

A large, jagged iceberg floats in the center of a deep blue ocean. The water is clear and blue, with smaller ice chunks scattered around. In the background, a white research vessel is visible on the horizon under a clear sky.

# Campus Budget Open Forum

April 4, 2017

# Agenda

- Forum Learning Objectives
- Role of the URPC
- Budget Context
- Vision

# Audience Learning Objectives

To gain an understanding of:

- The University's financial situation
- How the deficit arose and the contributing factors
- The role that strategic enrollment management plays
- Current deficit planning activities - Phase 1 and Phase 2
- How to participate in the process

# Role of the University Resources & Planning Committee (URPC)

- Consultative body of the Senate on budget issues
- Review, recommend, and advise

# President's Charge to University Resources & Planning Committee (URPC)

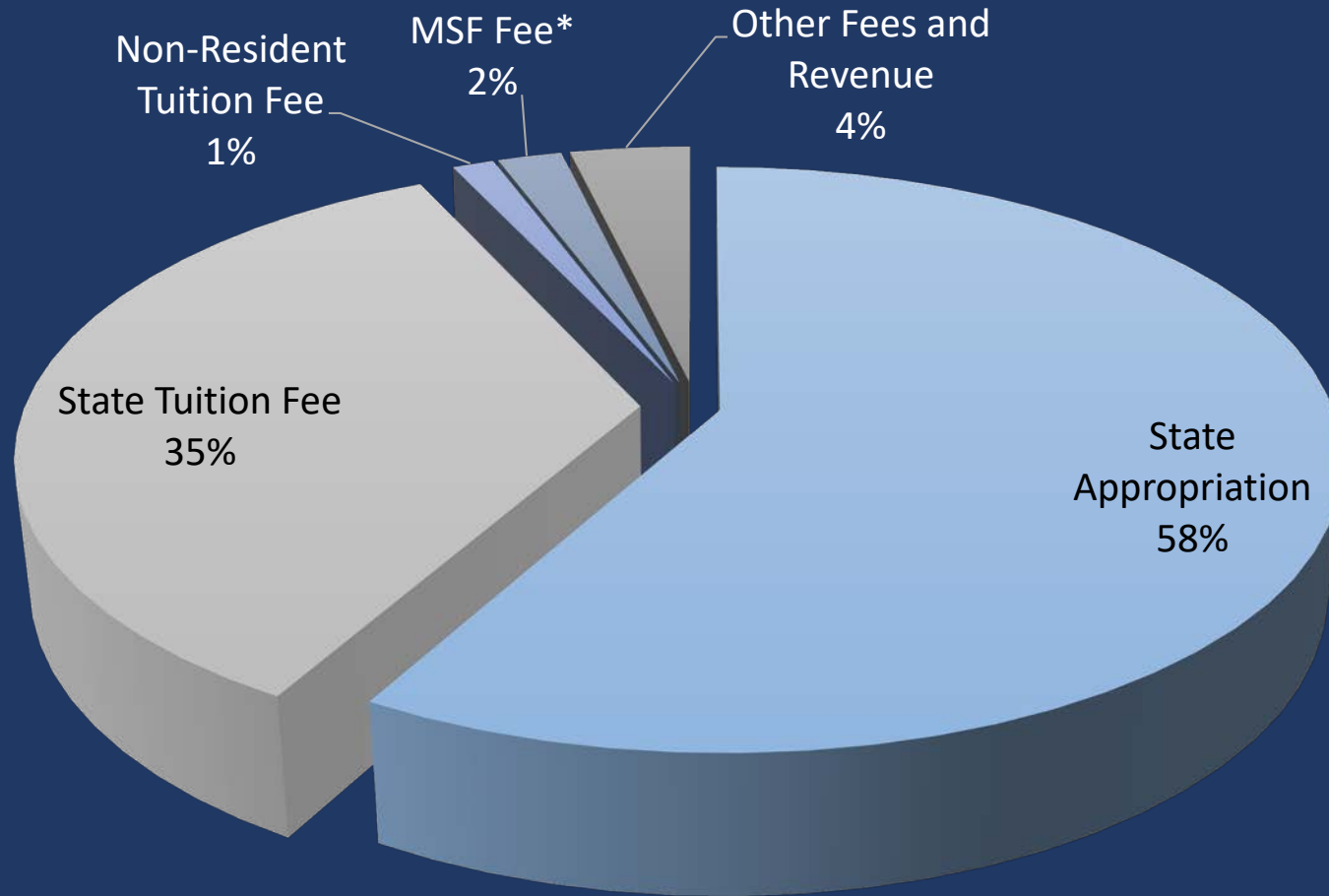
- Continue to implement strategic budgeting
- Recommend a balanced budget for 2017-18
- Begin the planning process with actual enrollment
- Develop multi-year budget plans (at least for two subsequent years)
- Ask all divisions to develop two budget scenarios: +5%/- 5%
- Recommend a reserve policy

# CONTEXT:

Where are we and  
how did we get  
here?

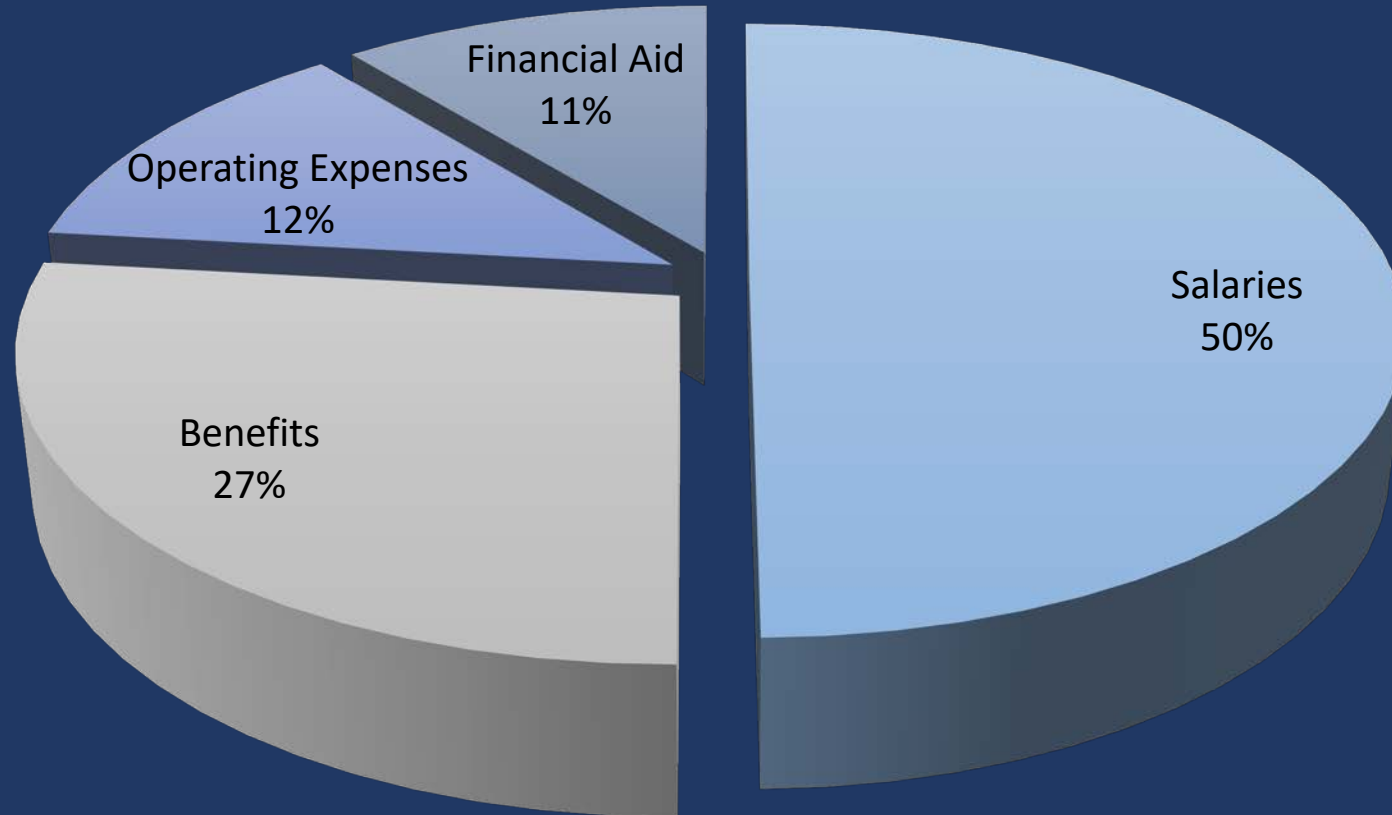


# 2016-17 Operating Fund Sources: \$127.7 million



\*MSF Fee: Materials, Services, and Facilities Fee

# 2016-17 Operating Fund Uses: \$128.2 million



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



# 2017-18 HSU Operating Fund Budget *(prior to Phase 1 implementation)*

Preliminary deficit of about \$4 million

- Over \$6 million including existing deficits in the colleges and Athletics

Preliminary 2017-18 enrollment decrease of ~3.5%

- Some initial indicators looking more promising

Still a lot of unknowns

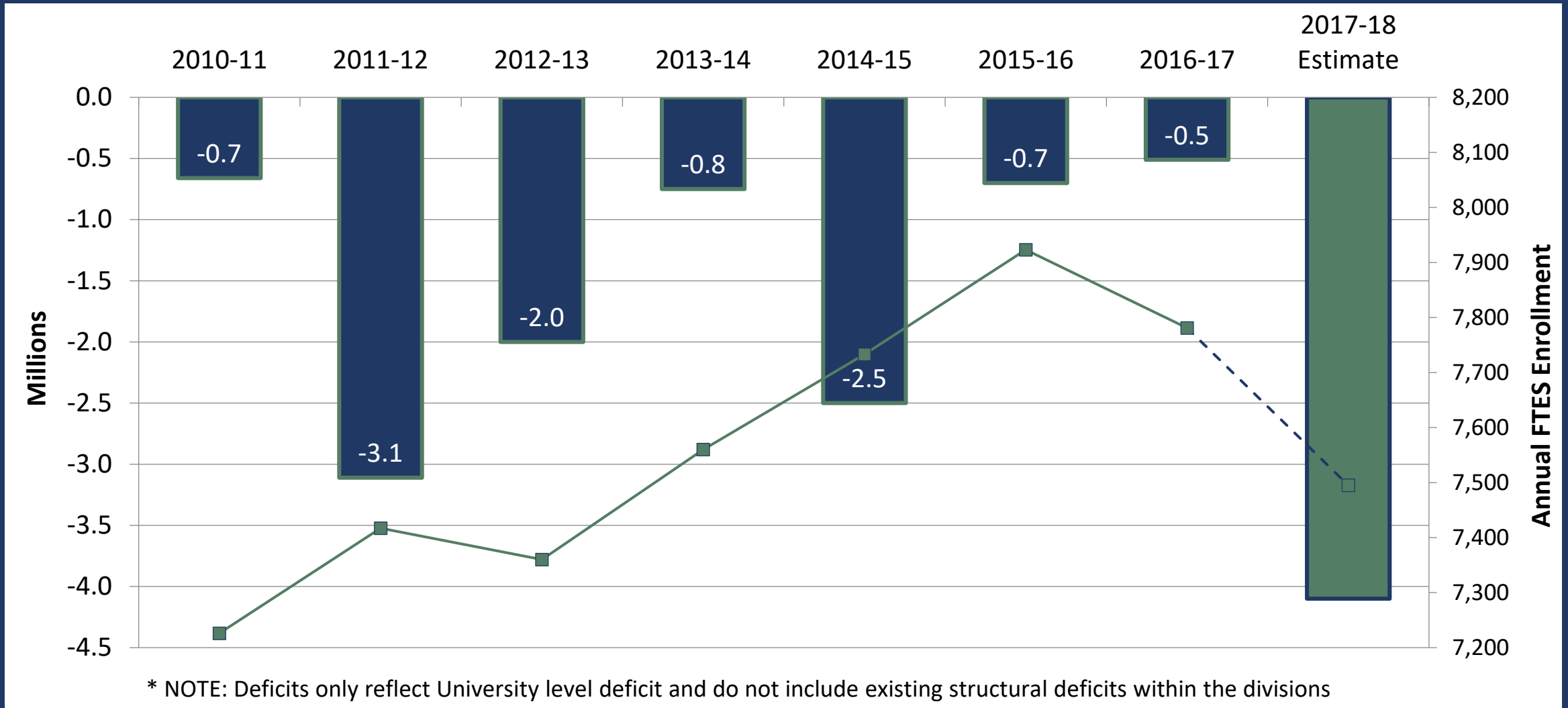
- State funding
- Tuition increase
- Enrollment
- New compensation commitments – still in negotiations
- Capital investment needs

# 5% Reduction Planning Target

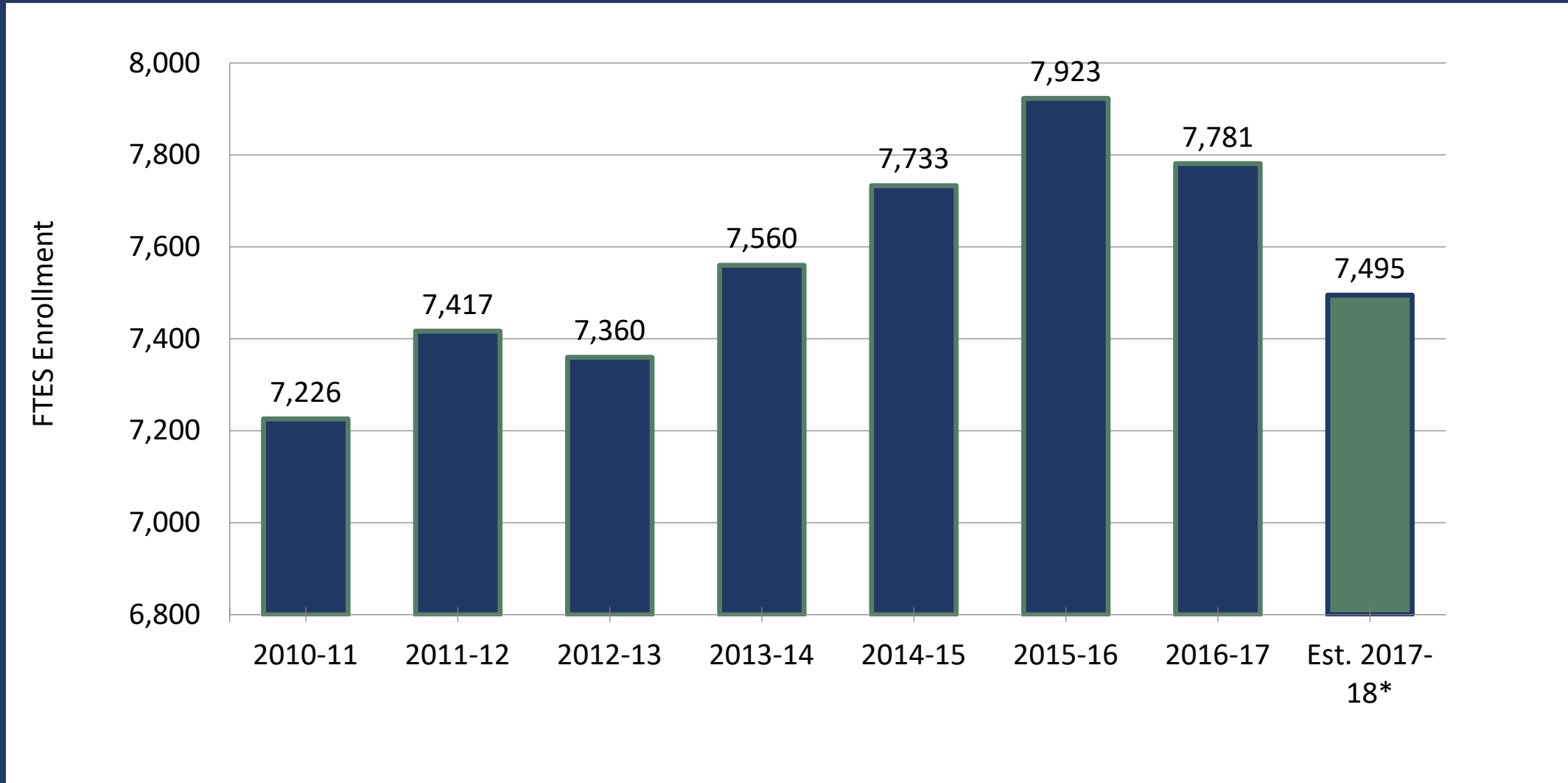
5% of 2016-17 base  
expenditure budget,  
excluding Financial Aid

**\$5.7M**

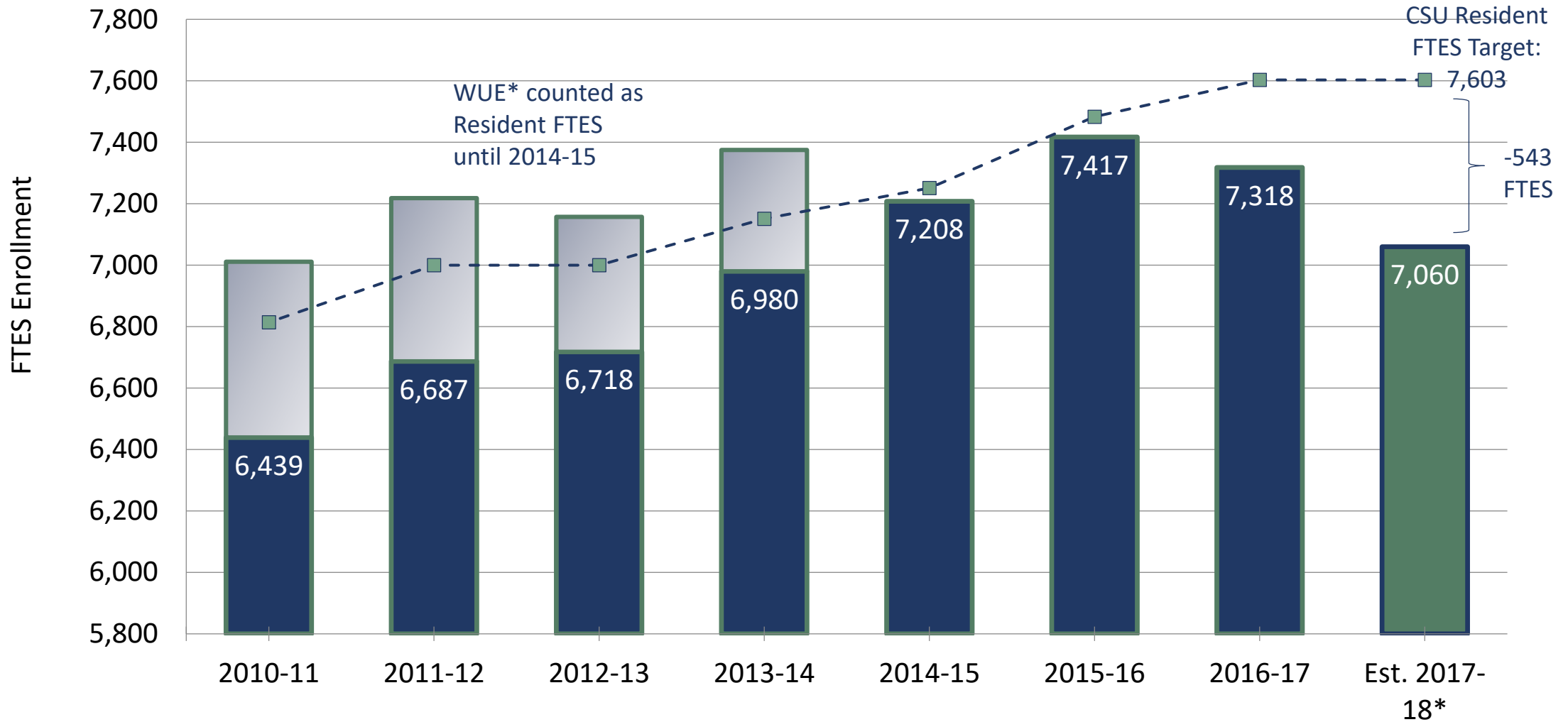
# HSU Centrally Held Base Budget Deficit History\* (in millions)



# Total Annual Full-time Equivalent Student (FTES) Trends



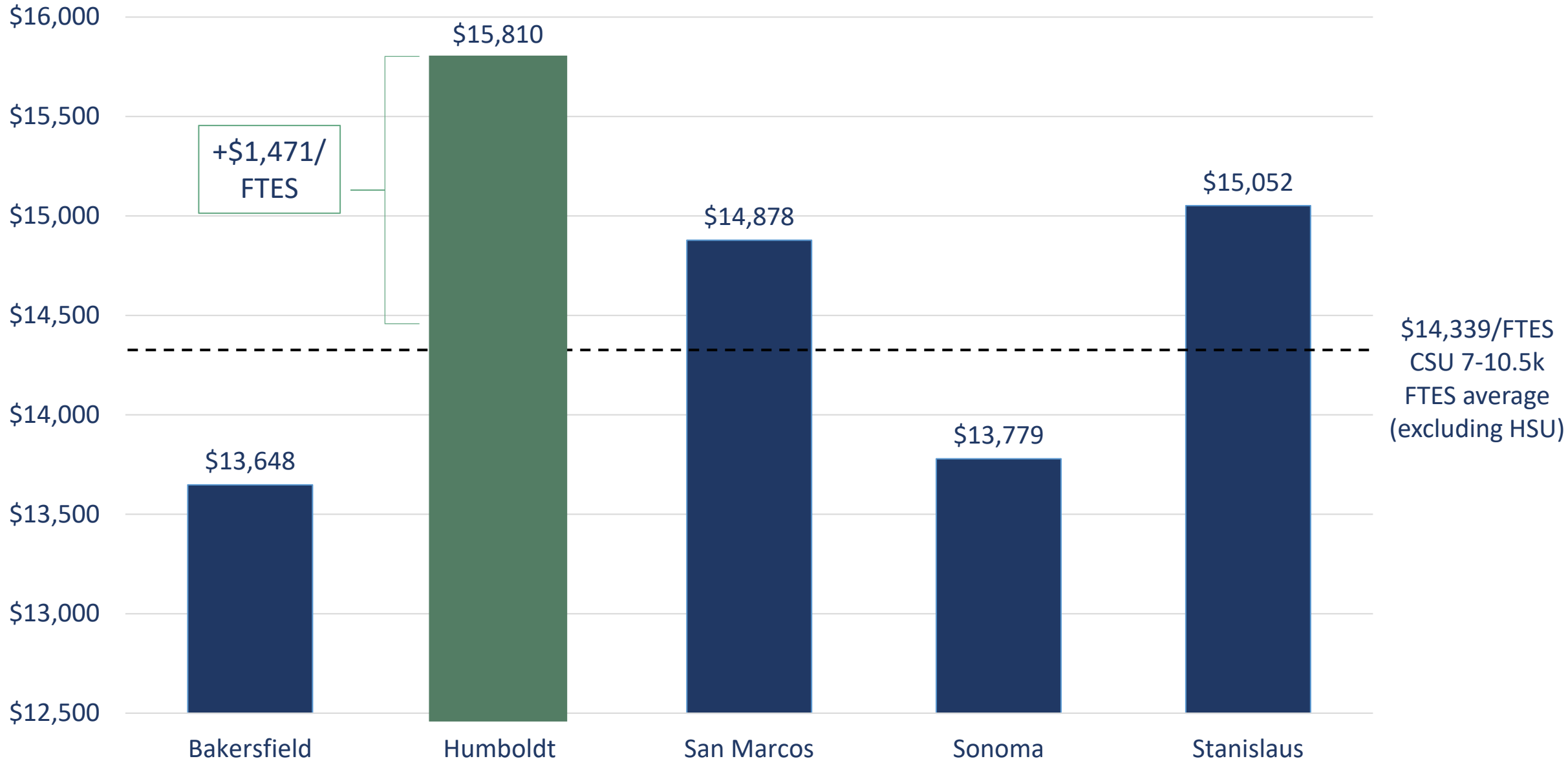
# Total Annual Resident FTES Trends



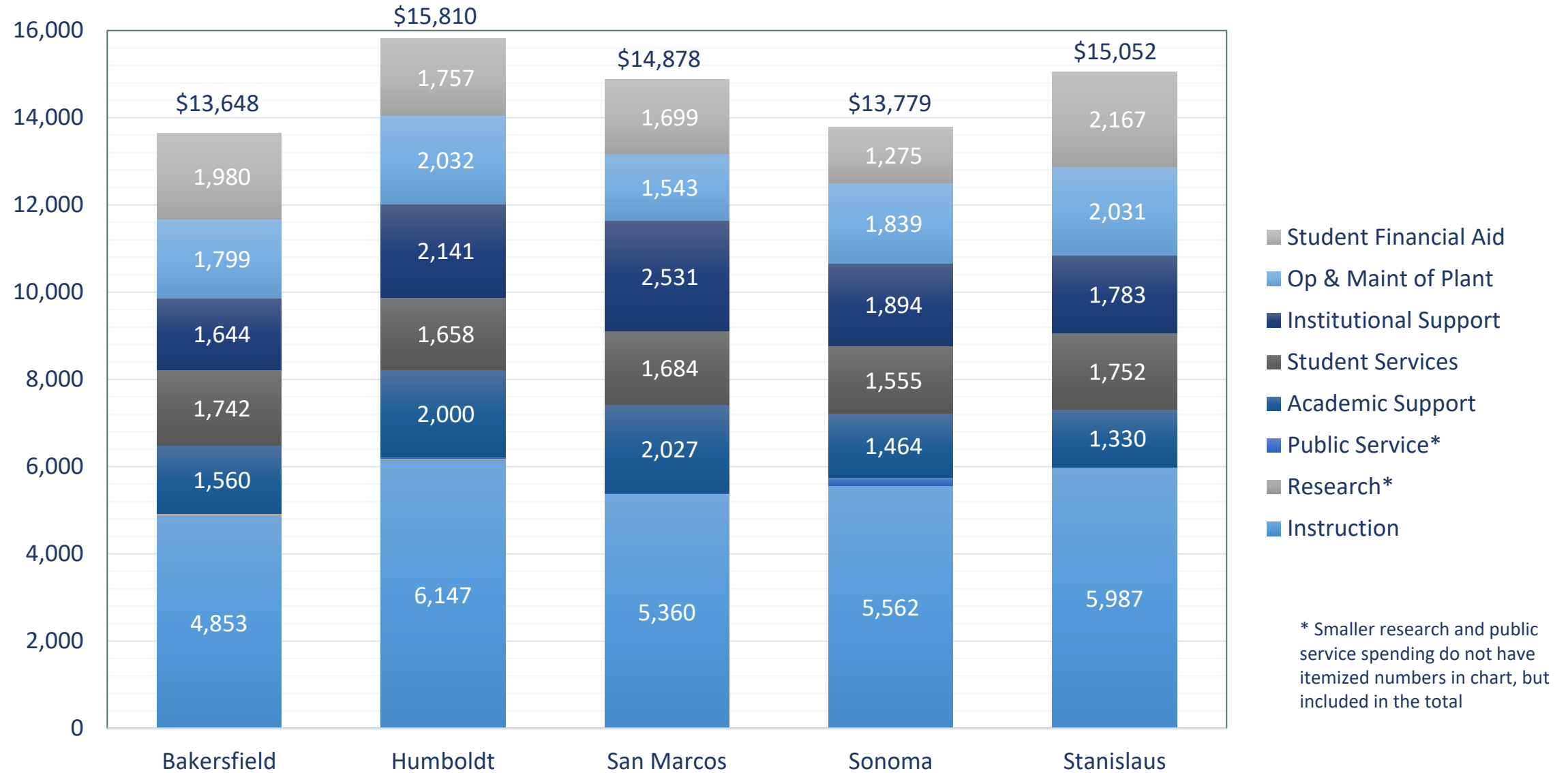
\*WUE: Western Undergraduate Exchange

Sources: HSU IE Website, CSU Budget Website

# 2015-16 Spending per FTES (7,000 – 10,500 FTES CSU Campuses)



# 2015-16 Spending (Cost) per Full-Time Equivalent Student (FTES) - 7,000-10,500 FTES Campuses\*



## 2015-16 Spending Comparison by Functional Category (FIRMS/NACUBO Code)

FUNCTIONAL CATEGORY	HSU	BAKERSFIELD	DIFFERENCE	% HIGHER
Instruction	6,147	4,853	1,294	27%
Research	46	64	(17)	-27%
Public Service	30	7	23	329%
Academic Support	2,000	1,560	439	28%
Student Services	1,658	1,742	(84)	-5%
Institutional Support	2,141	1,644	498	30%
Op & Maint of Plant	2,032	1,799	233	13%
Student Financial Aid	1,757	1,980	(223)	-11%
<b>TOTAL SPENDING PER FTES</b>	<b>15,810</b>	<b>13,648</b>	<b>2,162</b>	<b>16%</b>



HSU would spend \$\_\_\_\_\_ LESS if our spending per FTES was the same as...

**Similar sized CSU peer average (\$14,339/FTES)**

**\$11.7M**

We spend **10%**  
more per FTES

**Bakersfield (\$13,648/FTES)**

**\$17.1M**

We spend **16%**  
more per FTES

# VISION:

Where are we  
going?



# Graduation Initiative 2025 Goals Humboldt State

Metric	2025 Goal	Most Recent Rate
Freshman 4-Year Graduation	30%	14%
Freshman 6-Year Graduation	56%	46%
Transfer 2-Year Graduation	38%	26%
Transfer 4-Year Graduation	79%	69%
Gap-Underrepresented Minority	0%	13%
Gap-Pell	0%	8%

# Strategic Budgeting

- Eliminate deficit spending and achieve a balanced budget
- Focus on the strategic priorities of the University and investing in our people, place, programs, and students
- Redirect resources to our highest priority needs

5% Planning

Phase 1

Phase 2



# Phase 1

*for 2017-18 & 2018-19 Implementation*

- President's Cabinet submitted Phase 1 proposal to URPC
- URPC reviewed and recommended Phase 1 for implementation
- Focus on minimizing the negative impact to students
- Sustain reductions through corresponding reduction in services

*Note: 2017-18 Budget will be balanced with combination of Phase 1 reductions and one-time savings*

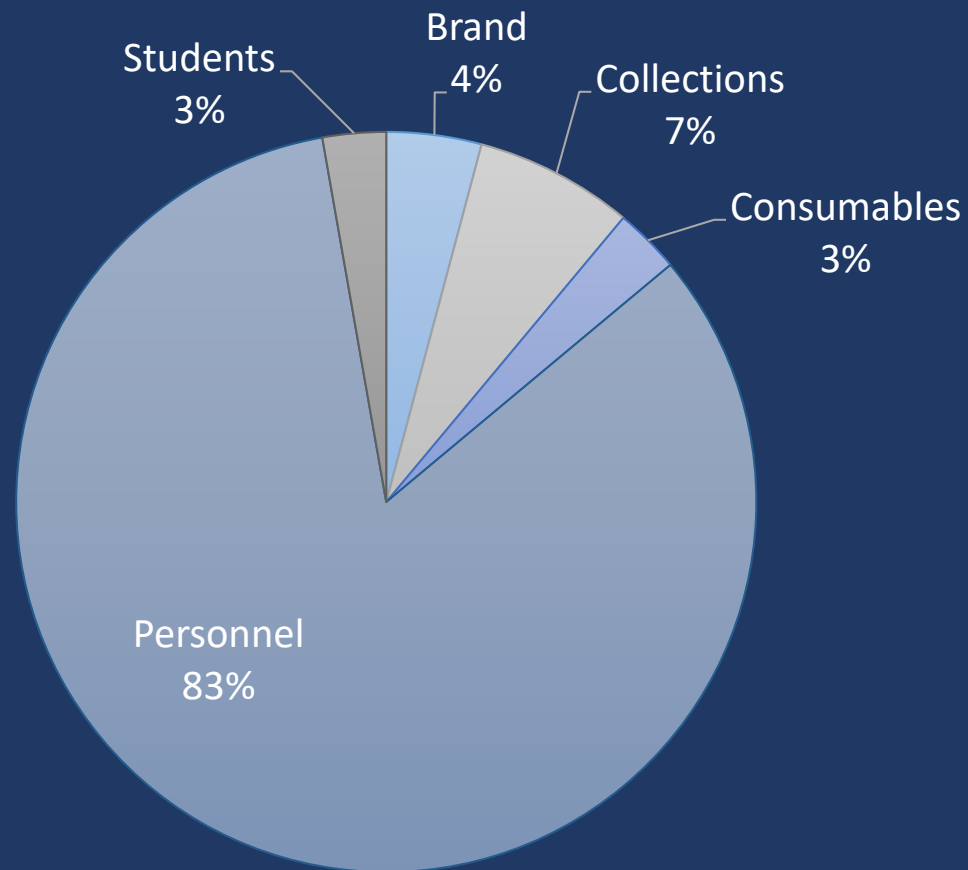
# Phase 1 Summary

Category	2017-18	2018-19	TOTAL
New Sources of Funding/Funding Source Changes	281,000	125,000	406,000
Budget Savings	969,000	0	969,000
Budget Reductions (incl. Service Changes, Operational Redesigns)	777,000	235,000	1,012,000
Internal Reallocations	-350,000	0	-350,000
<b>Phase 1 Total</b>	<b>1,677,000</b>	<b>360,000</b>	<b>2,037,000</b>

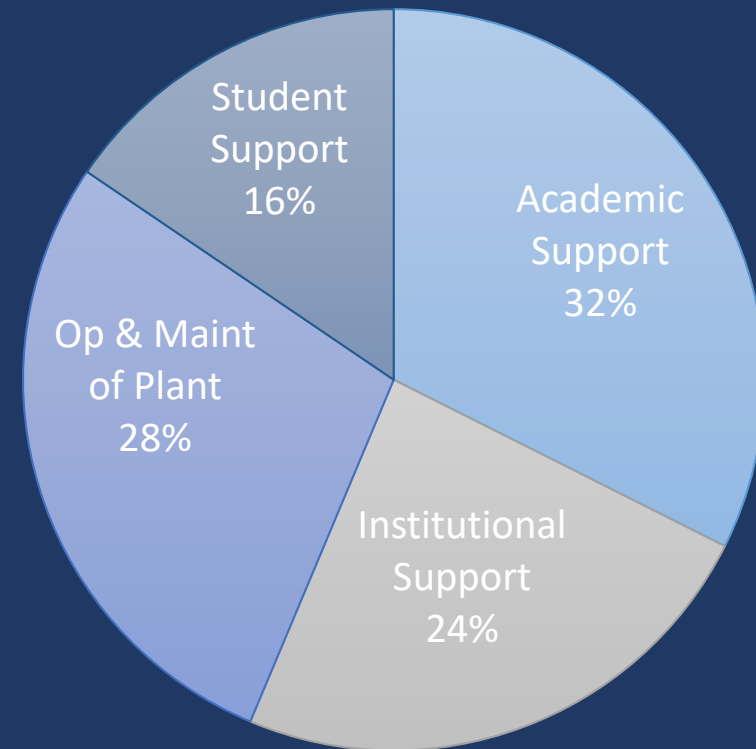
# Phase 1 Budget Reductions: \$1.0 million

Note: Category breakdowns reflect estimates, subject to change upon implementation

## Breakdown by Strategic Asset Category



## Breakdown by Functional Category (FIRMS/NACUBO)







## 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, will evolve as Phase 2 plans are developed and vetted

# Phase 2 Consultative Process

## *for 2018-19 & 2019-20 Implementation*

- Phase 2 is in a conceptual stage
- Commitment to engage the campus
- Each area of focus will follow a separate process based on the nature of the activity
- Vice Presidents will provide update to URPC at the end of the Spring semester
- Detailed plan submitted to URPC by October 31, 2017

*For additional information and to provide feedback: [www.humboldt.edu/budget/budgetplanning](http://www.humboldt.edu/budget/budgetplanning)*

# Next Steps

- Implement Phase 1
- Develop Phase 2 plan
- Balance the budget
- Realign resources to advance student success and achieve Strategic Plan goals