

HUMBOLDT STATE UNIVERSITY

Lisa A. Rossbacher, Ph.D., President

August 29, 2017

Dr. Alex Enyedi, Provost and Vice President for Academic Affairs

Dr. Mark Rizzardi, Professor of Mathematics

Co-Chairs of the 2017-18 University Resources and Planning Committee (URPC)

Members of the 2017-18 University Resources and Planning Committee

Re: Charge to the 2017-18 University Resources and Planning Committee

Dear Alex, Mark, and the members of the University Resources and Planning Committee:

This memo is the formal charge to the University Resources and Planning Committee to help focus your work on the 2018-19 recommended budget and on fiscal issues to be considered in the 2017-18 academic year.

As I have noted in previous years, I want to reiterate the importance of building the University's reserves. I am very grateful to the URPC for recommending a reserve policy for the University, and we need to continue building on that foundation. I am in the process of clarifying a few remaining questions regarding the recommended policy, and then I will forward it to the University Senate as an information item. Reserves are a critical aspect of our multi-year fiscal planning, for both operations and capital projects. A critical goal for URPC is to balance our competing and immediate financial priorities with the need to invest for the future, and increasing reserves must be a key component of our strategic budgeting.

As you begin planning for URPC's work in the coming year, I would like to ask you to keep the following goals as high priorities:

- **Continue to implement strategic budgeting principles and define strategic assets.** This effort should build on the URPC's draft [strategic asset guideline](#), which still needs feedback from subject matter experts within the strategic asset areas. *I am asking the URPC to finalize the strategic assets guideline in the coming year and continue to implement strategic budgeting concepts in future budget recommendations.*

- **Recommend a balanced budget for 2017-18 that eliminates the University's structural deficit and which includes University-wide engagement in the process.** URPC implemented Phase 1 of the budget plan, which reduced the 2017-18 budget by \$1.5 million, with the \$151,000 reduction in Student Affairs still pending, and the committee has received an update on the status of Phase 2. The on-going consideration of where we can find efficiencies, reductions, and new revenue sources is a critical focus for developing the budget. *I am asking URPC to recommend a balanced budget for 2018-19, which must begin with developing a communication/engagement strategy for how the URPC further involves the University community in the budget planning/reduction process.* Last year, a combination of open forums and updates to the University Senate and to academic and administrative department chairs meetings were useful communication tools, but other options exist as well.
- **Initiate the planning process for 2018-19 using actual previous-year enrollment data not future-year targets.** URPC successfully incorporated this assumption into the development of the 2017-18 budget. I appreciate this continued focus. *As we develop a strategic enrollment plan, I am asking URPC to be part of those deliberations.* Enrollment, the Graduation Initiative 2025, and tuition all have a direct impact on the University's operating funds and overall budget.
- **Continue to develop multi-year budget plans (at least for the two subsequent fiscal years).** URPC responded to this request in 2016-17, developing a plan that included budgets for the subsequent two years, within a five-year horizon. *I ask the committee to continue this effort, articulate the underlying assumptions, and develop a more formal multi-year recommendation. Please continue to implement the integrated assessment, planning, and budget process to solidify a unified multi-year planning process in alignment with institutional priorities and a continuous improvement cycle.* One of the challenges will be incorporating all resources (e.g. space, ITS, personnel) in a unified process, eliminating the fragmentation of these resources as they are currently viewed.
- **Develop recommended guidelines for "roll forward" of unspent balances at the conclusion of a fiscal year.** These guidelines will support the implementation of the reserve policy and establish a consistent, principled approach to how unspent resources are utilized to support the University's

mission and strategic goals. ***I ask the committee to recommend guidelines for how unspent funds that could be “rolled forward” at the end of a fiscal year are utilized in the subsequent fiscal year.***

- **Review quarterly budget reports/projections for the current fiscal year.** I have asked Amber Blakeslee, Budget Director, to lead the preparation of quarterly budget reports this year so that we can see issues that may be developing and alter spending patterns, if needed, during the fiscal year. ***I am asking URPC to review these reports each quarter to better understand the University’s budget and rate of fund expenditure during the fiscal year.*** I understand that Questica will facilitate the creation of these reports.

The California State University’s Board of Trustees will begin planning for its 2018-19 budget request to the Governor and Legislature in September. As usual, the budget planning process includes a number of unknown factors, and I will keep you informed about developments as this planning process moves forward.

Thank you for your dedication to this important work that supports the University’s educational mission. URPC made valuable progress in implementing strategic budgeting in the last year, and I look forward to working with you in the coming year and seeing these efforts continue. If you need additional assistance or information from me, please just let me know.

With very best wishes,

LAR

Lisa A. Rossbacher, Ph.D.
President