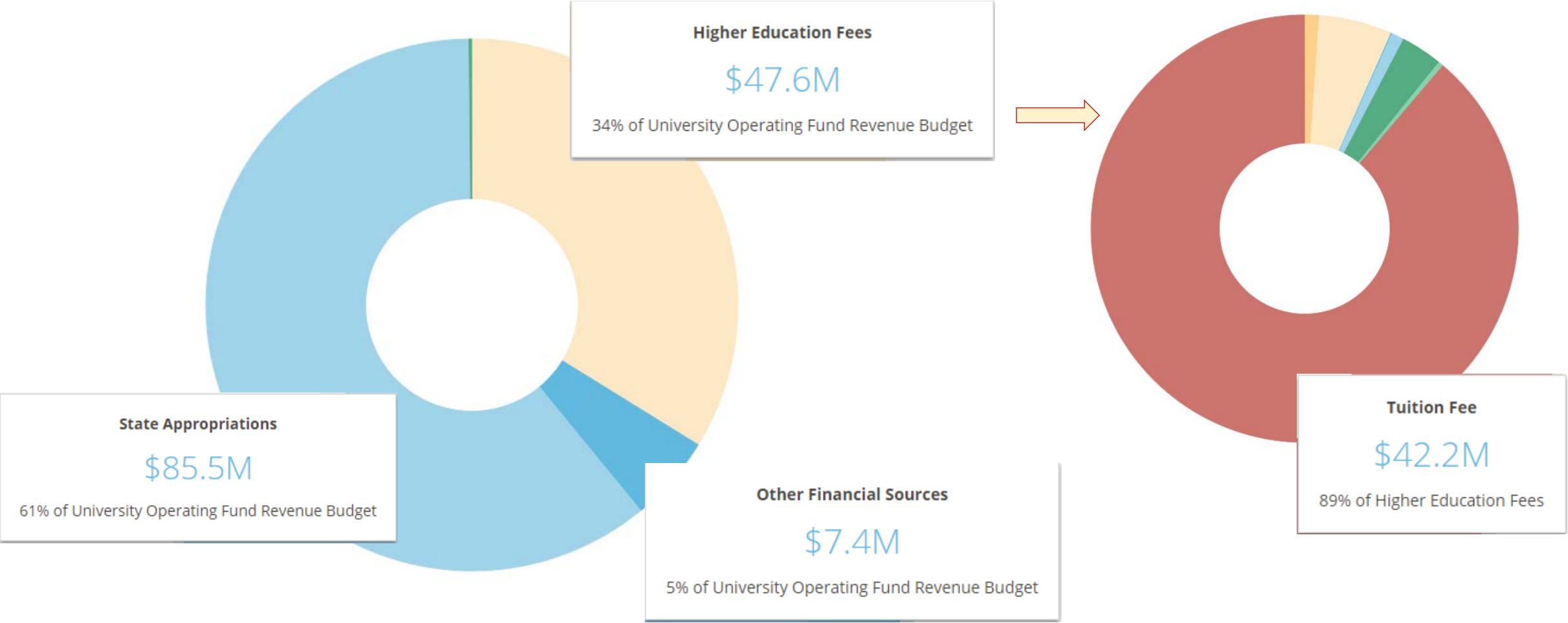
2018-19 All Funds Revenue Budget: \$225 million

What are all of the budgeted sources of funding on campus?



2018-19 Operating Fund Budget: \$140.8 million

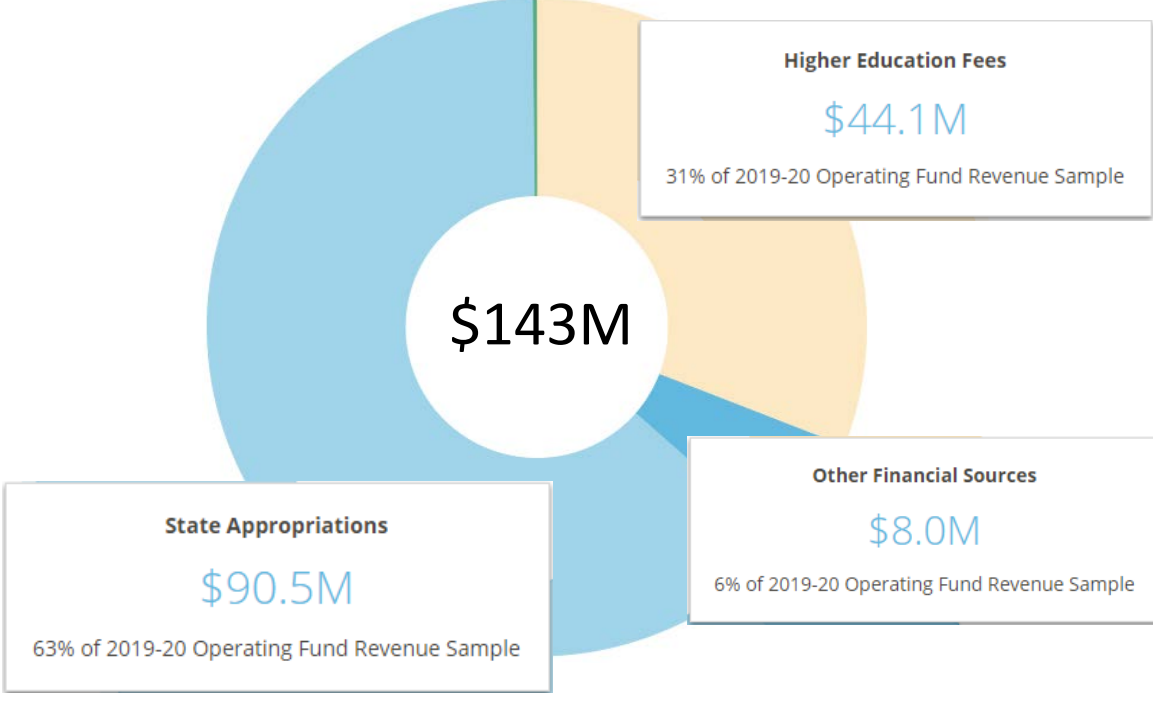
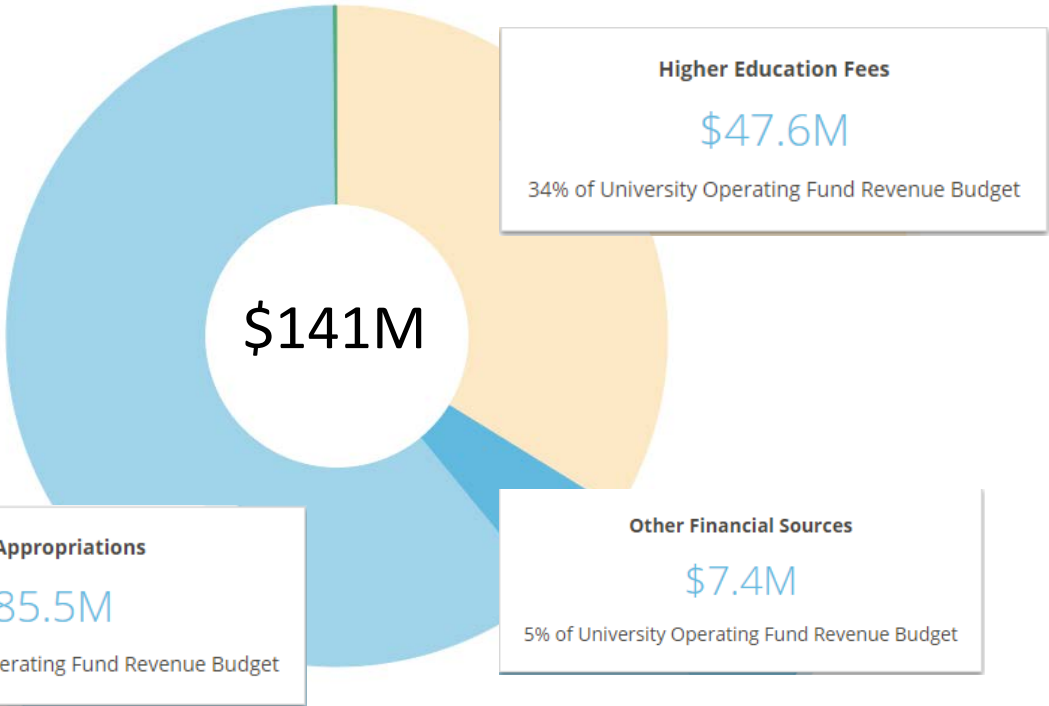
What are the main sources of funding for the University's Operating Fund?



Operating Fund Revenue Budget Comparison

2018-19

2019-20



MAJOR CHANGES:

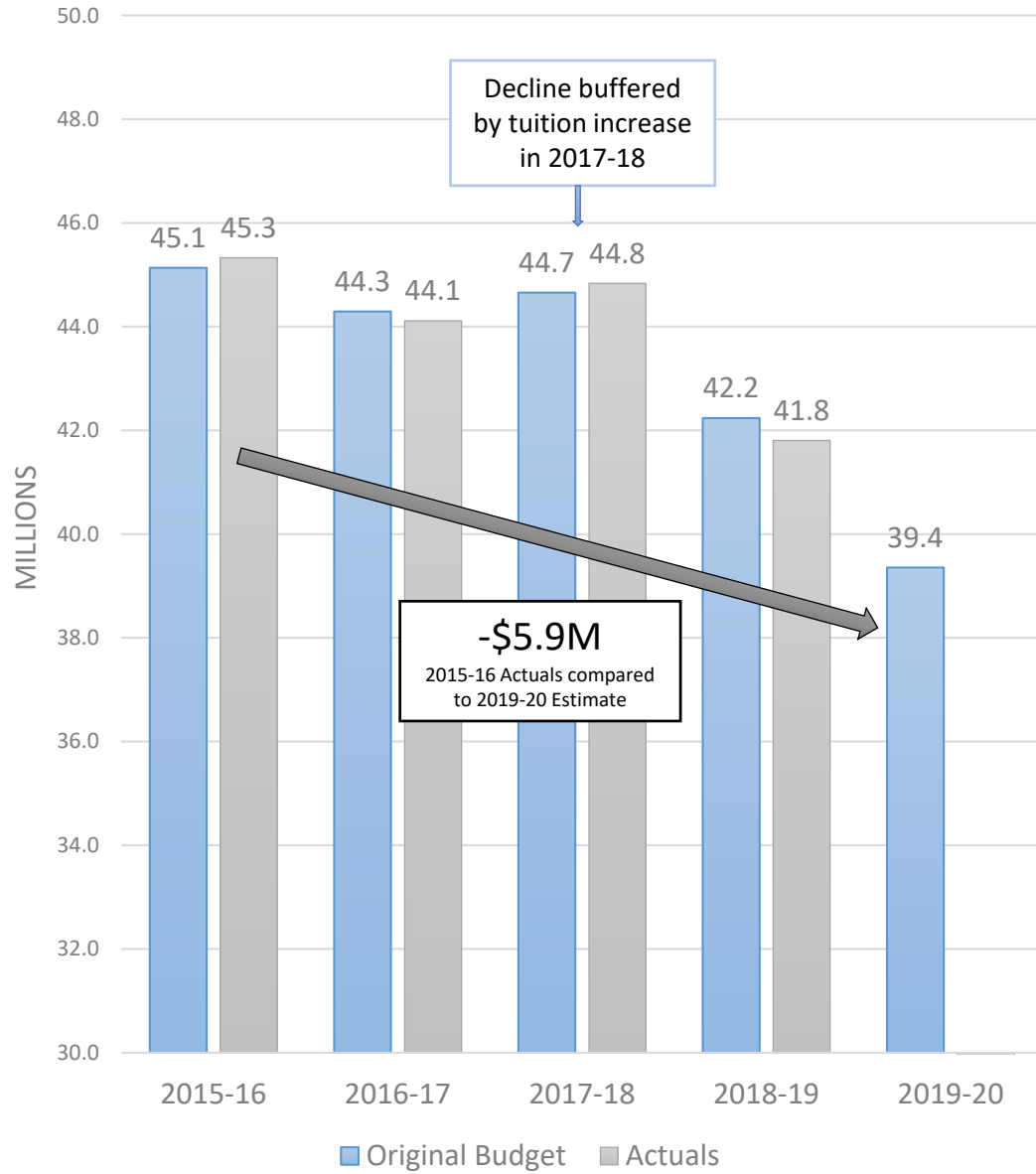
State Appropriation  +\$5.0M

Tuition, Non-Res Tuition, MSF  -\$3.5M

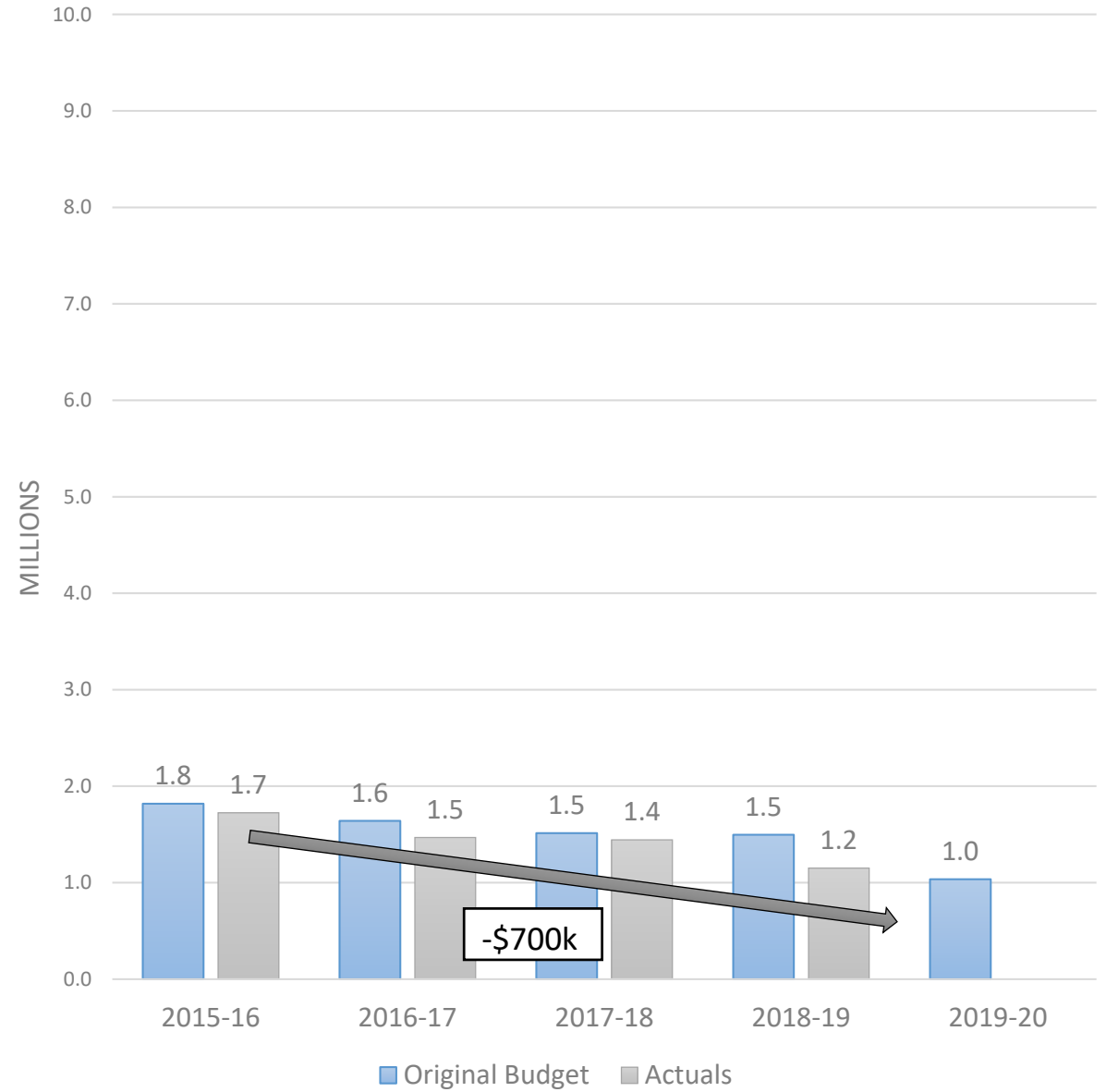
State Appropriation Increase: +\$5M

- CA Governor's Budget Proposal (January draft) fully funds 2018-19 retirement and 2019-20 compensation and mandatory costs: +\$4.6M
 - General salary increases, minimum wage, retirement, health, space, AUL
- Graduation Initiative 2025 – HSU's prelim allocation: \$1.1M
 - Request process underway piloting IAPB process
 - 50 requests under review – rubric scoring by Student Success Alliance (SSA) and AS feedback provided via cumulative voting method
 - Cabinet prioritized proposals based on rubric scoring and AS feedback – under URPC review
 - *Proposals will receive conditional approval pending finalized State of CA Budget*
- State University Grant (SUG) Allocation reduced by 5%: -\$685K

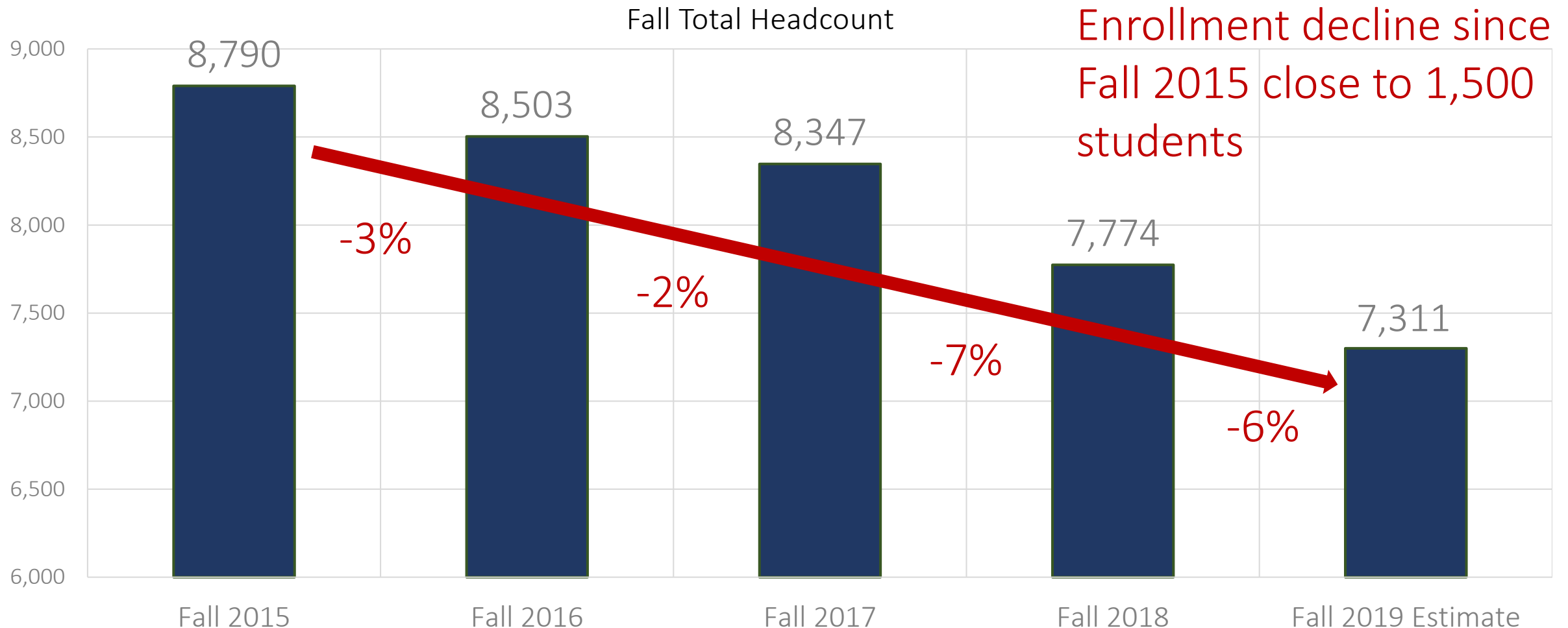
2019-20 State Tuition Revenue: -\$2.88M



2019-20 Non-Resident Tuition Revenue: -\$0.5M



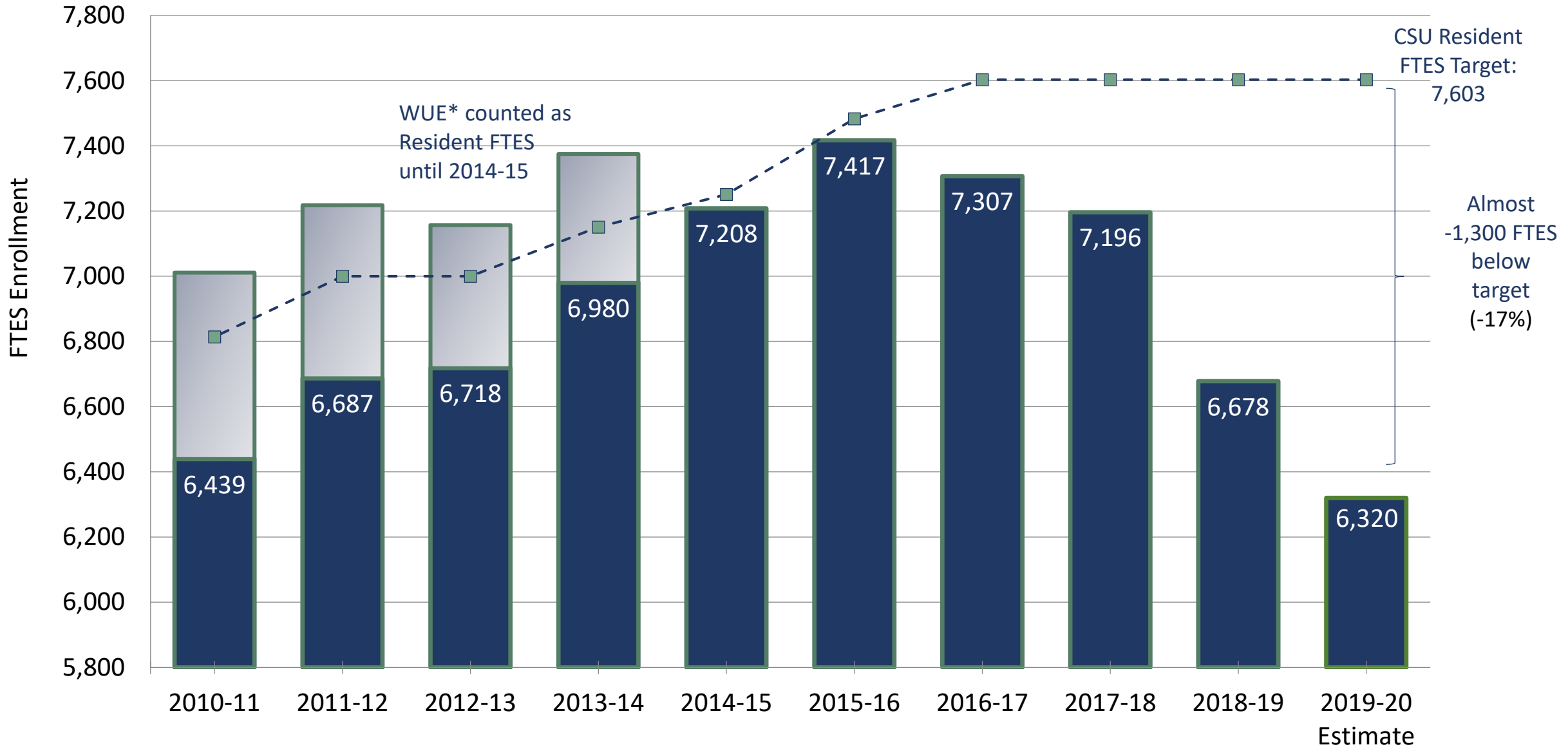
Enrollment Changes (Fall Headcount)



“good” reasons - more student graduating, and more quickly

“not so good” reasons - less students choosing HSU and less staying

Annual Resident FTES Trends



*WUE: Western Undergraduate Exchange

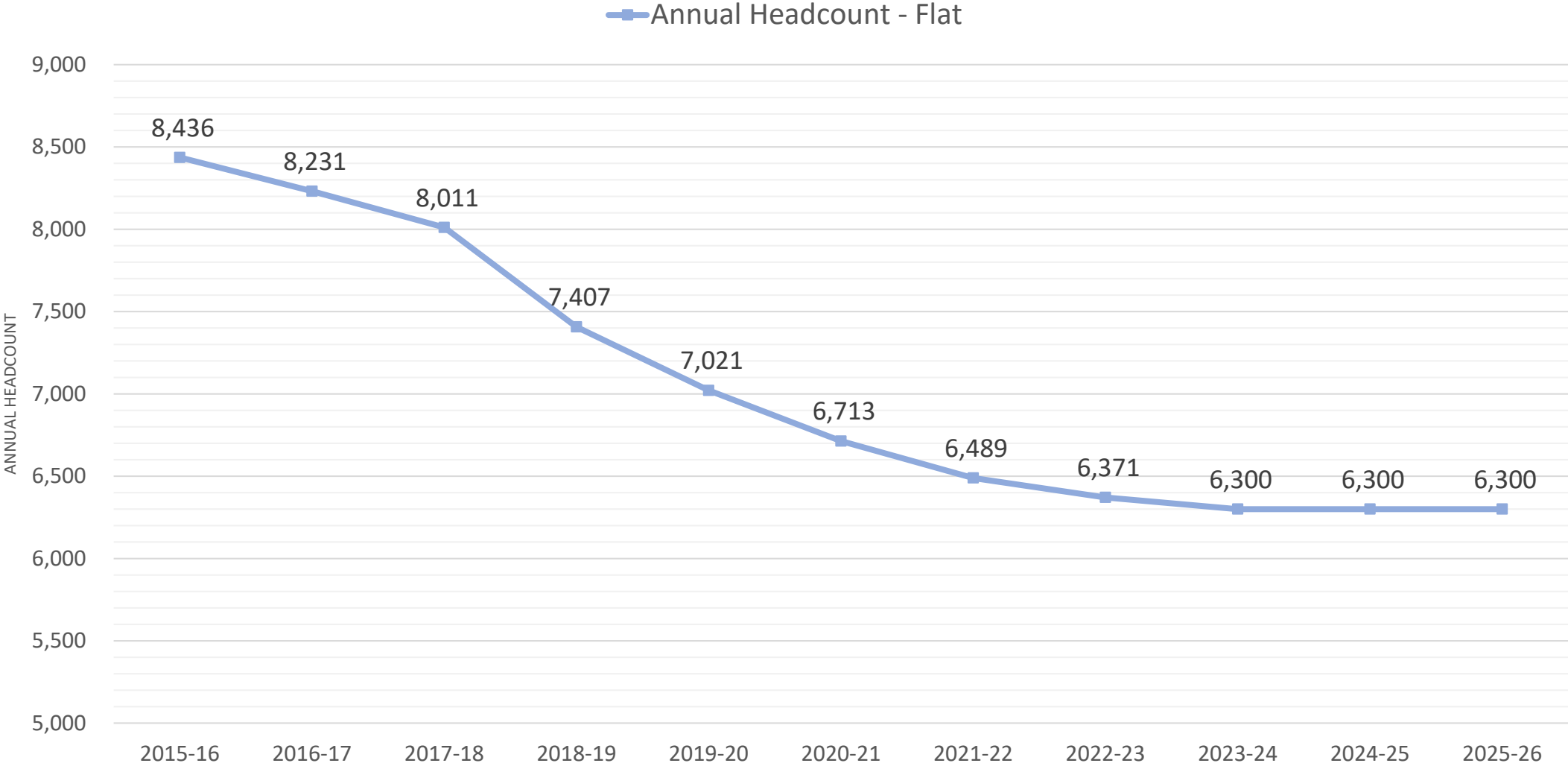
Sources: HSU IE Website, CSU Budget Website

Combined Tuition
Decline from 2015-16
to 2019-20:
-\$6.6 million

Looking Ahead...

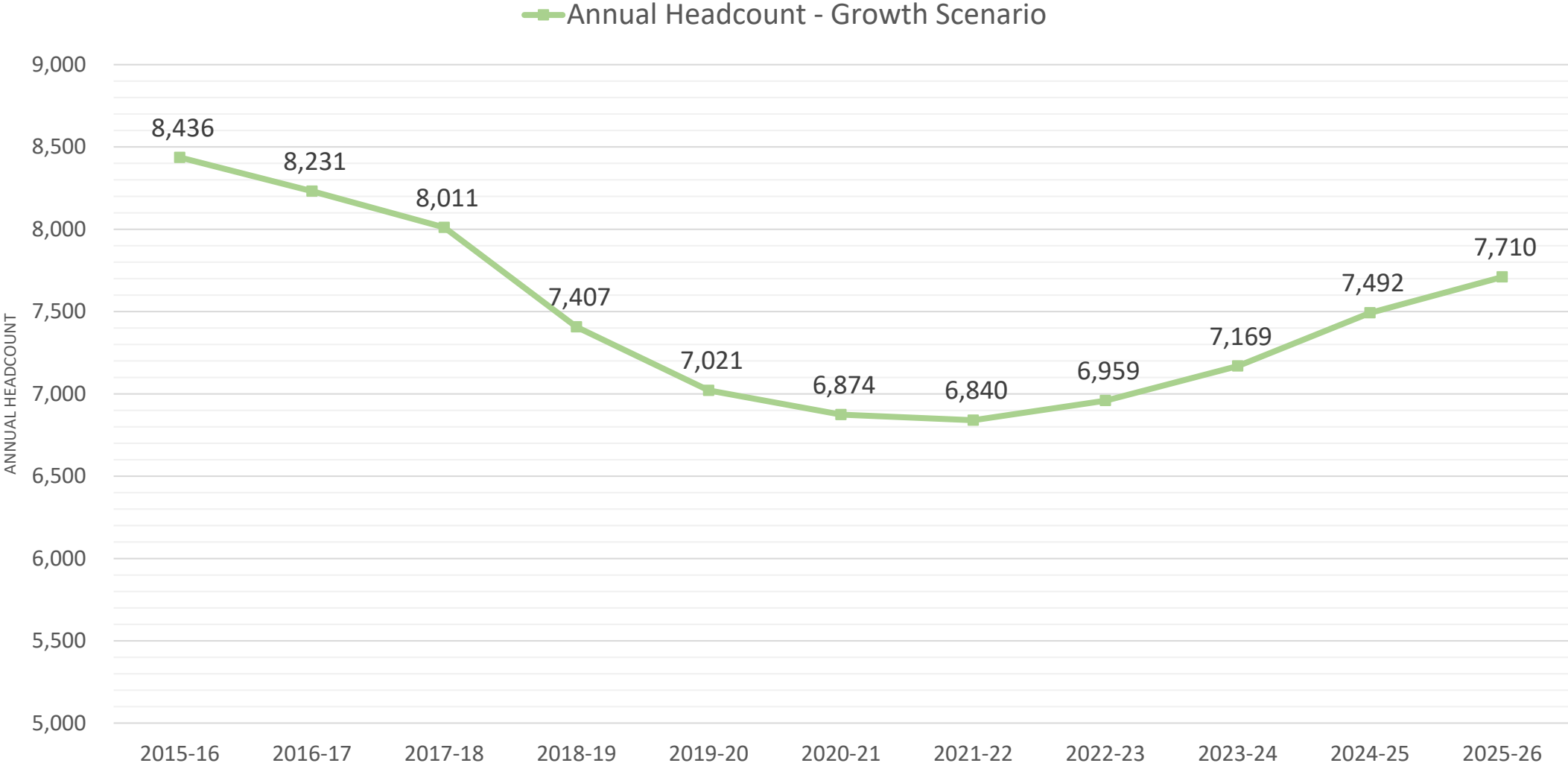
Enrollment Scenario – Flat

Incoming students flat, flat retention at 71%

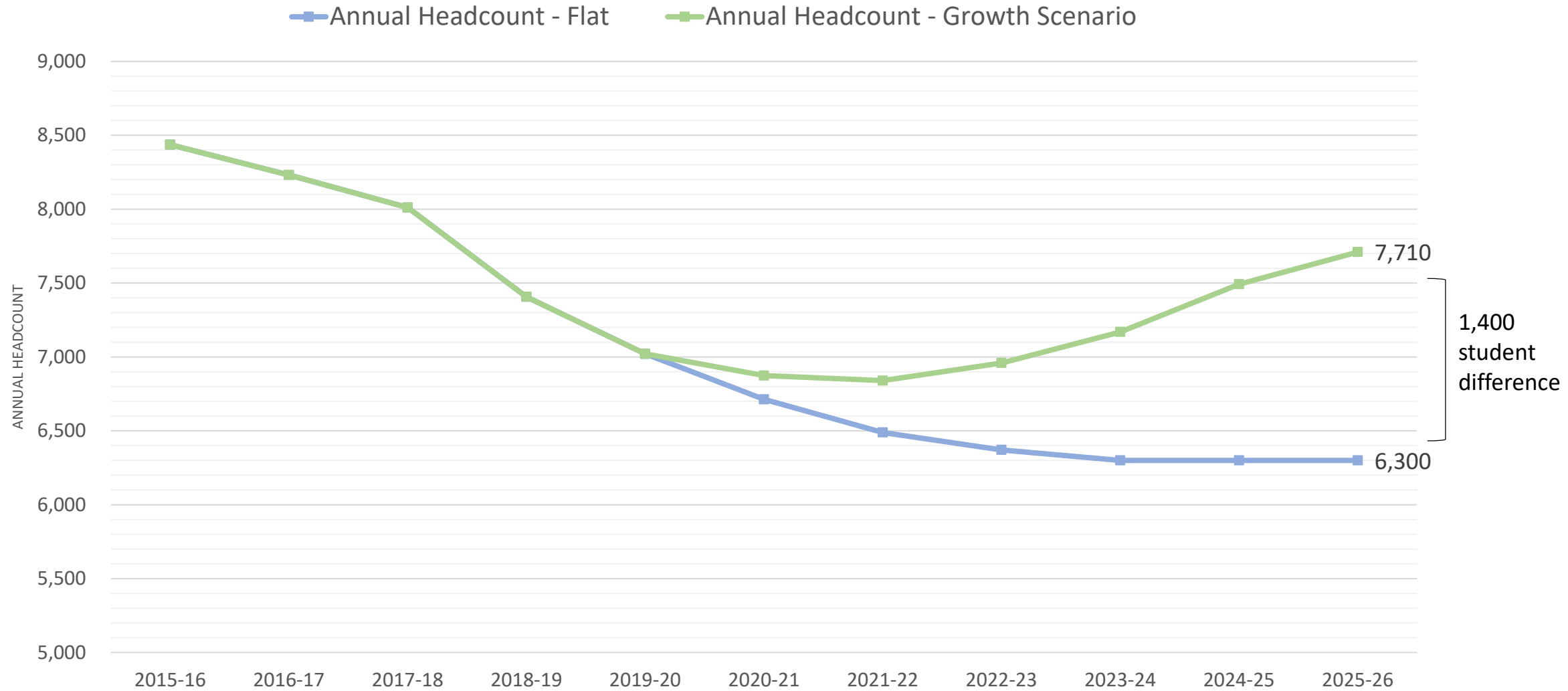


Enrollment Scenario – Growth

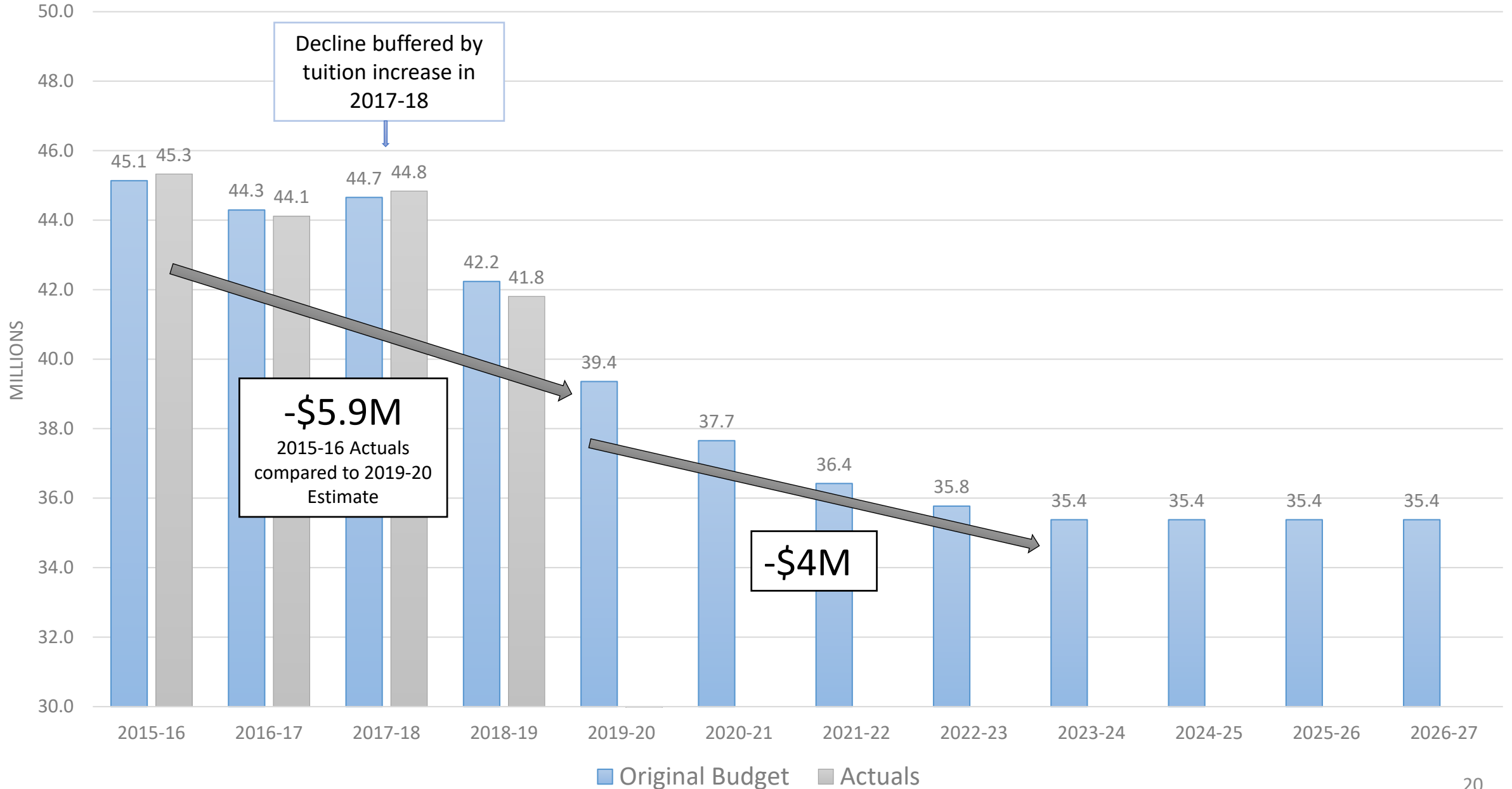
Meet SEM Plan Targets in 2024 → 1,300 Freshmen, 80% First Year Retention



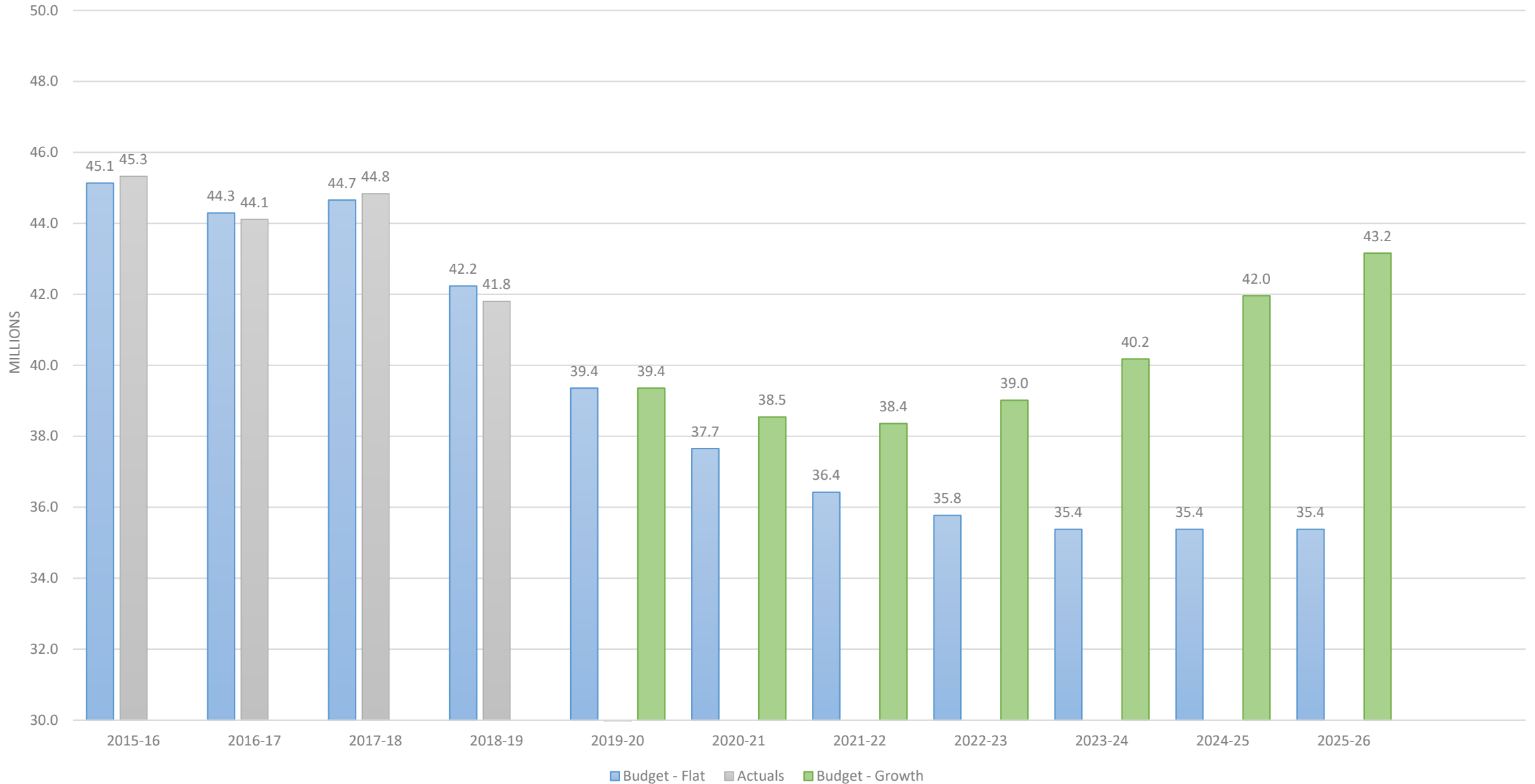
Enrollment Scenario Comparison



State Tuition Revenue – Flat Scenario



State Tuition Revenue Scenario - Flat vs Growth Comparison



Enrollment – What's Being Done?

Graduation Initiative 2025 - \$4.6 Million To Date

- \$2.7 million in new faculty hires
- \$1.9 million invested in retention initiatives and student support activities
- Increased our investment in student employment opportunities by \$400k in spring 2019 and have earmarked \$600k for investment in 2019-20
- Additional information about all GI 2025 allocations to date is available in [OpenBook](#)

Actions being taken...

Recruitment

- Invested in additional name buys
- Re-established hard copy acceptance letters
- Eliminated campus-wide impaction
- Expanding yield activities
- Expanding Preview Plus
- All hands on deck calling campaign
- New position at CR to strengthen CR -> HSU pipeline
- Financial literacy videos
- Get Ready Humboldt

Retention

- Advancing equity initiatives (Equity Arcata, Diversity, Equity, & Inclusion Council (DEIC), professional development for faculty and staff, Campus Equity Plan to be developed)
- Expanding support for Basic Needs
- Increasing student employment opportunities
- Expanding Learning Communities
- Enhancing advising
- Additional support for CARE services and Clubs
- Strategic focus on academic scheduling and space utilization
- \$1.2 million invested in instructional space refreshes

Related Activities and Initiatives

Category II Fee Revenue Forecast

Date: February 15, 2019

Note: Chart does not take into account an increase to the Student Body Center Fee, which the students voted in favor of increasing during last week's fee referendum – fee rate decision pending President approval

Category II Fees	2018-19 Budget	Change	2019-20 Budget
Student Health Fee	4,310,000	330,000	4,640,000
Health Facilities Fee	269,000	190,000	459,000
Instructionally Related Activities (IRA) Fee			
Athletics	3,865,000	-268,000	3,597,000
HEIF	198,000	-14,000	184,000
IRA Committee	473,000	-32,000	441,000
Jack Pass	427,000	-29,000	398,000
Materials, Services & Facilities (MSF) Fee	2,486,000	-119,000	2,367,000
Student Body Assoc Fee	874,000	-61,000	813,000
Student Body Center Fee	1,381,000	-95,000	1,286,000
Total Category II Fees	14,283,000	-98,000	14,185,000

University Budget Office

Home

Planning Updates

URPC

Budget Resources

Budget Reports

Forms

FAQs

Contact Us

Budget Resources

Budget resources provides a variety of materials and training resources related to budget policies, processes, user guides, and reports.

Policies and Guidelines

- Budget Oversight Policy (Policy #19-02)
- Operating Fund Roll Forward Guidelines



**Approved
and Posted!**

Budget Oversight Policy

- Budget to Actuals financial reviews, including projecting activity through the end of the fiscal year, will be conducted on a quarterly basis
- All departments will perform financial reviews, with reviews consolidated at the MBU level
 - All financial reviews must be signed off on by the MBU lead administrator
- Policy defines action to be taken to address financial concerns
 - *If there is a financial concern (e.g. budget shortfall/anticipated year-end deficit) that the MBU cannot resolve internally within the MBU, a formalized one-time funding request submitted by the MBU lead administrator must be made to the division Vice President and include written details regarding research to be conducted, a resolution plan, and expected and final completion dates.*
- Documentation will be retained and quarterly reports published
- Quarterly Budget Oversight Procedures are under development

Operating Fund Roll Forward Guidelines

Roll Forward: Unspent budget balances at the end of each fiscal year

Roll Forward Budgets: One-time budget allocations that annually augment the University's ongoing base budget

Highlights of the Guidelines:

- Strategic Investment: Earmarks funding for a strategic initiatives pool, deferred maintenance, and reserves
- Transparency: defines how roll forward budgets will be redistributed and establishes annual reporting
- Accountability: if departments overspend their budget – the entire negative balance will roll forward within the department
- Flexibility at each Level: Departments keep 40% and MBUs keep 40% of unspent Operating Expenses (non-personnel) budgets; Divisions are allocated 20% of overall unrestricted balances
- *New approval step: To utilize anticipated salary savings for operating expense activities → approval must be obtained from the VP beforehand and a budget transfer posted to reflect revised spending plan*

University Space & Facilities Advisory Committee (USFAC)

- Sub-Committee of the URPC

- Committee charge:

To act as an advisory body to Administrative Affairs regarding the development and management of the physical environment of the campus where function, aesthetic quality, and physical character are intermixed to create a desirable and inspirational atmosphere for students, faculty and staff. Includes, but may not be limited to, the assignment of space, building and renovation plans, campus planning and design standards, and the prioritization of minor and major capital requests.

- Currently working on vacated space process

- Piloting IAPB process

Capital Projects Update

Mike Fisher