2018-19 Budget Planning FAQs (April 9, 2018)

The new budget includes plans for addressing ongoing shortfalls by reducing $9 million in spending over the next two years. The plan was adopted after more than a year of extensive consultation and feedback across campus. Actions to achieve more than half the reductions for the coming year have already been taken and one-time funding has been identified to bridge the remaining reductions with a longer planning and implementation timeframe. When the reductions are completed, the University will still have a substantial $135 million operational budget.

Why are these budget reductions happening?

The budget shortfall is due to a number of factors, including the changing higher education landscape, mandatory costs (including salaries and benefits) that are increasing faster than state funding, higher spending levels than peer institutions, fluctuating enrollment, and deficit spending. The reductions will prevent a deficit projected at $7 million in 2018-19, which would increase to $9 million in 2019-20.

How long will these budget reductions take?

This is a large budget reduction, and work to implement it will likely continue throughout the current semester and the next academic year.

What has changed in the April 9 version, relative to the February 23 version, of the budget plan for 2018-19?

This version of the budget plan highlights efforts underway to promote student success, provides context regarding reduction decisions, identifies concrete cost savings associated with various reduction actions, and reflects one-time funds being used in 2018-19 to mitigate the impact of the full $9 reduction. In addition, more details are available about course scheduling and availability to support student progress toward graduation.

Will students still be able to get the classes they need to progress toward graduation?

Yes. A key priority in making the budget reductions is ensuring that students have the courses and support they need to progress toward their degrees. The Colleges and academic departments are communicating with students and working diligently to make reductions in a way that still enable students to get the classes they need to make progress toward their degrees. The information that students provide through the Degree Audit Reporting System (DARS) is vital to helping departments plan their course offerings to meet student needs. In addition, the College deans and department chairs are communicating with students about course availability for Fall 2018. Based on current plans on April 9, the Fall 2018 semester has 93 percent of the spaces in course sections that were offered in Fall 2017, a semester that had higher enrollment and in which course offerings exceeded demand. This has been achieved by more efficiently scheduling available classes, limiting elective courses, reducing unnecessary sections, and offering alternate courses for certain requirements.

What has HSU's enrollment looked like in recent years?

HSU's enrollment has declined in the last two years, after a period of moderate growth. In Fall 2017, HSU enrolled 8,347 students. This was down from a high of 8,790 in Fall 2015. Detailed information on HSU enrollment (using annual full-time equivalent student figures) can be found starting on page 13 of this presentation (pdf). Based on our enrollment projection model, we anticipate that student enrollment will be lower in Fall 2018 as compared to Fall 2017. Student enrollment numbers affect the budget in multiple ways, through tuition, fees, and the state funding allocation that is based on enrollment of California residents at HSU.

What is being done about enrollment?

Multiple groups of faculty, staff, students, and administrators are developing a strategic enrollment plan (SEM) that will be completed this spring. The SEM plan will highlight the critical need to improve retention rates for students enrolled at HSU, as well as the importance of recruiting new students. The Graduation Initiative 2025, with the goal of increasing student success as measured by graduation rates, is another key factor. A consequence of higher graduation rates is the need to successfully recruit and retain more students to HSU to ensure stable enrollment levels. Stable, predictable enrollment is key to providing outstanding academic and support services to our students.

Why are some areas getting new resources while budget cuts are happening?

HSU must invest in our strategic goals, even in the face of overall budget reductions. We will keep investing in our strengths and reinforcing our values around student success, social justice, and environmental responsibility. In recent years, these investments have included adding new tenure-track faculty, efforts related to equity and diversity, expansion of student support services, creation of place-based learning communities, and a new Center for Teaching and Learning.

Will some lecturers lose their jobs?

Fewer lecturers will be needed to teach courses in coming years. In recent years, HSU has hired additional tenure-track faculty, even though our enrollment has declined. Both factors reduce the need for as many class sections to be taught by lecturers as was the case in the past few years.

Will faculty and staff members lose their jobs?

At HSU, "layoffs" involve union-represented employees who are in permanent positions, such as tenure-line faculty and staff members. No determination has been made to pursue layoffs. If that becomes necessary, the process would involve extensive consultation with the relevant unions.

Will administrators lose their jobs?

The University has eliminated some administrator (management) positions, which are at-will positions. These were not all vacant, and some individuals have lost their jobs. These are hard choices, and we take them very seriously. The management positions that have been eliminated were in the Center for International Programs, the College of Extended Education & Global Engagement, and Housing & Residence Life. We cannot provide more details because this is a personnel matter, and we need to respect individual privacy. The employees in the affected areas have been informed of the changes, and they are being kept updated on restructuring.

Will additional positions be eliminated?

Yes, we will reduce additional positions. As outlined in the budget reduction plan, HSU will need to reduce additional administrative and staff positions, primarily through attrition and reassignment. Because we anticipate 600-800 fewer students in Fall 2018 (as compared to Fall 2015), fewer lecturers will be hired to teach classes, and recruitment of tenure-line positions for Fall 2019 is suspended.

How does HSU spending compare to other CSU campuses?

HSU consistently spends more than CSU campuses with similar enrollment in most major categories. In total, the University spent $16,882 for each full-time equivalent student in 2016-17, which is 12% higher than the $15,104 per FTES at comparable peer campuses. Aligning HSU's spending with other CSU campuses, by category, is one of the goals of the current budget reduction process. More details are available here and in this document (pdf).

Has HSU been increasing the number of administrators? What about faculty and staff?

Based on employee data from Fall 2016, the number of administrators at HSU has declined from 86 to 79 over a ten-year period. For context, the CSU overall had a 16.3% increase in the number of Management Personnel Plan employees (i.e., administrators) during the same period of time. Also during that same ten-year period, the number of faculty at HSU increased from 552 to 630 and the number of staff increased from 555 to 595. HSU has invested in 75 tenure-line faculty positions over the last three years, representing two-thirds of HSU's new allocations during those years, and an additional nine faculty-line positions will be added in Fall 2018. More details are available in this document (pdf).

What is the plan for the Children's Center?

The University will seek to find savings in this area, while also maintaining access to childcare. A process has begun that will look at possible savings and new revenue, as well as organizational changes. Recommendations based on this review of the Center are expected in the Fall 2018 semester.

What is the plan for the Third Street Gallery?

The University is closing the Third Street Gallery in Eureka. Maintaining it in its current form costs the University more than $200,000 annually, including staff and facilities costs. While there has been donor support over time, the gallery was not able to develop a sustained, diversified funding base. Some of the savings will be used to ensure students get a similar hands-on experience in galleries on campus, and the Art Department will be exploring new ways to increase community engagement. The closing will not happen immediately. Programs are already set for this summer, and the space may be used to serve students in other ways for the duration of the lease.