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

Source: HSU University Senate Bylaws
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

- State Appropriation, $78.7, 59%
- Non-Resident Tuition Fee, $1.5, 1%
- MSF Fee*, 2%
- Other Fees and Revenue, $5.2, 4%
- State Tuition Fee, $44.7, 34%

*MSF Fee: Materials, Services, and Facilities Fee

Source: 2017-18 HSU Budget
State Appropriation & State Tuition History

Original Budget History

- State Tuition Fee
- State Appropriation

- $22.4
- $28.9
- $31.6
- $41.7
- $46.6
- $43.6
- $44.3
- $45.1
- $44.3
- $44.7
- $76.2
- $62.4
- $59.4
- $59.4
- $50.1
- $60.9
- $65.1
- $69.5
- $73.9
- $78.7

Years:
- 2008-2009
- 2009-2010
- 2010-2011
- 2011-2012
- 2012-2013
- 2013-2014
- 2014-2015
- 2015-2016
- 2016-2017
- 2017-2018

Millions ($)
2016-17 Operating Fund Uses: $134.2 million

- Salaries, $67.0, 50%
- Benefits, $36.0, 27%
- Financial Aid, $14.8, 11%
- Operating Expenses, $16.4, 12%

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

Source: 2017-18 HSU Budget
Expenditure Budget Comparison by Category

2013-14: $114.8 million
- Salaries, $55.4, 48%
- Benefits, $26.8, 23%
- Financial Aid, $14.4, 13%
- Other Expenditures, $18.2, 16%

2017-18: $134.2 million
- Salaries, $67.0, 50%
- Benefits, $36.0, 27%
- Financial Aid, $14.8, 11%
- Other Expenditures, $16.4, 12%

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)

<table>
<thead>
<tr>
<th>Year</th>
<th>Base Deficit</th>
<th>Colleges Shortfall</th>
<th>Annual FTES</th>
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</thead>
<tbody>
<tr>
<td>2010-11</td>
<td>-0.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011-12</td>
<td>-3.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012-13</td>
<td>-2.0</td>
<td>-0.2</td>
<td></td>
</tr>
<tr>
<td>2013-14</td>
<td>-0.8</td>
<td>-0.6</td>
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<tr>
<td>2014-15</td>
<td>-0.7</td>
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<tr>
<td>2015-16</td>
<td>-0.7</td>
<td>-1.1</td>
<td></td>
</tr>
<tr>
<td>2016-17</td>
<td>-0.5</td>
<td>-2.3</td>
<td></td>
</tr>
<tr>
<td>2017-18</td>
<td>-1.6</td>
<td>-2.3</td>
<td></td>
</tr>
</tbody>
</table>

*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

Sources: HSU Budget Website, HSU IE Website, 2017-18 Budget Planning
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*

<table>
<thead>
<tr>
<th>Campus</th>
<th>Student Financial Aid</th>
<th>Op &amp; Maint of Plant</th>
<th>Institutional Support</th>
<th>Student Services</th>
<th>Academic Support</th>
<th>Public Service*</th>
<th>Research*</th>
<th>Instruction</th>
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<tbody>
<tr>
<td>Bakersfield</td>
<td>4,853</td>
<td>2,032</td>
<td>1,980</td>
<td>1,799</td>
<td>2,141</td>
<td>1,742</td>
<td>1,560</td>
<td>1,757</td>
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<tr>
<td>Humboldt</td>
<td>6,147</td>
<td>2,000</td>
<td>1,658</td>
<td>1,644</td>
<td>2,027</td>
<td>1,684</td>
<td>1,699</td>
<td>1,699</td>
</tr>
<tr>
<td>San Marcos</td>
<td>5,360</td>
<td>2,027</td>
<td>2,531</td>
<td>1,684</td>
<td>1,555</td>
<td>1,894</td>
<td>1,275</td>
<td>1,894</td>
</tr>
<tr>
<td>Sonoma</td>
<td>5,562</td>
<td>1,464</td>
<td>1,894</td>
<td>1,555</td>
<td>1,839</td>
<td>1,783</td>
<td>2,167</td>
<td>1,752</td>
</tr>
<tr>
<td>Stanislaus</td>
<td>5,987</td>
<td>1,330</td>
<td>1,783</td>
<td>1,752</td>
<td>2,031</td>
<td>1,783</td>
<td>1,275</td>
<td>1,757</td>
</tr>
</tbody>
</table>

* Smaller research and public service spending do not have itemized numbers in chart, but included in the total

**Source:** CSU Budget Website

HSU’s 2017-18 Budgeted Spending per FTES: $17,904
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
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

**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?

*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)

Consultation with departments and divisions*

Develop annual budget recommendation

2018-19 Budget Recommendation

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?