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

Source: HSU University Senate Bylaws
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

Source: HSU Budget Website: President Letter to the URPC, Fall 2016
CONTEXT:
Where are we and how did we get here?
2016-17 Operating Fund Sources: $127.7 million

- State Appropriation: 58%
- State Tuition Fee: 35%
- Non-Resident Tuition Fee: 1%
- MSF Fee*: 2%
- Other Fees and Revenue: 4%

*MSF Fee: Materials, Services, and Facilities Fee

Source: 2016-17 HSU Budget
2016-17 Operating Fund Uses: $128.2 million

- Salaries: 50%
- Benefits: 27%
- Operating Expenses: 12%
- Financial Aid: 11%

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

Source: 2016-17 HSU Budget
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)

* NOTE: Deficits only reflect University level deficit and do not include existing structural deficits within the divisions.

Sources: HSU Budget Website, HSU IE Website, 2017-18 Budget Planning
Total Annual Full-time Equivalent Student (FTES) Trends

FTES Enrollment

- 7,226 (2010-11)
- 7,417 (2011-12)
- 7,360 (2012-13)
- 7,560 (2013-14)
- 7,733 (2014-15)
- 7,923 (2015-16)
- 7,781 (2016-17)
- 7,495 (Est. 2017-18*)

Sources: HSU IE Website, 2017-18 Budget Planning
Total Annual Resident FTES Trends

FTES Enrollment

- 2010-11: 6,439
- 2011-12: 6,687
- 2012-13: 6,718
- 2013-14: 6,980
- 2014-15: 7,208
- 2015-16: 7,417
- 2016-17: 7,318
- Est. 2017-18: 7,060

WUE* counted as Resident FTES until 2014-15

CSU Resident FTES Target: 7,603

Sources: HSU IE Website, CSU Budget Website

*WUE: Western Undergraduate Exchange
2015-16 Spending per FTES (7,000 – 10,500 FTES CSU Campuses)

- **Bakersfield**: $13,648
- **Humboldt**: $15,810
- **San Marcos**: $14,878
- **Sonoma**: $13,779
- **Stanislaus**: $15,052

+$1,471/FTES

$14,339/FTES

CSU 7-10.5k FTES average (excluding HSU)

Source: CSU Budget Website
## 2015-16 Spending (Cost) per Full-Time Equivalent Student (FTES) - 7,000-10,500 FTES Campuses*

<table>
<thead>
<tr>
<th>Campus</th>
<th>Student Financial Aid</th>
<th>Op &amp; Maint of Plant</th>
<th>Institutional Support</th>
<th>Student Services</th>
<th>Academic Support</th>
<th>Public Service*</th>
<th>Research*</th>
<th>Instruction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bakersfield</td>
<td>$13,648</td>
<td>1,757</td>
<td>1,980</td>
<td>1,799</td>
<td>1,644</td>
<td>1,742</td>
<td>1,560</td>
<td>4,853</td>
</tr>
<tr>
<td>Humboldt</td>
<td>$15,810</td>
<td>1,757</td>
<td>2,032</td>
<td>2,141</td>
<td>1,658</td>
<td>2,000</td>
<td>1,658</td>
<td>6,147</td>
</tr>
<tr>
<td>San Marcos</td>
<td>$14,878</td>
<td>1,699</td>
<td>1,543</td>
<td>2,531</td>
<td>1,684</td>
<td>2,027</td>
<td>1,757</td>
<td>5,360</td>
</tr>
<tr>
<td>Sonoma</td>
<td>$13,779</td>
<td>1,275</td>
<td>1,839</td>
<td>1,894</td>
<td>1,555</td>
<td>1,464</td>
<td>1,275</td>
<td>5,562</td>
</tr>
<tr>
<td>Stanislaus</td>
<td>$15,052</td>
<td>2,167</td>
<td>2,031</td>
<td>1,783</td>
<td>1,752</td>
<td>1,330</td>
<td>2,167</td>
<td>5,987</td>
</tr>
</tbody>
</table>

* Smaller research and public service spending do not have itemized numbers in chart, but included in the total

Source: CSU Budget Website
### 2015-16 Spending Comparison by Functional Category (FIRMS/NACUBO Code)

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

Source: CSU Budget Website
HSU would spend $\underline{\text{__________}} \text{ LESS} \text{ if our spending per FTES was the same as...}

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

- We spend $11.7M
- We spend 10% more per FTES

Bakersfield ($13,648/FTES)

- We spend $17.1M
- We spend 16% more per FTES
VISION:
Where are we going?
## Graduation Initiative 2025 Goals

**Humboldt State**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2025 Goal</th>
<th>Most Recent Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freshman 4-Year Graduation</td>
<td>30%</td>
<td>14%</td>
</tr>
<tr>
<td>Freshman 6-Year Graduation</td>
<td>56%</td>
<td>46%</td>
</tr>
<tr>
<td>Transfer 2-Year Graduation</td>
<td>38%</td>
<td>26%</td>
</tr>
<tr>
<td>Transfer 4-Year Graduation</td>
<td>79%</td>
<td>69%</td>
</tr>
<tr>
<td>Gap-Underrepresented Minority</td>
<td>0%</td>
<td>13%</td>
</tr>
<tr>
<td>Gap-Pell</td>
<td>0%</td>
<td>8%</td>
</tr>
</tbody>
</table>

*Source: CSU Graduation Initiative 2025 Link: [https://www2.calstate.edu/graduation-initiative-2025](https://www2.calstate.edu/graduation-initiative-2025)*
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
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

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

*Source: HSU Budget Website*
Phase 1 Budget Reductions: $1.0 million

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

Breakdown by Strategic Asset Category:
- Students: 3%
- Brand: 4%
- Collections: 7%
- Consumables: 3%
- Personnel: 83%

Breakdown by Functional Category (FIRMS/NACUBO):
- Student Support: 16%
- Academic Support: 32%
- Op & Maint of Plant: 28%
- Institutional Support: 24%

Source: HSU Budget Website
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
Next Steps

• Implement Phase 1

• Develop Phase 2 plan

• Balance the budget

• Realign resources to advance student success and achieve Strategic Plan goals