

HUMBOLDT STATE UNIVERSITY

Vice President for Administration and Finance

August 2, 2019

To: Dr. Alex Enyedi, Provost and Vice President for Academic Affairs
Co-Chair of the University Resources and Planning Committee (URPC)

Dr. James Woglom, Assistant Professor of Art Education
Co-Chair of the University Resources and Planning Committee (URPC)

Cc: University Resources & Planning Committee
Amber Blakeslee, University Budget Director

From: Douglas V. Dawes, Vice President for Administration and Finance

Subject: FY 2019-20 Updated University Budget Plan

As mentioned in [President Rossbacher's 2019-20 FY Budget Update](#) dated May 29, 2019, the release of the 2019-2020 budget plan was delayed due to two factors: the appointment of Dr. Tom Jackson, Jr as HSU's new president and indications that enrollment was trending significantly lower than was anticipated in the original plan. That memo warned of a projected Fall 2019 enrollment (headcount) decline of 11-14% compared to Fall 2018, with a fiscal implication of a \$2.1 to \$3.4 million due to reduced tuition revenue.

In response to these realities, the President and Vice Presidents have developed an updated FY 2019-2020 budget plan, and are seeking feedback from the University Resources & Planning Committee.

Updated Budget Plan

The final state budget and CSU Budget Memo have been approved. The allocations to HSU were largely as expected, plus additional one-time funding. Highlights include:

- Ongoing Allocations included an additional \$219,000 beyond anticipated mandatory cost increases which were funded. Much, if not all, of this funding is earmarked, and the amount includes \$80,000 in ongoing support for the Nursing program.
- One-Time Allocations of \$1,659,000 include amounts for GI 2025 (\$604,000), enrollment funding (\$1,000,000), and supplemental funding for the Math & Science Teacher Initiative (\$55,000).

The [2019-20 GI 2025 Requests Prioritized by Cabinet for Funding](#) described in the May 29, 2019 update have been included in this updated budget plan.

1 Harpst Street • Arcata, California 95521-8299 • 707 826-3351 • fax 707 826-5703 • humboldt.edu/adminaffairs

After further analysis of all available enrollment indicators for Fall 2019 (confirmed housing deposits, student class registration, and redirected student admission) the attached 2019-20 FY University Budget ([Appendix A](#)) reflects the following:

- 13% decline in enrollment (headcount) compared to Fall 2018 (1,000 fewer students).
- An additional \$2,925,000 deficit (above the \$952,695 detailed in the [previous proposed budget](#)) for FY 2018-19.
- Utilization of up to \$2.9 million of one-time roll forward funds during FY 2019-20 to address the deficit. This strategy preserves the university reserve fund and partially supports the URPC roll forward guidelines.
- Current enrollment projections indicate a \$5.4 million (see [Appendix A](#); 2021-22 column) Operating Fund deficit through 2021-22. Additional information about how plans will be developed to address the budget shortfall will be shared at the start of the fall semester.
- Due to utilization of \$2.9 million of one-time roll forward funds, the campus roll forward and redistribution will be reduced to 45%. The \$2.9 million equates to 55% of the unrestricted roll forward amount. Charts detailing the distribution of FY 2019-20 roll forward funds with and without the \$2.9 M deficit are attached ([Appendix B](#) and [Appendix C](#), respectively).

Moving forward, the key priority of campus is increasing enrollment, and additional investments will be made to support enrollment efforts.

As described in the earlier May budget memo, the campus has made strong progress in balancing its budget in recent years. In 2018-19, for the first year in many years, all MBUs stayed within their budgets while simultaneously making investments to positively impact student success. Additionally, much work has been done across campus to stabilize enrollment.

The URPC has an opportunity to develop feedback about the budget plan for President Jackson at its August 8, 2019 meeting. It will be important to provide a written report on the feedback within one week of that meeting, in order to allow the budget to be approved and posted prior to the start of the Fall semester.