

Humboldt State University  
University Budget Committee (UBC) Notes  
Friday, January 14, 2005

**Present:** Carl Coffey, Greg Crawford, Randi Darnall-Burke, Susie Dodson, Karen Earls, Ken Fulgham (Co-Chair), Nancy Kelly, Judith Little, Saeed Mortazavi, Wayne Perryman, Lori Rudebock, Laurie Sheppard, Carol Terry, Rick Vrem (Co-Chair)

**Absent:** Steve Butler, Diana Campos, TK Koesterer, Christopher Thompson, Samantha Williams-Gray, Labor Council Rep.

**Guests:** Cassandra Text, Freda Elliott, Merry Schellinger (recorder).

**Agenda:**

1. Governor's January Budget – a brief report
2. University Annual Budget Process
3. UBC staff support/expectations for minutes, notes, agendas, and supporting documentation

Carol Terry announced that the University Budget Office has two new staff members; David Rowe and Linda Mortenson. David has moved from Chico where he worked in the Business Administration office and has experience with both CMS Finance and HR. Linda will begin in a few weeks, and brings experience with management reports and programming.

**Governor's January Budget – A Brief Report**

A 4 p. handout was distributed (a brief version of the online document sent earlier). Budget information specific to HSU has not been received yet, and is expected sometime late February. The budget includes a 3% increase in state funds, per the compact agreement and the 2.5% enrollment increase. HSU's enrollment target is 7,389.

There is a \$7 million dollar unallocated reduction, and it is not yet known how that will impact HSU. Generally, the HSU percentage is about 2.8 % of what happens at the CSU level.

It was noted that this is the first iteration of the budget and does not necessarily reflect what the final budget will look like.

The challenge continues to be enrollment. HSU Fall enrollment was 7,030 and Spring is expected to be ca. 6,700 (down from previous years). Summer planning is for 250 annualized FTES.

The CSU is not likely to meet the enrollment target (other campus enrollments are down as well), and there is the potential that \$5 million will have to go back. HSU should be prepared for this scenario.

## **University Annual Budget Process**

### **a) Communication of budget recommendations and the response to those recommendations**

The Committee reviewed a memo from Wayne Perryman expressing concerns about the communication of budget recommendations from the President. It was noted that Rick, Ken, and Carol received a memo expressing similar concerns from another member of the Library faculty. Since there was no explanation of why the Library budget item that was forwarded from UBC did not appear at all on the President's list of budget recommendations, it was originally assumed that an error was made. However, it was later confirmed that the omission was intentional, with the President giving the following reasons:

The Library's request was not funded as it was felt that it would not be catastrophic to the University to not fund this one-time request for one year. In addition, there is the potential that the library of the future will be less dependent upon print media.

#### **Discussion:**

UBC should ask the President to respond to all recommendations it forwards with a rationale. It was suggested that unless UBC submitted rationales with their recommendations to the President, it would not be appropriate to ask the President to do so.

Since additional revenue has been received for AY2004/2005, will the University continue down the list of funding initiatives? There was a consensus at the last UBC meeting that periodic reports showing the updated status of one-time funding initiatives would be received.

It was noted that the UBC did not prioritize its budget recommendations based on the goals and priorities that the President presented to the Committee at the beginning of the semester, so it is not too much of a surprise that the President's final recommendations differed from the UBC's. It was also noted that it is not necessarily UBC's role to rubber stamp the President's priorities.

Creating rationales is easier than prioritizing. Augmentation requests for AY2005/2006 will have narrative statements for the UBC to review which will be helpful. Creating rationales for a priority ordering is very difficult. Determining priorities by voting is also difficult, especially when there is sometimes only a one-point difference between items. An alternative was suggested: rather than have one vote per item, UBC members be

given points based on the number of items on the list, and be allowed to distribute their points any way they would like. All points could go toward one item, or some items be given more points than others. Another suggestion was to create categories and put several items in each category, providing a broader prioritization.

It is not necessary to ask the President for justification of his decisions, but in the future, the Committee would like to have a response that recognizes all recommendations that were made. Leaving off an item(s) is too ambiguous; creating uncertainty as to whether it is an error, or should be re-submitted for next year, or should not be re-submitted at all.

In the spirit of shared governance, the President should be encouraged to state his reasons for not following the UBC's recommendations.

It was agreed that for this particular case (the Library's request) it will be sufficient to share the notes of the meeting containing the President's reasons (shared by Provost Vrem) for not including the Library's funding request in his final list. If the Library seeks written documentation from the President, it would be appropriate for the Library to ask for it either through the Provost or directly from the President.

There was a general consensus that including a cover memo with the UBC's budget recommendations to the President, explaining the general thinking behind the priorities and any deviations from the President's earlier stated priorities would be helpful.

### **b) Methodology for determining the University's annual funding base (for annual budget planning process purposes)**

There needs to be a way to identify level of expenses as well as revenue sources for future years, in order to be able to advise the campus for planning purposes.

How is it possible to plan without an initial list? The list from Carol for FY05-06 shows a \$3 million shortfall.

One possibility is to increase the size of the contingency fund. A larger contingency fund (\$3-5 million) would help.

### **UBC Staff Support Expectations for Minutes, Notes, etc.**

Agendas, meeting notes, and handouts are currently posted on the web at:  
<http://www.humboldt.edu/%7Ebudget/Pages/Committees.htm>

In the future, when agendas are sent to UBC members via email, a link to the meeting notes from the previous meeting will be included.

It was requested that handouts be distributed to members absent from a meeting.

## **NEXT MEETING:**

The next meeting is scheduled for February 4, but Rick and Ken will not be available, so the meeting was cancelled and re-scheduled to **February 11, 2005, 2-4, CCR.**

The agenda for the next meeting was discussed:

The first priority for the next meeting will be to determine the process and presentation format for March.

Committee members were also asked to begin reviewing the current budget policy.

The Committee needs to begin discussing the process of evaluating augmentation requests. It was suggested the discussion could begin via email.

Criteria need to be established annually. While the criteria may change from year to year, it was suggested that it would be helpful to have it established early enough in the process that it could be shared with divisions before they begin working on their processes.

Need to get goals and direction from the President before developing criteria and have the criteria connected to the Strategic Plan.