

2013-14 Budget

Propose to maintain a steady state budget for 2013-14 as the URPC works to establish a resource allocation process to better align budgetary decisions with campus priorities.

Campus Priorities

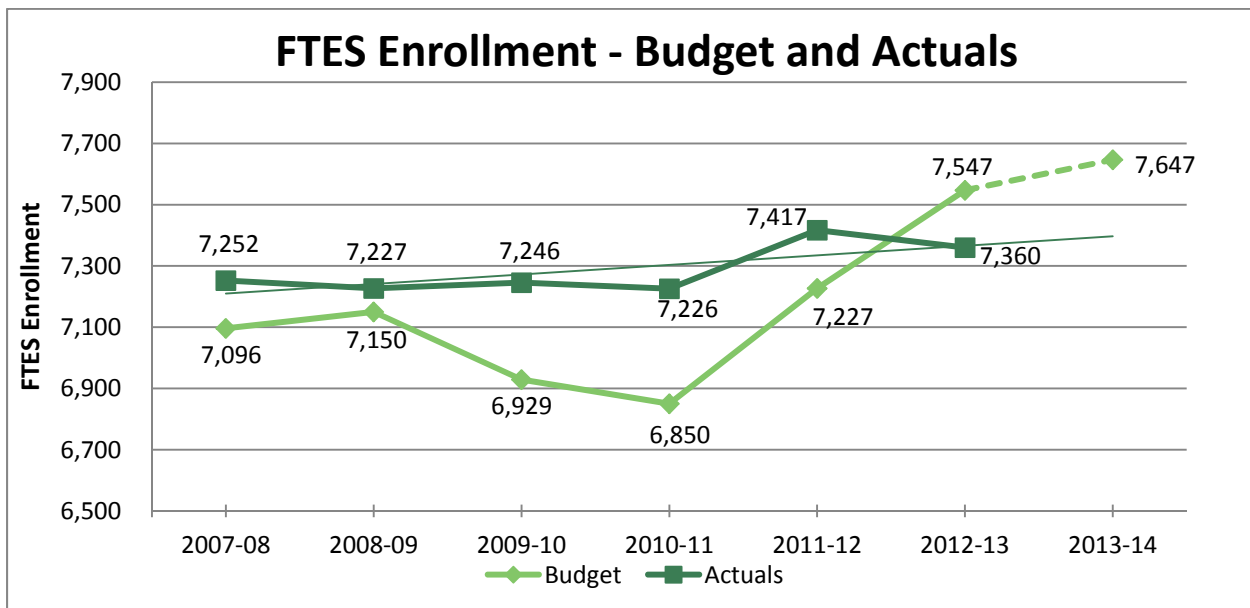
Inclusive student success has many components, with an ambitious goal of improving graduation rates by 15 percent for underrepresented students and 12 percent for the rest of the student population.

Generating additional revenue includes grants and contracts, internationalizing the campus, philanthropy, self-support and distance education, and enterprise opportunities. Many initiatives are already underway, and we expect increasingly strong results going forward.

Advancing HSU's Vision will include ongoing work that is underway in areas such as diversity and sustainability. In addition, the University Senate will develop recommendations for streamlining and focusing the Vision, with the goal of clear operational plans.

Enrollment Assumptions

HSU's annualized FTES target for 2013-14 is 7,647 FTES. Efforts are underway to grow enrollment and this target reflects an increase of 100 FTES over our 2012-13 budget target and an increase of 287 FTES over 2012-13 actual FTES.



The trend line would predict next year's Actual FTES enrollment to be about 7,400. However, HSU is aggressively working to grow enrollment through recruitment and retention initiatives.

Revenue Assumptions

State Appropriation: With the passage of Proposition 30 last November, HSU’s portion of the \$250 million trigger reduction was restored. In addition, the Governor’s Budget Proposal includes the \$125 million state appropriation augment that was contingent on Proposition 30 passing and the CSU rolling back the 9% tuition increase. The Governor’s Budget Proposal also continues to fund retirement increases, but will now require HSU to self- fund any retirement benefit increases beyond our 2012-13 expenditure level.

The Governor’s budget also included an additional \$125.1 million allocation to the CSU in the 2013-14 budget. HSU will receive an estimated \$1 million for enrollment growth funding resulting from our state funded resident FTES target increasing by 151 FTES. For 2013-14, this funding will be allocated on a one-time basis, but at some point the committee will need to discuss the model to use for allocating enrollment growth funding on a permanent basis. In addition, we estimate that the Chancellor’s Office will cover approximately one-third of the faculty equity increase, estimated at \$67,000.

Note – It is unknown at this time if HSU will end up receiving more of the \$125.1 million allocation.

State Tuition Fee: Proposition 30 rolled back the 9% State Tuition Fee increase from 2012-13. This decrease in revenue was partially offset by additional revenue generated from our increased FTES target, but the net impact was still a loss of over \$3 million in State Tuition Fee revenue.

The net increase from all revenue adjustments is \$7.6 million, raising our 2013-14 Base Budget to \$114 million.

Expenditure Assumptions

To help maintain a steady state budget for 2013-14, only mandatory benefit increases, one-third of the estimated faculty equity increase to be covered by the Chancellor’s Office, and ongoing costs for the Early Alert Project will be funded in base. All other campus initiatives will be funded on a one-time basis, including the continuation of \$500,000 earmarked as the University President’s Reserve.

2013-14 One-Time Initiatives

Residential Academic Mentoring Program (RAMP)	300,000
eLearning	300,000
Student Recruitment	115,000
Enrollment Growth Costs (additional lecturer costs)	500,000
Summer Building Maintenance and Improvement Projects	406,000
Total 2013-14 One-Time Initiatives	1,621,000

Fund Balance Assumptions

The estimated 2013-14 beginning fund balance is \$10.3 million. The anticipated balance has increased to reflect estimated revenue over current year budget and anticipated savings from CSU and University initiatives.

Multi-Year Projection Assumptions

The multi-year projection utilizes the following assumptions to help facilitate strategic long-term planning.

Enrollment: Resident FTES increase by 100 FTES each year, WUE FTES remain the same, Non-resident FTES increase by approximately 20 each year.

State Appropriation: Reflects the Governor's proposed multi-year stable funding plan of a 5% increase in 2014-15 and 4% increases in 2015-16 and 2016-17.

State Tuition Fee, Non-Resident Tuition Fee, MSF Fee: Revenue increases reflect enrollment growth and assume no changes to current fee rates.

State University Grant (SUG): Assumes a one-third set aside of additional revenue from enrollment growth.

Benefits: Overall increase of approximately 5% each year. Assumes retirement portion continues to be funded by the State of California.

Compensation: Reflects selected compensation adjustments of approximately 2% each year.

Utilities: Anticipates rising costs of about \$100,000 each year.