

Humboldt State University
Sustainable Budget Planning Detail for FY18-19

HSU Operating Fund Budget Planning Sheet - Summary Revised: August 2018	2017-18 Budget	2018-19 Budget Plan April 2018	2018-19 Final Budget August 2018	2019-20 Projection	2020-21 Projection	2021-22 Projection	2022-23 Projection
1 Total Annualized FTES Enrollment Budget	7,495	7,275	7,165	7,029	7,029	7,162	7,298
Operating Reserve Beginning Balance	6,300,000	6,300,000	6,300,000	6,300,000	6,723,305	6,546,610	6,662,915
Revenue Budget							
2 State Appropriation	78,659,510	82,228,510	85,517,210	88,817,210	92,097,210	94,777,210	97,227,210
1 State Tuition Fee	44,655,000	42,869,000	42,236,000	41,391,000	41,391,000	42,219,000	43,063,000
Non-Resident Tuition Fee	1,513,000	1,496,000	1,496,000	1,496,000	1,496,000	1,496,000	1,496,000
1 Materials, Services and Facilities Fee (MSF)	2,527,000	2,523,000	2,486,000	2,436,000	2,436,000	2,485,000	2,535,000
3 Other Fees and Revenue (MBA Fee, App Fee, Cost Recov, etc)	4,978,839	5,151,635	5,359,635	9,022,052	9,022,052	9,022,052	9,022,052
4 <i>Cost recovery adjs related to reductions/reorgs (e.g. facilities)</i>			3,362,417				
4 <i>Reductions "new sources" reflect increased cost recovery revenue</i>	237,000	400,000	300,000				
TOTAL Revenue Budget	132,570,349	134,668,145	140,757,262	143,162,262	146,442,262	149,999,262	153,343,262
Total Prior Year Expenditure Budget	128,241,340	134,192,044	134,192,044	138,418,957	142,738,957	146,618,957	149,882,957
5 Compensation and Benefit Increases	5,137,000	4,726,000	4,389,000	4,370,000	3,880,000	3,215,000	2,935,000
2 State University Grant (SUG) (reduced to 95% - state appr offset)	804,000	(720,000)	(721,300)	-	-	-	-
Dedicated Budget Allocated to Depts	254,704	(68,204)	102,796	(50,000)	-	49,000	50,000
6 Graduation Initiative 2025	2,108,000		2,474,000				
Base Allocations - Factor in Ongoing Overspend Activity	390,000	2,800,000	2,800,000				
6 Base Allocations - Strategic Priorities			520,000				
Base Reductions/Savings	(1,510,000)	(9,000,000)	(9,000,000)				
4 <i>Cost recovery adjs related to reductions/reorgs (e.g. facilities)</i>			3,362,417				
<i>Reductions "new sources" are revenue, not reductions (above)</i>	237,000	400,000	300,000				
Subtotal Base Expenditure Adjustments	5,950,704	(1,862,204)	4,226,913	4,320,000	3,880,000	3,264,000	2,985,000
TOTAL Base Expenditure Budget	134,192,044	132,329,840	138,418,957	142,738,957	146,618,957	149,882,957	152,867,957
Net Base Budget Surplus / (Deficit)	(1,621,695)	2,338,305	2,338,305	423,305	(176,695)	116,305	475,305
One-Time Adjustments							
7 One-Time Allocations/Reduction Bridge Funding	570,000	4,156,000	2,899,825	-	-	-	-
One-Time Savings	(2,191,695)	(1,817,695)	(561,520)				
Subtotal One-Time Adjustments	(1,621,695)	2,338,305	2,338,305	-	-	-	-
TOTAL Expenditure Budget	132,570,349	134,668,145	140,757,262	142,738,957	146,618,957	149,882,957	152,867,957
Net Budget Surplus / (Deficit)	-	-	-	423,305	(176,695)	116,305	475,305
Operating Reserve Ending Balance	6,300,000	6,300,000	6,300,000	6,723,305	6,546,610	6,662,915	7,138,220

Note: The numbers reflected below correspond to the numbers on the HSU Operating Fund Budget Planning Sheet to provide context for the changes that have occurred between the April 9, 2018 Budget Plan and the final August 2018 Budget Plan

Revenue Budget Updates

Overall, the 2018-19 Budget has increased by \$6.09 million since the April 2018 Budget Plan. However, \$2.83 million of this increase is directly related to implementing reductions where we have 1) identified alternate funding sources and/or increased reimbursements for services (e.g. cost allocation model) or 2) consolidated activities as part of the reduction process (e.g. integrating Housing facilities operations with state-side facilities operations), which results in additional costs incorporated into the budget and a corresponding reimbursement component accounted for as cost recovery revenue. Therefore, truly **net new available revenue is \$2.66 million, based on an increase of \$3.29 million in state appropriation less \$633,000 in reduced tuition.**

1. Enrollment/Tuition: -\$633,000

- FTES Budget Impact: -110 FTES (total FTES down 6% from prior year Actuals)
- Tuition Impact: change of -\$633,000, total annual decrease in tuition of -\$2.4 million
- Materials, Services & Facilities Fee Impact: -\$37,000

2. State Appropriation: +\$3.29 million

- Retirement Funding: \$31,000 (offset by increased retirement costs, -\$2,000 net impact)
- Additional Compensation and Benefit Funding: \$785,000
- Graduation Initiative 2025 Funding: \$2,474,000
- State University Grant (SUG) Adjustments: -\$1,300 (offset by reduction in SUG, net \$0 impact)

3. Other Fees and Revenue: +\$208,000

- Reflects department level cost recovery revenue increase, which has a corresponding expenditure budget offset reflected in "Dedicated Budget Allocated to Depts" - net \$0 impact

4. Cost Recovery Adjustments Related to Reductions/Reorganizations: +\$3.26 million

- Reflects cost recovery revenue associated with the transitions to integrate Housing facilities operations with state-side facilities operations (\$3.16 million) and to integrate Academic Technology into the Center for Teaching and Learning (\$200,000), both of which include a corresponding expenditure budget offsets - net \$0 impact
- Reflects cost recovery revenue related to implementing the updated cost allocation model (+\$300,000), a component of the \$9 million reduction target, which results in additional cost recovery revenue rather than reduced costs and therefore is reflected as such.

Expenditure Budget Updates

The Expenditure Budget increased by \$6.09 million; however, \$2.83 million of this activity is directly related to a revenue adjustment and does not result in available budget to spend as described above. **In addition to the net new revenue of \$2.66 million referenced above, anticipated 2018-19 compensation and benefit costs decreased, resulting in approximately \$3 million in net new resources available for allocation as reflected below in blue.**

5. Compensation Costs: **-\$370,000**

- The Unit 3 (Faculty) general salary increase is not effective until November 1 – changed 2018-19 budgeted cost to only 8 months, rather than 12 months to stay in sync with timing of Chancellor's Office allocations – results in 2018-19 savings, larger proportional 2019-20 increase: **-\$430,000**
- Administrator (MPP) raise 3%, not 2.5% as initially anticipated: **\$60,000**

6. **New Base Budget Resources Available for Allocation: +\$3.0 million**

Reflects additional funding available to further stabilize the budget and advance strategic budgeting priorities in 2018-19

• **Graduation Initiative 2025: \$2,474,000**

- Fall 2019 Tenure Track Faculty Investment: **\$1,200,000**
- RAMP Student Mentors: **\$124,000**
- Learning Center Student Employment: **\$100,000**
- Cultural Centers for Academic Excellence (CCAEE) Support: **\$85,000**
- Student Success Initiatives Pool (SEM Plan): **\$965,000**

• **Net Available Funding for Strategic Priorities: \$520,000**

- Ongoing One-Time/Lottery funded activities supporting student employment, student programming and support, and a safe campus environment:
 - California Indian Big Time & Social Gathering: **\$20,000**
 - Campus Public Safety: **\$100,000**
 - Educational Opportunity Program (EOP): **\$25,000**
 - Preview Plus: **\$30,000**
 - Recreational Sports: **\$6,000**
 - Student Clubs & Activities: **\$33,500**
 - Student Disability Resource Center (SDRC): **\$11,000**
 - Veterans Enrollment and Transition Services (VETS): **\$9,500**
- University Contingency: **\$285,000**

7. **One-Time Reduction Bridge Funding: \$2.9 million**

- **\$1.25 million** in additional reductions have been achieved since April, leaving remaining reductions of **\$2.9 million**.
- **\$561,520** from 2017-18 one-time savings (roll forward) will be utilized to balance the budget. This amount is significantly lower than initially anticipated given the additional reductions that have been achieved to date.