

Humboldt State University  
University Budget Committee  
Friday, December 8, 2006  
Meeting Notes

Co-Chair: Rick Vrem

Voting Members: Glenn Sonntag, Lumei Hui, Colleen Mullery, Mark Larson, Judith Little, Wayne Perryman, Steve Butler, Michael Thomas, Lou Ann Wieand, Robin Bailie

Proxy: Sue Karl for Laura Weare

Absent: Saeed Mortazavi, Carl Coffey

Staff: Carol Terry, Karen Earls, Linda Mortenson

Observers: Sharon Tuttle, Ken Fulgham

Two hand-outs were distributed to the committee for review, the first presenting a comparison between HSU and 4 CSU campuses of similar size. The comparison revealed that HSU expenditures in FY2004-05 exceeded those of its counterparts by \$15 million. Our cost per FTES was \$1,324 higher than the average of the other 4 campuses. Conversely, the document indicated the budget spent on campus maintenance was \$3.05 less per square foot than the other campuses despite the fact that we are a larger and older campus.

The second hand-out, Budget History, became the focal point for the remainder of the meeting. Beginning with FY 2005-06, it summarized the emergence of our budget shortfall and the projected increase in that deficit for FY2007-08. Assuming the entire budget has been allocated to continuing activities, any new initiatives are additive to our existing budget requirement and hence, our deficit. In FY2006-07, this deficit reached \$1.845 million and is estimated to grow to at least \$4.6 million in FY2007-08 depending on which initiatives will be approved.

Robin asked what savings would have been garnered if we had enacted the decision to increase our class sizes. Rick estimated the savings would have been roughly \$180K.

Lumei questioned the minimum 8% reduction recommended by Esteban when the projected deficit is only 5% of our budget. Carol explained that several budget areas are exempt from reduction which forces the reduction % up against the remaining budget.

Glenn asked if the deficit included the \$1.5 million shortfall in Academic Affairs. Rick clarified that this was in addition to the projected shortfall. Glenn requested that the \$1.5 million be added to the deficit to ensure Academic Affairs will maintain their status quo. This would require the University to reduce its expenditures by \$6 million.

Michael Thomas requested a detailed expenditure projection for FY2007-08.

Rick inquired about the actual revenue received this year in relation to our targets. Carol reported that we have received \$17.7 million so far in university fees, requiring an additional \$300K from Spring registration to meet our resident target. Non-resident tuition seems to be below the mark by approximately \$900K, however, this must be clarified with John Filce.

Rick concluded the discussion by emphasizing that each committee member needs to be very clear in their understanding of the deficit. He stated that an important part of the UBC process will be to determine the appropriate reduction target for next year's budget.

Rick passed out a memo of budget reduction guidelines drafted by the President. He asked that the committee review the guidelines and be prepared to provide feedback at the next meeting.

Finally, Karen handed out detailed comparisons of HSU and other related campuses for FY1998-99 and FY2005-06 showing the percentage change between the two years for each campus. Rick noted that employee benefit costs have taken an increasingly greater proportion of the budget.

Carol reminded the committee that part-time employees create higher benefit costs because a half-time employee is still eligible for medical coverage. Therefore, two half-time employees cost more than one full-time employee.

The next UBC meeting will focus on the recommendation process and finalizing a set of reduction guidelines to follow.

The meeting scheduled for December 15<sup>th</sup> has been cancelled. The next UBC meeting is called for Friday, January 12th from 2 – 4pm in the Corbett Conference Room.

Respectfully submitted,  
Linda Mortenson