

Humboldt State University  
University Budget Committee  
Friday, March 9, 2007  
Meeting Notes

Co-Chairs: Rick Vrem, Saeed Mortazavi

Voting Members: Colleen Mullery, Michael Thomas, Lumei Hui, Laura Weare, Carl Coffey, Mark Larson, Wayne Perryman, Judith Little, Robin Bailie, Glenn Sonntag

Proxy: Mark Larson for LouAnn Wieand, Randi Darnall-Burke for Steve Butler

Staff: Carol Terry, Linda Mortenson

Observers: Nick DeRuyter, Ken Ayoob, Paul Mann, Jeff Harkness, Arcata Eye; Courtney Hunt-Munther, Eureka Reporter; John Osborn, LumberJack

The UBC resumed their deliberations regarding the reduction percentages for Academic Affairs.

Discussion ensued regarding Rick's 5.41% reduction proposal for Academic Affairs without the proposed fee increase. The general concern revolved around the potential loss of FTES and related revenue resulting from faculty and/or program elimination. Rick stated that Academic Affairs could take the cut, but not without serious consequences. He went on to say that time to implement the cuts would be necessary.

Two other suggestions were made in an effort to mitigate the reduction impact. The first was to limit the Academic Affairs reduction to 3% which did not gain acceptance because of the resulting burden on the other divisions. However, Saeed believed that Athletics should be eliminated before the elimination of any academic programs and a 3% cut to Academics should be the worst-case scenario.

The second proposal was to defer a portion of the \$3 million reduction over 2 or 3 years. Carl pointed out that we have already applied existing fund reserves to bail out the existing deficit and there is no guarantee there will be any year-end funds to cover lingering deficit amounts in the future. The other concern with this proposal would be our inability to proceed with new initiatives while the deficit remains. Judith stated that any program elimination would require a phase-out period of time and so, in effect, would play out as a deferred reduction.

Lumei, Carl, Laura and Glenn emphasized the importance of creating and applying a financial model that supports our strategic goals in order to manage within our allocated base budget.

After 3 attempts to pass the Academic Affairs 5.41% reduction proposal with no fee increase and much debate around other possible scenarios, the committee passed the motion with 3 opposed.

The issue of the fee increase was not officially on the table during these deliberations, however, it came up frequently as the only means of sparing Academic Affairs significant loss. Glenn stated that he does not support the fee increase primarily because of the lack of due process in its consideration. Lumei stated she would support the increase for practical reasons, but does not support it as a good solution to our real issues.

The UBC turned its attention to the reduction proposal for the University-Wide budget. The proposal without any fee increase requests \$47k (5.83%) from the President's reserve, \$144k from the Annex lease, \$120k from salary savings, and \$225k from our campus utility budget.

The projected reduction without additional fees would total \$536k. The proposal with support from fee increases would be the same with the exception of the President's reserve and the campus utilities which would be \$22k (2.75%) and \$200k, respectively. This University-Wide reduction total equals \$486k with support from the fee increase.

Mark moved that both the U-W reduction proposals be approved and the motion passed.

Mark then moved that the UBC approve the entire reduction package as presented in conjunction with the fee increase and the motion passed with 1 opposed and 2 abstentions.

Mark again moved that the UBC approve the reduction proposal without any fee increase and the motion passed with 2 abstentions.

The percentages indicated below are based on the projected reduction base for each division. The Student Affairs reduction base was modified to include \$2,200,000 of the Enrollment Management projected base. The Univ-Wide reduction base was modified from the \$800k reserve to \$1,289k by inclusion of targeted reductions. The total reduction base increased from \$79,079,475 to \$79,318,475 with the fee increase as Athletics came off the table in exchange for the increased revenue or \$81,768,475 without the student fee increase.

#### **Approved Reduction Proposal (based on 07-08 projected base)**

	With +\$2,450k Fees	W/O Increase	Difference
President	-\$38k (2.75%)	-\$81k (5.83%)	-\$43k
Univ Adv	-\$75k (4.05%)	-\$130k (6.98%)	-\$55k
Student Aff	-\$211k (2.65%)*	-\$584k (5.62%)	-\$373k
*assumes Athletics base to be replaced by new fees			
Admin Aff	-\$351k (2.75%)	-\$744k (5.83%)	-\$393k
Academic Aff	-\$1,379k (2.55%)	-\$2,923k (5.41%)	-\$1,544k
University Wide	-\$486k (37.7%)	-\$536k (41.58%)	-\$50k
Total	-\$2,540k	-\$4,998	-\$2,458k
Net Mitigation	-6.3%	-6.1%	

In addition to approving the proposed reduction allocations, the UBC also wanted to include specific recommendations for the President to consider.

Judith suggested that the Natural History Museum be included with our recommendation for KHSU and 1<sup>st</sup> Street Gallery to pursue self-supporting business models over the next 3 years. Carl moved to recommend the phase-out of general fund support for KHSU, 1<sup>st</sup> St Gallery and the Natural History museum over the next three years. Michael seconded and the motion passed with 4 opposed.

Michael indicated that the MBA candidates are working on a marketing plan for the Natural History Museum and suggested that the goal of self-sufficiency could be incorporated, allowing them to plan for this eventuality.

The next motion recommended that the new Assoc Vice President for Marketing and Communications position be eliminated. The recommendation passed with 5 opposed and 1 abstention.

The committee voted to encourage University Advancement to pursue sources of funding other than General Fund where possible.

The UBC also approved the recommendation that all divisions should exhibit fiscal responsibility and manage within their allocated base budgets.

Further discussion ensued on the proposed program alignment recommendation. Judith and Carl both agreed our program enrollment should be “balanced” in relation to our funding. However, clear wording and consensus were not achieved in the limited time remaining. Judith requested that if we send the reduction proposal to the President by the March 20th deadline, we include the comment that further recommendations and suggestions would be forthcoming.

Robin asked that we articulate that the student fee increase had not yet been recommended or approved by the UBC and Rick agreed to include some statement to that effect in the UBC’s letter of budget recommendations to the President.

Rick went on to state that the draft of the UBC’s recommendations would be sent out to the committee next week for review and final approval. If any substantive concerns came to the fore, the submission of recommendations would be delayed until the 23<sup>rd</sup> of March.

The next meeting is called for Friday, March 23 from 2 – 4pm in the Corbett Conference Room.

Respectfully submitted,  
Linda Mortenson