

HUMBOLDT STATE UNIVERSITY

Date: August 14, 2017
TO: University Resources & Planning Committee (URPC)
FROM: The President's Cabinet
RE: Phase 2 Update

As requested in the URPC Budget Recommendation, below is an overview of the process the University is using to work through Phase 2 budget reduction planning. The ultimate goal of this process is to align expenditures with revenues to achieve a balanced budget for the University, and to be strategic in the use of our resources to advance institutional priorities. Each focus area is using a different approach tailored to best support evaluation, recommendation, and consultation efforts. While slightly different, each approach relies on subject matter experts to help guide budget planning. To aid in this process, the University Budget Office is developing public-facing budget dashboards to provide the campus community with easy access to budget resources and information. These will be shared in the coming weeks.

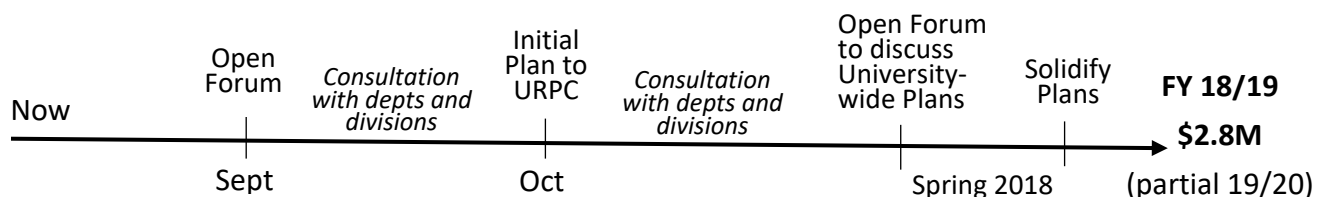
In addition to the referenced activities below, an Open Forum will be held in September to provide a status update, highlight progress, and reengage the campus in a dialogue regarding budget reduction planning efforts under way.

Principles

The following principles will guide our planning efforts:

- Decisions will be made in the context of the Strategic Plan, the goals for student success articulated in Graduation Initiative 2025, and the principles for accreditation established by the WASC Senior College & University Commission (WSCUC);
- Campus engagement will occur throughout the process and stakeholders will have opportunities to provide feedback prior to decisions being made;
- Recommendations will be data-informed;
- A priority will be identifying and eliminating services and activities that are not in alignment with our core mission;
- Every effort will be made to avoid personnel layoffs, focusing on the thoughtful, evidence-driven elimination of positions as vacancies are created; and
- All areas will be subject to review and consideration.

Timeline



The Process

Instructional/Academic Colleges (Reduction Target - \$1 million)

The Provost has begun discussions with divisional leadership in Academic Affairs, including in-depth budget planning sessions with the Deans, to consider budget reduction strategies and approaches. As of August 9, 2017, the division has held three meetings with the academic deans and other members of the leadership team on the topic of how to achieve structural changes to achieve Phase 2 goals. These will be followed up by three more sessions with the same group, as well as two workshops on the same subject with the department chairs. The Provost also intends to hold at least one all-faculty meeting in the fall to discuss budget planning activities.

To reiterate the URPC's commentary in their 2017-18 Budget Recommendation, the \$1 million reduction referenced in Phase 2 planning anticipates a budget-neutral starting point; however, the three academic colleges collectively ended 2016-17 in deficit over \$2 million. To reach a balanced budget and reduce the budget by \$1 million, approximately \$3 million in reductions will need to be identified.

Information Technology (Reduction Target: \$400,000)

Information technology is a component of the overall process Academic Affairs is utilizing to develop Phase 2 options as described above in the Instructional/Academic Colleges section. Institutional Effectiveness is conducting analyses to provide data to help inform the discussions.

Enrollment Management (Reduction Target - \$0, planned reinvestment)

Effective July 1, Enrollment Management now resides within Academic Affairs to improve alignment of recruitment, retention, and graduation efforts to enhance student success. Reorganization efforts are underway within Enrollment Management to reallocate additional resources to appropriately support student recruiting and admissions.

Student Services (Reduction Target - \$250,000)

There is significant leadership transition in the student services areas within Student Affairs and Academic Affairs with the departures of Vice President for Student Affairs, Peg Blake, and Associate Vice President for Retention and Inclusive Student Success, Radha Webley. As a consequence, the student services area does not yet have a well-defined approach to achieve the targeted reductions, but the University is committed to developing this process further with the participation of interim Vice President for Student Affairs Wayne Brumfield.

In addition, the \$151,000 Phase 1 reduction to Student Affairs operations still needs to be clarified. Whether these reductions will be achieved during 2017-18, as initially proposed, is unknown at this point.

Ancillary Support, Self-Support, and Auxiliary Organizations (Reduction Target - \$750,000)

This area of focus encompasses budget reductions and shifting expenses away from the General Fund as well as opportunities to improve the efficiency of the delivery of essential services to the

University. Initial conversations have been at the Cabinet level, and we anticipate asking two separate task forces to develop recommendations:

- One task force will evaluate options and provide recommendations regarding efficient organizational structures to deliver the essential services provided by these entities and to analyze existing levels of support and agreements among the entities and the University.
- The existing Cost Allocation Work Group will be reconvened to review CSU approaches to cost recovery and develop metrics and methodologies for incorporating additional components into the existing cost allocation model. The Cost Allocation Model is used to determine reimbursements to the University's Operating Fund for the services provided to self-support and auxiliary organizations, per CSU policy. We realize campuses approach this question in a variety of ways, and we are collecting data about these approaches to understand the broader context for these decisions.

In addition, the two groups will meet jointly to discuss analyses and options to ensure the recommendations are in alignment with one another.

Administrative Operations (Reduction Target - \$400,000)

Administrative operations span the University and encompass a variety of activities including organizational structures, service delivery, and operational effectiveness. While all of the areas are somewhat interwoven, administrative operations in particular have significant overlap. A cross-divisional task force is being established to evaluate and propose an initial set of options for consideration.

Thank you again for your commitment to helping the University achieve a balanced budget. If there are specific areas of focus that you would like to participate in, please reach out to one of our URPC co-chairs, Alex Enyedi or Mark Rizzardi. We look forward to working with you on budget planning efforts in the coming year and will keep you updated as further progress is made.

cc: Julie Alderson, Chair of the University Senate
Lisa A. Rossbacher, President