

Campus Budget Open Forum

October 5, 2017



Agenda

- WSCUC Accreditation Area of Inquiry
- URPC membership and role
- Budget update
- Public facing budget dashboards
- Achieved budget savings (Spring 2017 - Phase 1)
- Current budget planning and reduction efforts
- Planning timeline and opportunities to participate

WSCUC Accreditation Area of Inquiry

Based on initial accreditation team feedback on October 3

- **Financial Viability** (One of 4 Areas of Inquiry)
 - Is HSU's budget sustainable?
 - Is deficit funding sustainable?
 - What is the relationship between the deficit and student success?
 - Decline in enrollment or enrollment growth trend?
 - How does the deficit impact enrollment plans?
 - What reserve planning efforts are underway?

URPC Membership

- **Co-chairs:** A faculty senator and the Provost and Vice President of Academic Affairs.
 - Mark Rizzardi, faculty senator and Mathematics professor
 - Alex Enyedi, Provost
- **Membership:**
 - **Three (3) Faculty members:** Erick Eschker, Economics; Hari Singh, Business; James Woglom, Art
 - **One (1) Academic Dean:** Cyril Oberlander, University Library
 - **Three (3) Vice Presidents:** W. Wayne Brumfield, Interim Student Affairs VP; Doug Dawes, Interim Administrative Affairs VP; Craig Wruck, University Advancement VP
 - **Two (2) Staff delegates:** Kacie Flynn, Sponsored Programs; Sarah Bacio, HSI STEM
 - **Two (2) Student delegates:** Joey Mularky, AS President; Vacant
- **Advisors (non-voting):**
 - University Budget Director: Amber Blakeslee
 - Budget Analyst from each Division: Holly Martel, Academic Affairs; Kate Stroup, Student Affairs; Frank Whitlatch, University Advancement

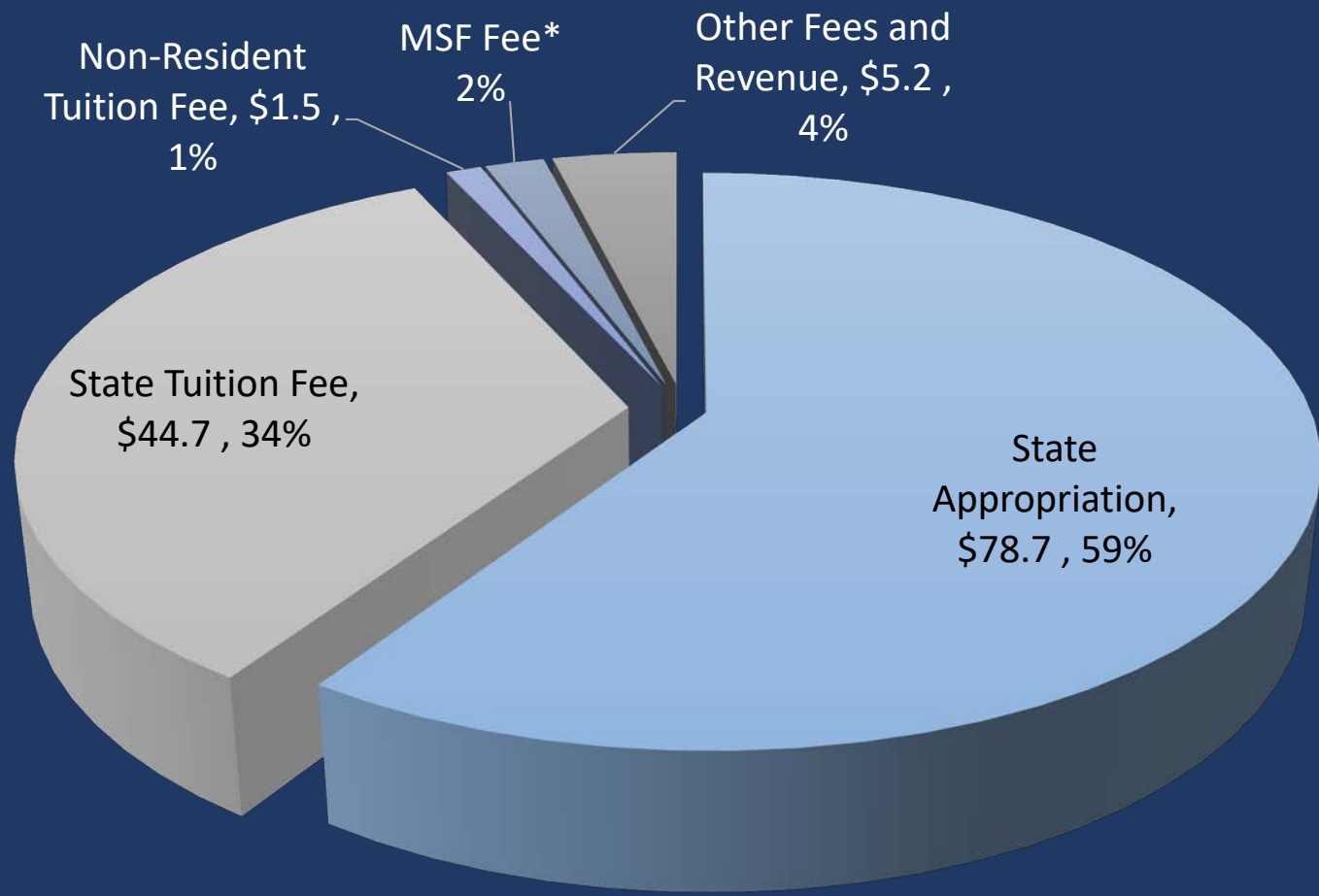
Role of the University Resources & Planning Committee (URPC) in this process

- Our role is consultative, creating a space for constructive conversations and fostering an open budgetary process for the Cabinet and Campus Community

2017-18 President's Charge to URPC

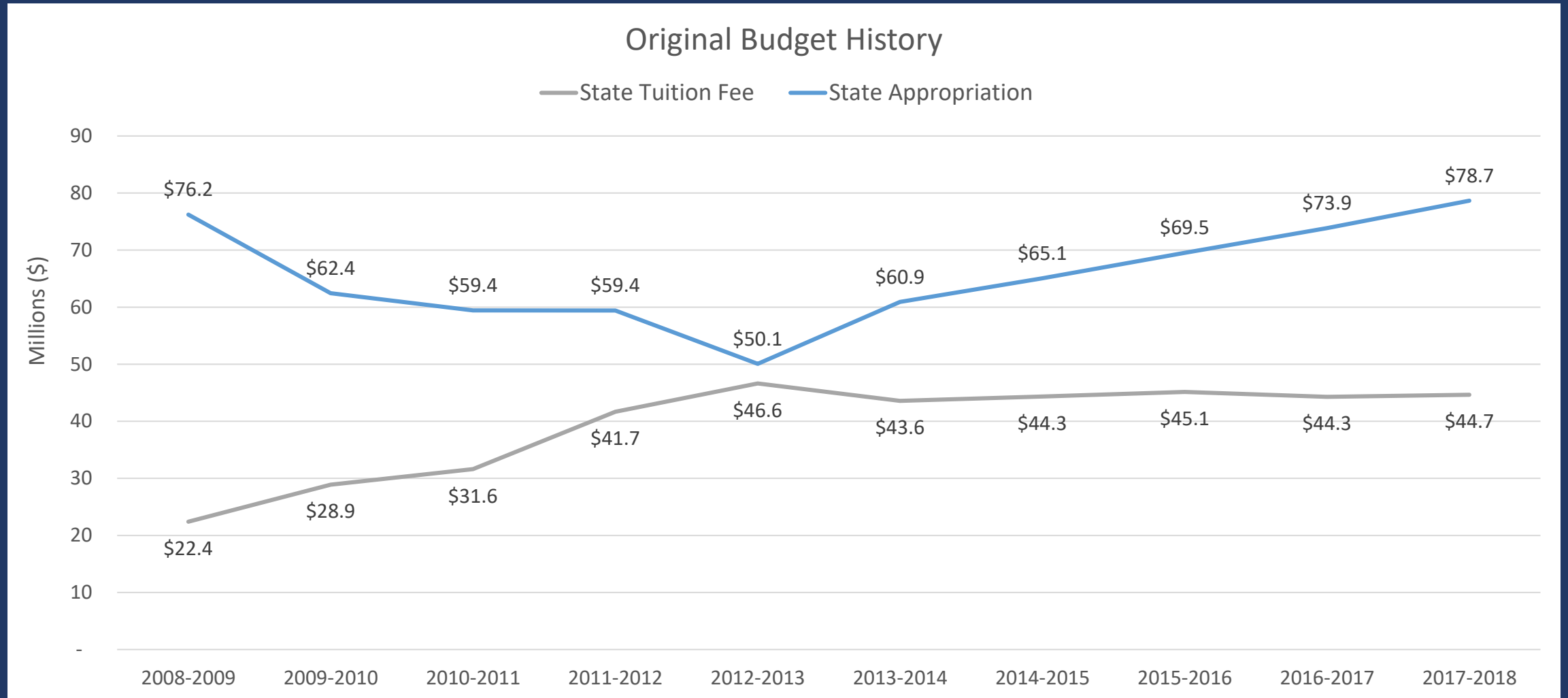
- **Recommending a balanced budget for 2018-19 that eliminates the University's structural deficit and which includes University-wide engagement in the process**
- Continuing implementation of strategic budgeting principles and defining strategic assets;
- Initiate the planning process with actual enrollment, not future-year targets;
- Continue to develop multi-year budget plans (at least for the two subsequent years);
- Develop recommended guidelines for “roll forward” of unspent balances at the conclusion of a fiscal year; and
- Review quarterly budget reports/projections for the current fiscal year

2017-18 Operating Fund Sources: \$132.6 million

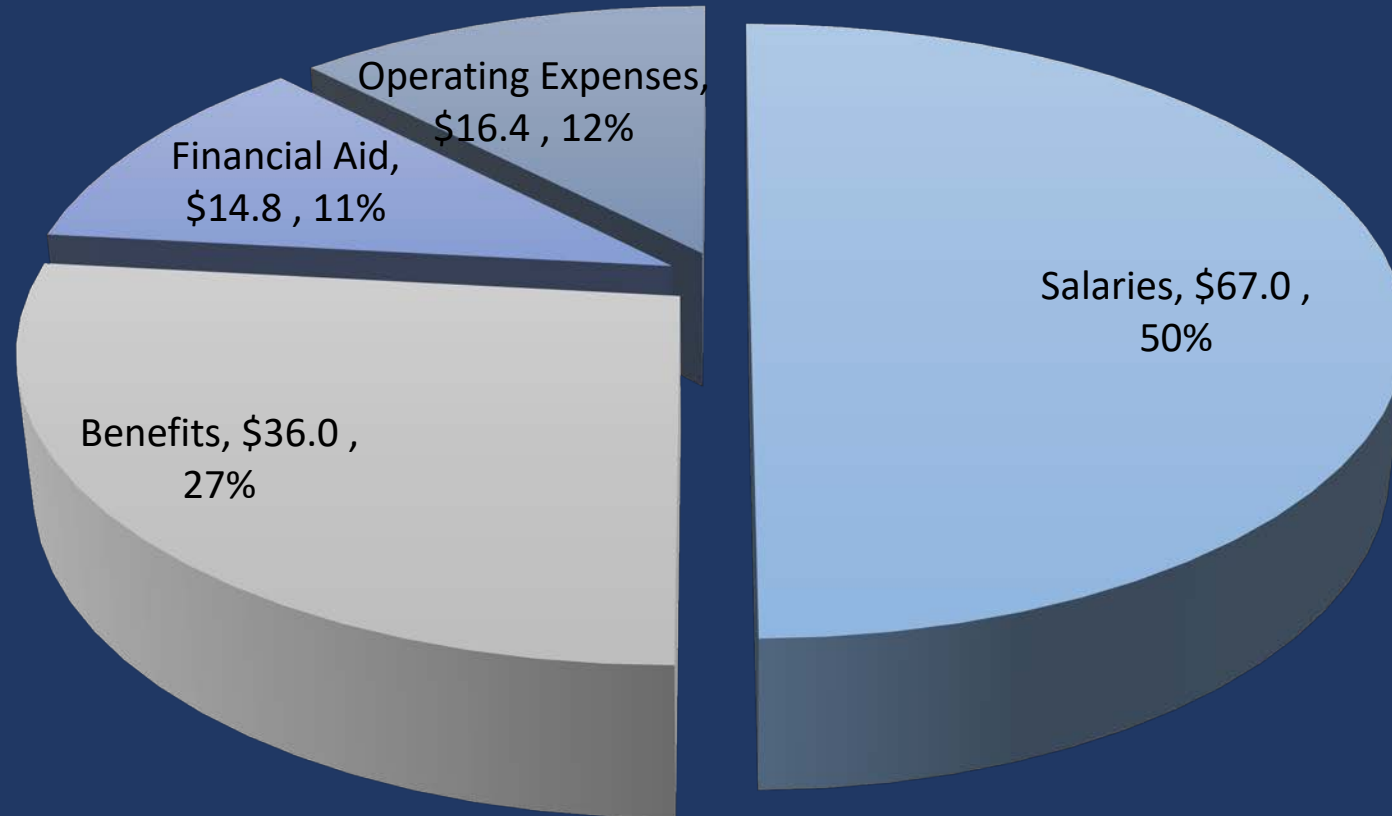


*MSF Fee: Materials, Services, and Facilities Fee

State Appropriation & State Tuition History



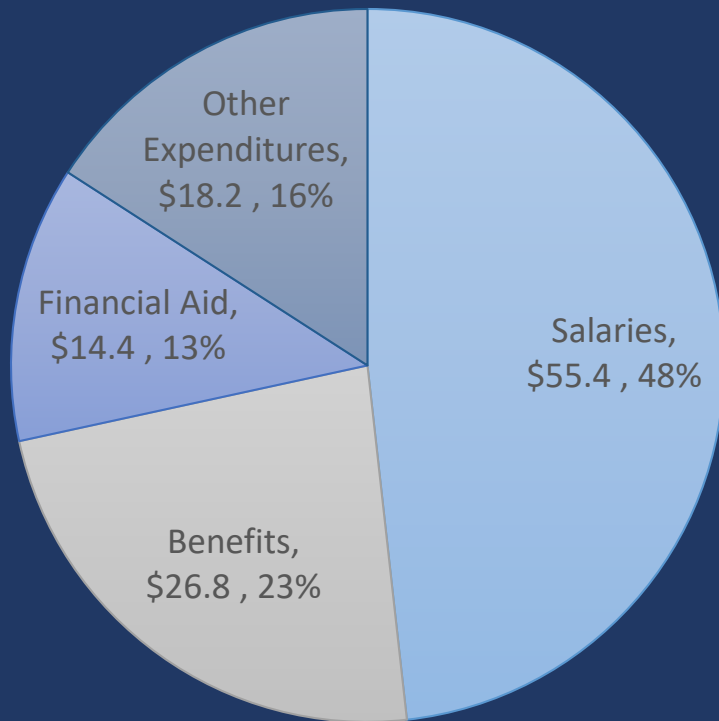
2016-17 Operating Fund Uses: \$134.2 million



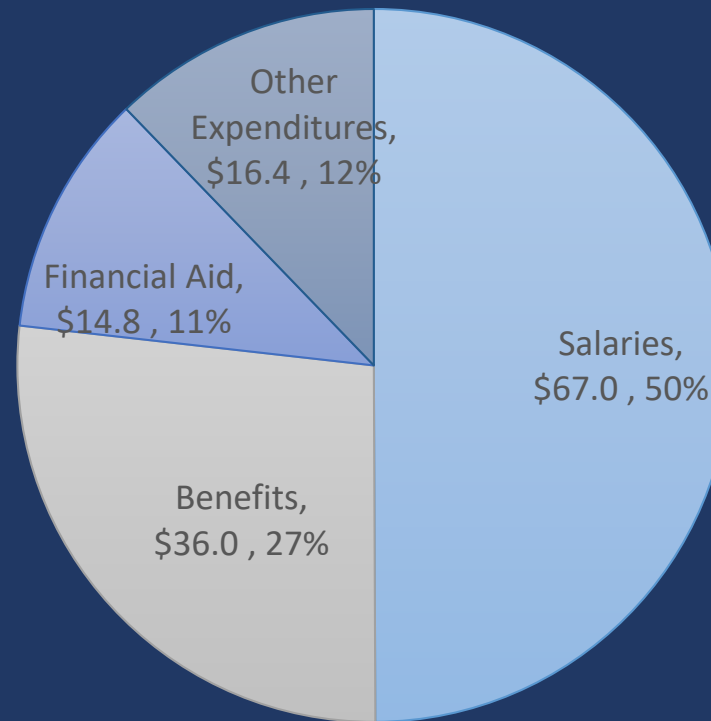
- 77% of the Budget is Salaries and Benefits costs
 - Excluding Financial Aid: 86%

Expenditure Budget Comparison by Category

2013-14: \$114.8 million



2017-18: \$134.2 million

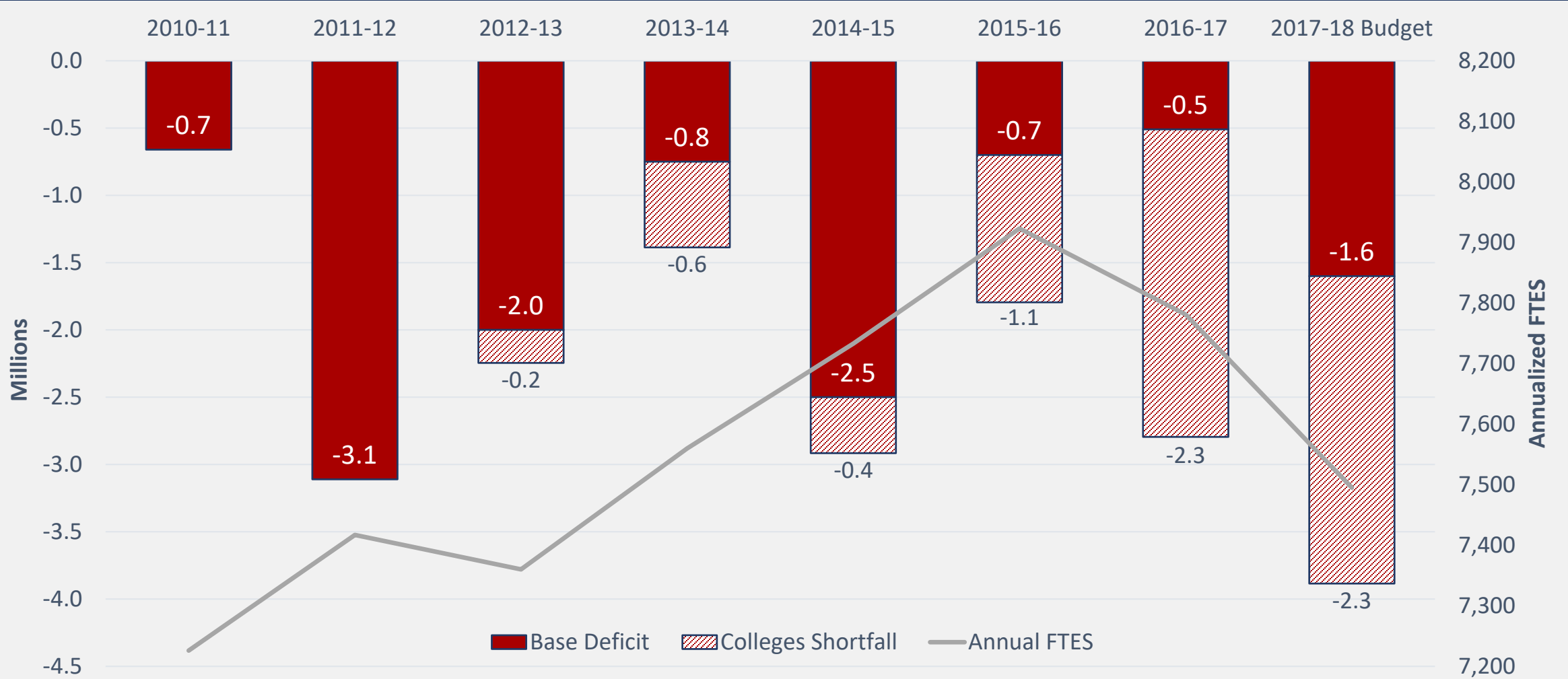


Five Year Change

- Salaries: 21%
 - GSIs 11%-16%
- Benefits: 34%
- Financial Aid: 3%
- Other: -10%

Note: Budget data excludes centrally held deficit

HSU Centrally Held Base Budget Deficit History* (in millions)

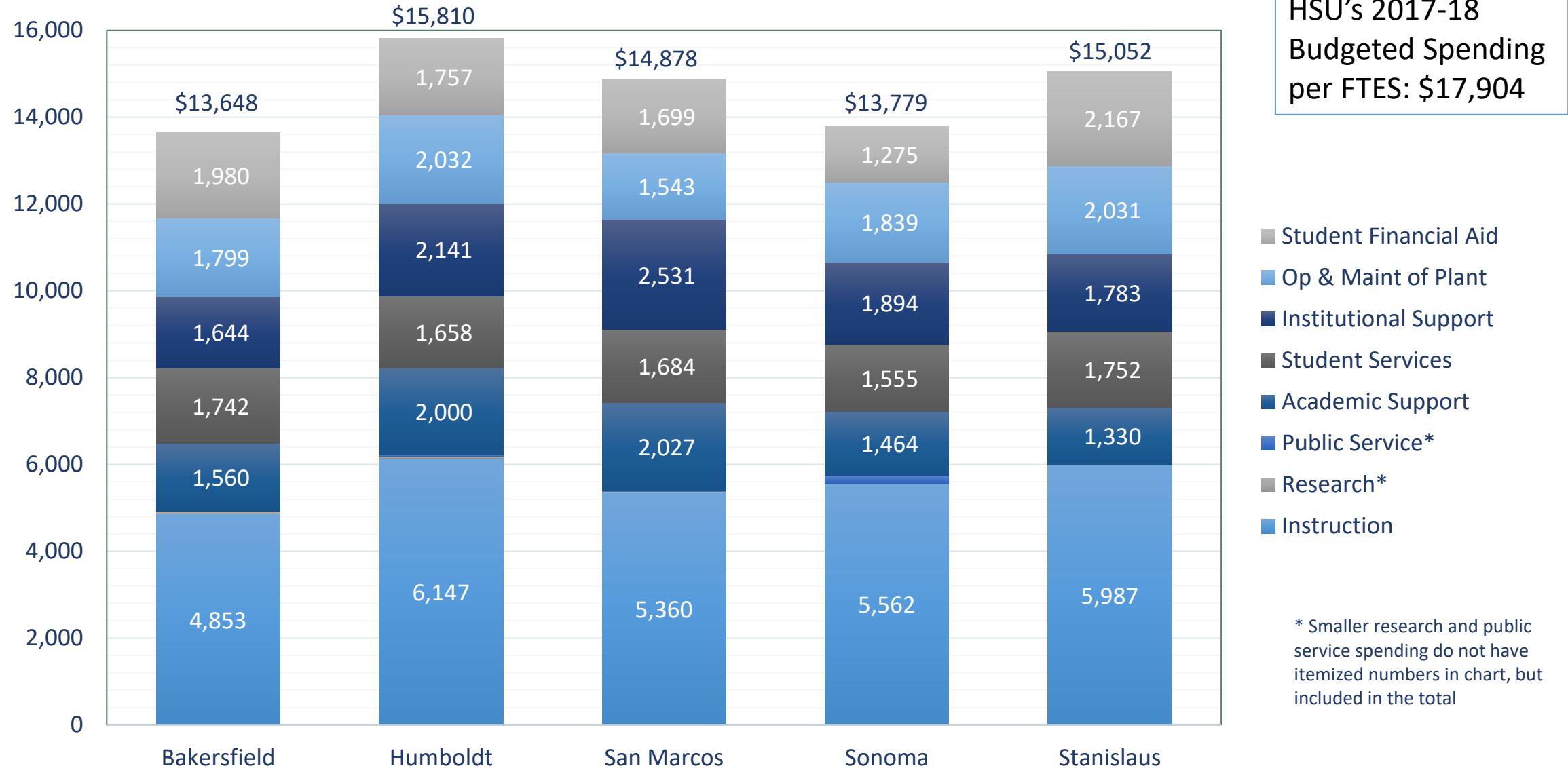


*NOTE: University level deficit reflected in red, year-end shortfalls in academic colleges (based on current org structure) reflected in red lines w/ 2016-17 repeated in 2017-18 as an estimate; does not include Athletics deficit, or unfunded mandates/activities

New Budget Information - Mixed

- Enrollment decline in Fall 2017 less than anticipated
- State overdue for another economic downturn, although still on growth trajectory
- State funding is tapering off in future years based on current signals from Governor Brown
 - 3% General Fund increase in 2018-19 instead of 4%-5% in recent years
- Preliminary CSU Support Budget Request reflects large gap between expected new revenue and cost increases
 - \$134-\$215 million short of incremental expenditure budget request

2015-16 Spending (Cost) per Full-Time Equivalent Student (FTES) - 7,000-10,500 FTES Campuses*



Achieved Phase 1 Budget Savings & Reductions: \$1.5 million

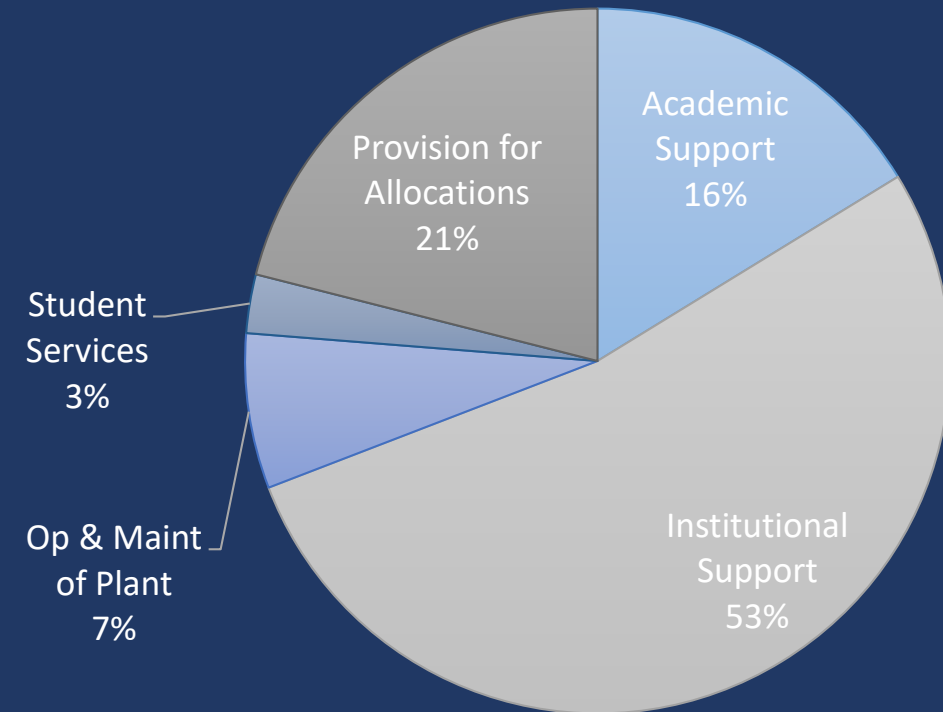
Note: Category breakdowns reflect estimates

Summary of Savings and Reductions

- \$281,000: New Sources of Funding (New Revenue or Funding Source Changes)
- \$969,000: Budget Savings
- \$626,000: Budget Reductions (Service Changes, Operational Redesigns, Activities Stopped)
- (\$350,000): less Internal Reallocations

*For detailed list of savings and reductions:
<https://www2.humboldt.edu/budget/budget-reductions-phase-1>

Breakdown by Functional Category
(FIRMS/NACUBO)
(excluding reallocations)





Phase 2 Areas for Consideration*

- Instruction/Academic Colleges - \$1m
- Student Services - \$250k
- Administrative Operations - \$400k
- Enrollment Management - \$0/reinvest
- Information Technology - \$400k
- Ancillary Operations (partial support), Self-support, & Auxiliary Organizations - \$750k

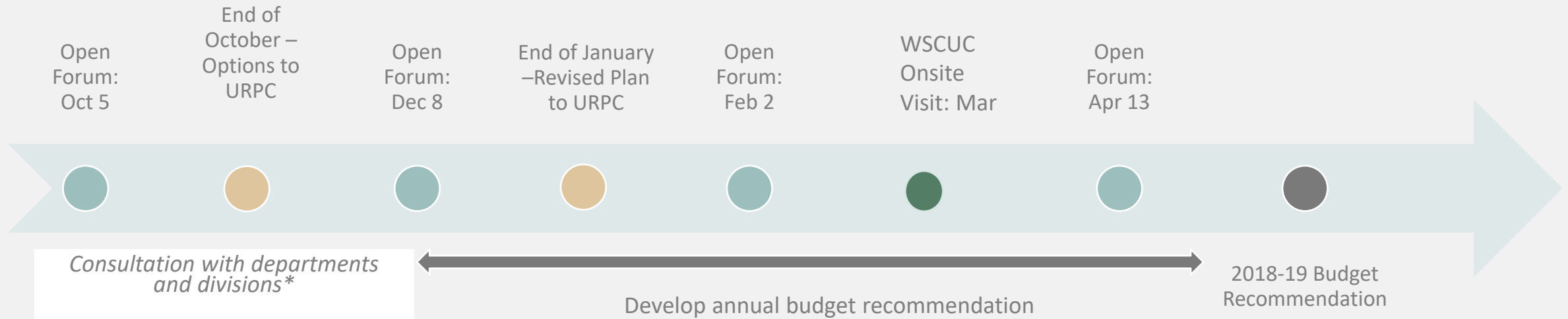
*Amounts reflect Cabinet's initial savings targets for each area as of April 2017, evolving as Phase 2 plans are developed and vetted

Phase 2 Update from VPs

- Alex Enyedi, Provost and VP for Academic Affairs
- Craig Wruck, VP for University Advancement
- Doug Dawes, Interim VP for Administrative Affairs
- W. Wayne Brumfield, Interim VP for Student Affairs

For additional information and to provide feedback: www.humboldt.edu/budget/budgetplanning

2018-19 Budget Planning Timeline



*Group visits:

October – provide update & brainstorm ideas and change opportunities

November – vet options

(in addition to specific work groups actively working on Phase 2 options)

Potential Groups:

- University Senate
- Divisional leadership teams
- Chairs meetings (all and college)
- Budget & Finance Group
- Associated Students (AS)
- Info Exchange (academic ASCs)
- SAAS (Student Affairs administrative support)
- Staff Council
- Student Engagement & Leadership Group
- Other?



WSCUC Onsite Visit



Open Forums



Budget Savings & Reduction (Phase 2) Planning - \$2.8M target



Budget Recommendation

Opportunities to Participate

- Open Forums (October 5, December 8, February 2, April 13)
- Submit feedback and/or ideas online :
<https://www2.humboldt.edu/budget/node/65> or to
budgetplanning@humboldt.edu
- Working groups on specific topics
- Participate in generating ideas in group meetings in October and vetting ideas with same groups in November
 - HSU Change Opportunities template
- Reach out to URPC representatives and divisional leaders

Questions

- Does the timeline offer you a meaningful opportunity to participate?
- What other ways can we offer?