

A Path to Fiscal Stability and Campus Vitality in a Time of Uncertainty

Due to significant financial pressures from declining enrollments, exacerbated by COVID-19, HSU must make major adjustments to its budget quickly to ensure ongoing fiscal viability. HSU anticipates a significant decrease in enrollment for AY 2020-21 and a \$20 million reduction to its budget over the next two years. In planning for these reductions, an important tool will be the [guiding principles](#) developed by the URPC earlier this academic year. COVID-19 has presented an unprecedented situation for higher education institutions across the nation and it is challenging, with the many variables at play, how enrollment trends now and in the future will play out. At this time, more than ever, HSU will need to focus on recruitment, retention, innovation and investment in new programs.

Each Division Vice President is charged with reducing spending and increasing revenue to reach the anticipated \$20 million shortfall. The following four core strategies will be deployed as needed by Vice Presidents in making adjustments in their Divisions.

Strategy 1: Align our staffing with the current reality of being a smaller University

Goals:

- Prioritize recruitments based on strategic priorities and service to students.
- Strategic reinvestment in growth areas to strengthen programmatic offerings.
- Preserve jobs for existing employees, with the goal of avoiding layoffs if possible.
- A fair and thoughtful approach for faculty and staff position vacancies.

Implementation strategies:

- Refill only a portion of the budgeted position vacancies that arise, including faculty, staff and administrators. Leaders must prioritize critical gaps and be creative in leveraging HSU's workforce, in line with collective bargaining agreements, to ensure the University has personnel in place to meet the needs of our students.
- Implement Retirement Incentive Program(s).
 - Exploration is underway to determine feasibility at a campus level.
- Strategic reinvestment into growing high-demand and promising programs, as well as investing in new programs based on the identified priorities in the Strategic Plan, Enrollment Plan, and Academic Master Plan.

Strategy 2: Reduce spending to mission critical activities and streamline processes and structures for work that must continue

Goals:

- Reduce discretionary spending, freeing up resources to bridge spending reductions and support strategic reinvestment.
- Improve operational efficiency by focusing efforts on mission critical work.
- Consolidate departments/operations to achieve synergy and reduce duplication of effort.
- Streamline processes and structures to sustain core operations with smaller workforce.

Implementation Strategies:

- Reduce OE budgets, allow divisions to roll forward 100% of unspent OE to incentivize only spending on essential costs. This allows areas to invest in promising programs and can support bridging gaps while working on reductions. (Reports of purchases above \$500 will be shared routinely with VPs.)
- Initiate a freeze immediately and through the next fiscal year on all non-essential facilities projects and work requests, except for those projects approved through divisional VP.
- Initiate a freeze on all non-essential travel (See FAQs for Travel Restrictions).
- Reduce the number of individuals who are issued Procards.
- Centralize basic costs of doing business (such as telephone and network costs) and redistribute budget accordingly, saving the personnel time required to process internal transactions.
- Consolidate departments/functions, restructure to meet the needs of our campus and students.
- Reduce the assigned time or other pay for serving on standing committees, while using some savings to add pay for students serving in shared governance roles.
- Utilize local expertise, where possible, to provide training and other consultative needs for campus.

Strategy 3: Maintain a STUDENTS FIRST focus and enhance programs and service delivery

Goals:

- Transform facilities to build community and places to connect, as well as co-locate student programs and services.
- Ensure programmatic offerings and resources are in place to support a high quality educational experience.
- Enhance service delivery and explore shared services opportunities.
- Continue efforts to align student fees with student needs.

Implementation Strategies:

- Reimagine and reinvest in the student union facility.
- Explore opportunities to enhance synergy between student support units.
- Continue to implement recommendations from the Student Fee Task Force Report.
- Develop an Academic Master Plan to guide development and growth of the University's academic offerings.
- Limit reductions to budgets that support student employment.
- Pursue investments in programming for students or prospective students that acknowledge new challenges related to the pandemic and shelter-in-place rules. Identify opportunities that fit with HSU's strengths and set us apart from competitors.

Strategy 4: Enhance Revenue

Goals:

- Expand availability of resources to support the campus.
- Diversify revenue streams.
- Expand partnerships with the community.
- Invest in new programs to bolster enrollment efforts.

Implementation Strategies:

- Continue to support and grow grant and contract generation.
- Create an ad hoc group to pursue pandemic-related recovery grants at the federal and state level, as well as through private foundations.
- Create and implement a plan for pursuing private charitable support in partnership with divisions and colleges, with a focus on areas of clear opportunity.
- Grow new and existing corporate partnerships.
- Leverage system negotiated contracts.