

URPC Open Forum

Fiscal Year 2024-25 Budget Planning Update



URPC Membership

Seat	Name	Affiliation
Co-Chair, Faculty Senator	Jaime Lancaster (Interim, Monty Mola)	School of Business
Co-Chair, Provost & VP, Academic Affairs	Jenn Capps	Office of Academic Affairs
Faculty, CNRS	Amy Spowles	Department of Biological Sciences
Faculty, CAHSS	Dave Janetta	Department of Art & Film
Faculty, CPS	Ramesh Adhikari	School of Business
Staff Delegate	Steve Margell	IRAR
Staff Delegate	Nate Cacciari-Roy	Office of Academic Affairs
Academic Dean Representative	Jeff Crane	CAHSS
VP of Administration & Finance	Sherie Gordon (Interim, Carla Ho'ā)	Office of Administration & Finance
VP of Enrollment Mgmt & Student Success	Chrissy Holliday	Office of Enrollment Management
VP of University Advancement	Kevin Furtado, designee	Office of University Advancement
Student Delegate	Samuel Parker	Associated Students
Student Delegate	Vicente Zavala	Associated Students

Advisory Roles: University Budget Director, IRAR Director, budget analysts from each division

➤ **URPC Guiding Principles** (a refresher)

- **Students First:** We will prioritize the needs of students and their education. We will provide an equitable environment that ensures the well-being, education, graduation, and future success of our diverse student body.
- **Value Personnel:** We will recognize the impacts budget decisions have on personnel. We will strive to minimize the impacts to existing employees and engage in thoughtful, evidence-driven approaches to strategic workforce planning and process realignment.
- **Financial Resiliency:** The budget should be balanced on an annual basis and be sustainable into future years. Recommendations will balance the need for ongoing resources with the flexibility to adapt to changing circumstances, align resources with strategic objectives, and to thrive in the midst of those changes.
- **Campus Engagement:** We will solicit input from the campus community in order to make informed decisions about resource allocations. We will be transparent and timely in communications with the Campus community regarding the issues being considered.

➤ **Open Forum Purpose**

- Provide **updated** information about the budget
- Recap campus **engagement** on the budget this academic year
- Solicit **feedback** from campus stakeholders on the forthcoming budget recommendation from URPC
- **Communicate** process and next steps

Agenda

- **Budget planning overview / refresher and updates**
Budget reduction scenarios and budget requests
- **What has been done to-date**
Campus engagement and division planning
- **Interactive Engagement**
Opportunity to provide input
- **Wrap-up**
Next steps and preliminary timeline

Budget Planning Overview

Overview, Reduction Scenarios and Budget Requests

> FY2024-25 Budget Planning Parameters

Parameter	Best Case Scenario	Baseline Scenario	Worst Case Scenario
State Funding (one-time year 1)	5% increase	5% increase	0% increase / Reduction
Tuition Rate Increase	6% increase	6% increase	6% increase
Compensation Increases	5% Increase	5% Increase	5% Increase
Enrollment – first-time undergraduate and transfers	10% increase	3% increase	Flat enrollment
Enrollment – continuing undergraduate	2.2% increase	2.2% increase	Flat enrollment
First Year Retention	76.5% retention	76.5% retention	Flat 75.3% retention
<i>Total Enrollment</i>	4.6%	2.6%	0%
State Funding Claw Back (enrollment recalibration)	3% in 24/25, then 0%	3% in 24/25, 5% next 2 years	3% in 24/25, 5% until within threshold

➤ Enrollment Targets

	2024-25	2025-26	2026-27	2027-28	2028-29
EM Target - Fall Headcount (HC)	7,550	8,598	9,864	10,521	11,007
Budget Planning - Baseline, Fall HC	6,131	6,446	6,752	7,022	7,269

CSU Target for 2024-25: 7,375 Annual Resident FTES

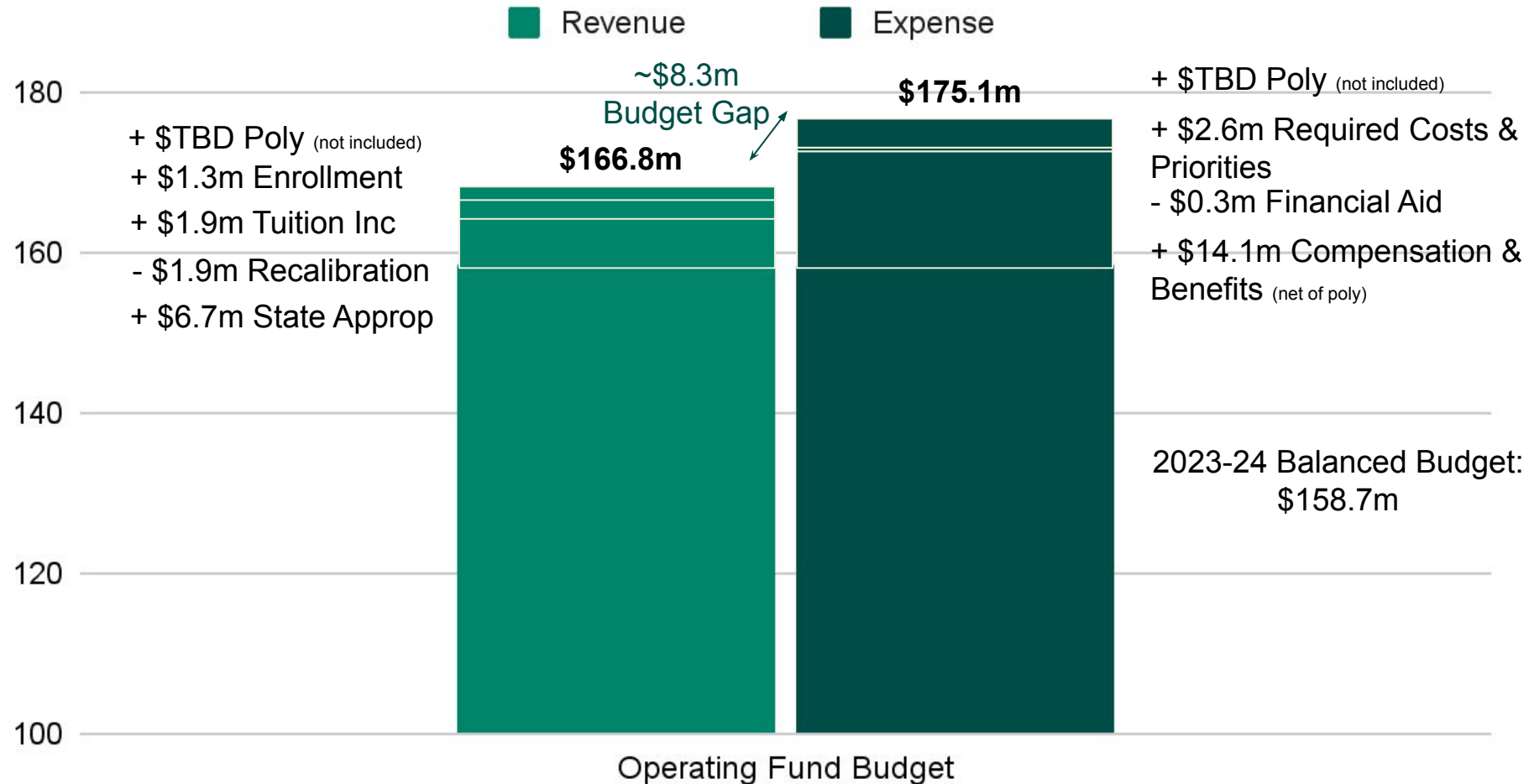
To achieve CSU Target, we would need approximately 8,700 Fall HC as conversion rate from fall HC to annual resident FTES is 84%-85%

Enrollment targets vary based on planning strategy:

- Budget Planning tends to be more conservatively based
- Enrollment Management (EM) tends to be more aspirationally based
- Enrollment target for CSU is based on a CSU-wide enrollment target and budget reallocation plan

Overview: Reduction Target Amount: \$8.3m

2024-25 Estimated Budget Changes at Baseline



> Overview: Context Regarding Cost Increases

- Compensation and Benefits Increases
 - Compensation Increases: \$13.7 million
 - Health Benefits: \$1.3 million
 - *less Poly offset for poly funded position costs: -\$1.0 million*

Compensation Increases include negotiated salary increases for 2023-24 and 2024-25. Note: Increases in 2024-25 are contingent on specific funding levels from the State of California that vary by bargaining unit.

➤ Overview: Context Regarding Cost Increases

- Required Costs and Remaining 2023-24 Priorities (bridge funded with one-time in current year)
 - Dept Allocated Fees/Revenue: \$236k
 - CO Program Earmarks: \$206k
 - University Wide Costs:
 - Utilities (one-time in 2023-24): \$700k
 - Insurance (earmark from CO): \$500k
 - 2023-24 Campus Priorities
 - Athletics (one-time in 2023-24): \$935k

2023-24 Budget Snapshot (URPC Funding Priorities)*

2023-24 Campus Priorities Funded with One-Time	One-Time Allocations	Notes
Required Allocations		
Campus Support for Compensation	5,000,000	Part of 24-25 Base
Title IX & Cozen	250,000	Defer pending CO funding
Campus Priorities - Discretionary		
Safety & Transportation	80,000	Poly funding
Cost Allocation Restoration	83,186	Funded from Summer
SEM Plan	735,596	Summer / Poly funding
Athletics	935,000	included in 24-25
Advancement	30,000	Removed
<i>NEW in Final Budget - Utilities</i>	700,000	included in 24-25

*Sources: [2023-24 Response to URPC Recommendation \(link\)](#)
[2023-24 Allocations Summary \(link\)](#)

Note: 2024-25 Campus Funded Priorities (TBD) - Any budget requests prioritized for investment will increase the budget gap



➤ Overview: Divisional Reduction Planning Scenarios

Budget by Division (excluding Revenue/Restricted)				
Division	2023-24 Budget	less Revenue	Net Budget	% of Net Budget
President	1,505,658		1,505,658	1.1%
University Advancement	4,104,795	-721,000	3,383,795	2.5%
Academic Affairs	91,257,633	-4,426,134	86,831,499	63.3%
Administrative Affairs	25,473,848	-4,838,024	20,635,824	15.0%
EMSS	13,866,388	-396,000	13,470,388	9.8%
Athletics & Recreation	3,370,310	-10,000	3,360,310	2.4%
University Wide	19,088,125	-11,045,896	8,042,229	5.9%
Total	158,666,757	-21,437,054	137,229,703	100.0%

Divisional reduction scenario planning -> if the university had to take 3%, 5%, or 8% reductions, what would be the proportional share by division (using % of 2023-24 net budget)?

In February, each division prepared scenarios regarding potential reductions at each target % to understand opportunities and impacts within their division to inform planning

Division	Reduction Target %		
	3.0%	5.0%	8.0%
	Best	Baseline	Worst
President	54,859	98,746	153,605
University Advancement	123,289	221,921	345,210
Academic Affairs	3,163,728	5,694,711	8,858,439
Administrative Affairs	751,872	1,353,369	2,105,241
EMSS	490,797	883,435	1,374,232
Athletics & Recreation	122,434	220,381	342,815
University Wide	293,021	527,437	820,458
Total	5,000,000	9,000,000	14,000,000



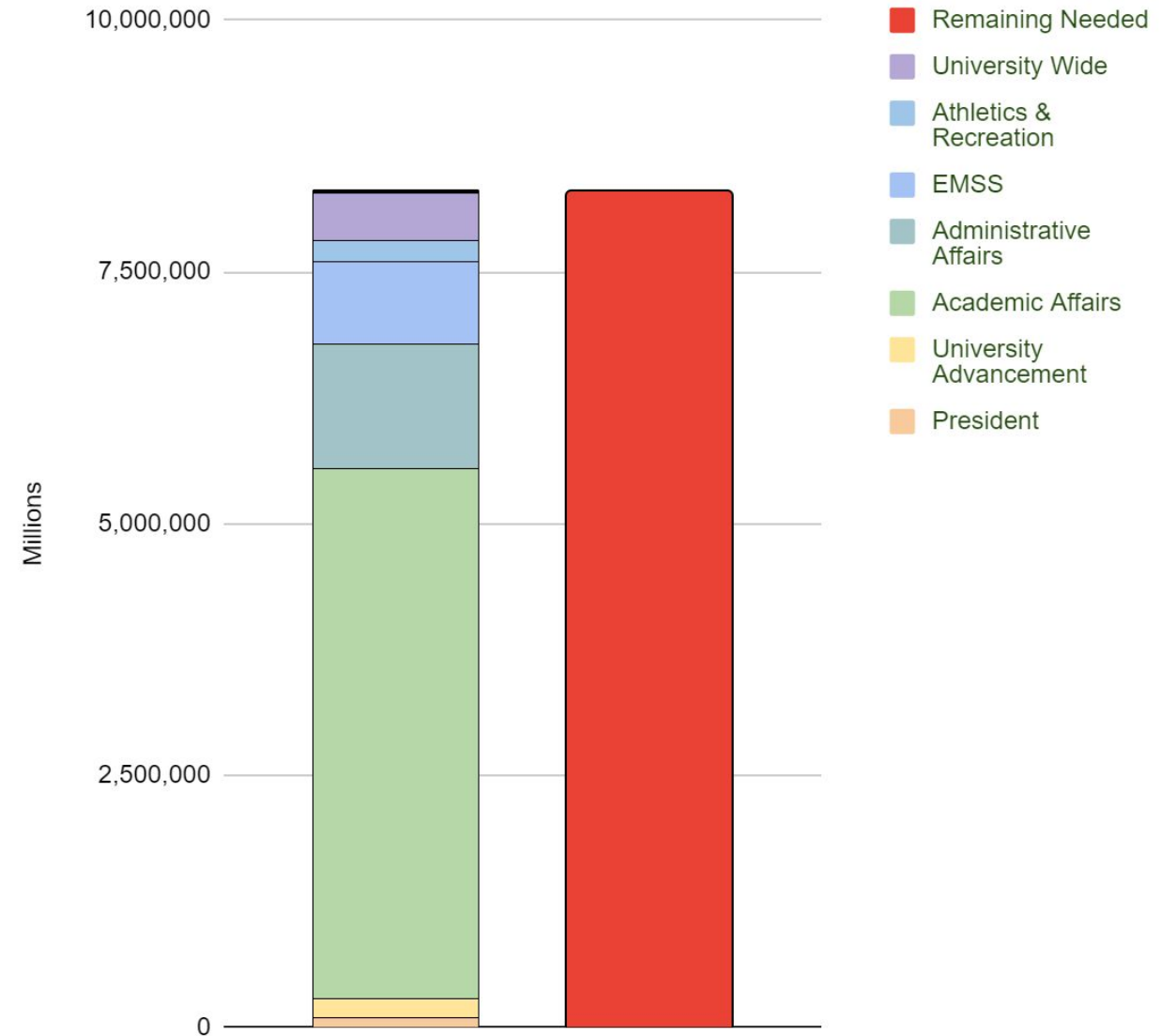
> Reduction Planning Parameters (a refresher)

- **Approach reductions strategically and not across the board**
- **No division will be exempt**
- **Support units' ability to plan and avoid mid-year reductions unless absolutely necessary**
- **Commitment to transparency and timely communication**

URPC Interactive Reduction % Planning

Division	Across the Board	URPC Proposed	
President	91,066	0	0.00%
University Advancement	204,660	0	0.00%
Academic Affairs	5,251,789	0	0.00%
Administrative Affairs	1,248,107	0	0.00%
EMSS	814,723	0	0.00%
Athletics & Recreation	203,240	0	0.00%
University Wide	486,414	0	0.00%
Remaining Needed		8,300,000	
Total	8,300,000	8,300,000	

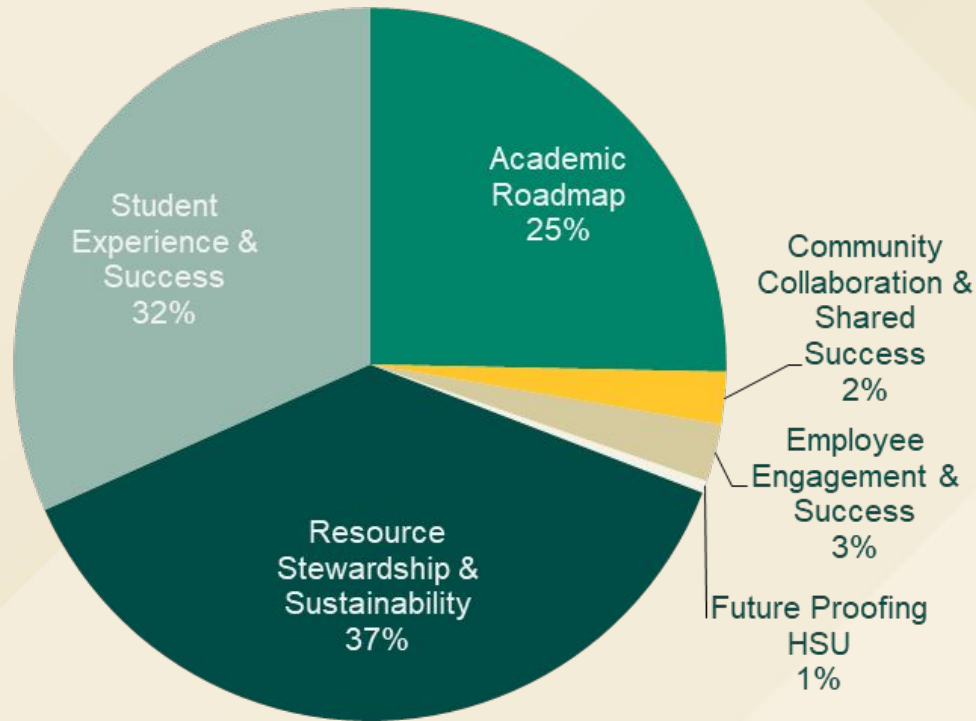
Across the Board vs. URPC Proposed



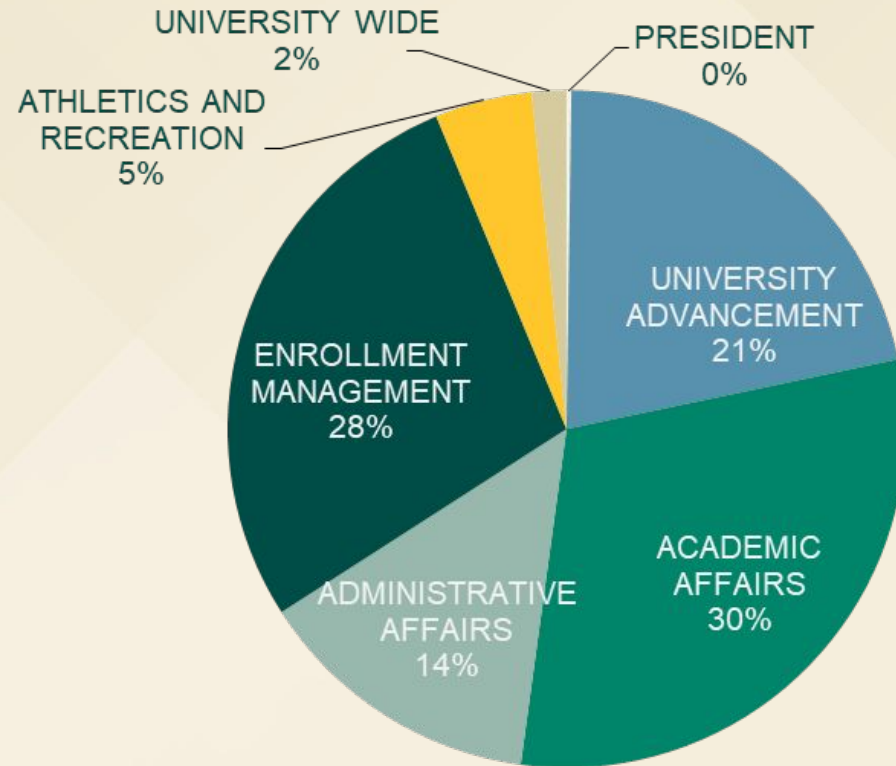
> Budget Requests Update

Total 2024-25 Requests:
\$12.5 million
(base: \$10.1m, one-time: \$2.4m)

Requests By Strategic Plan Theme



Requests by Division



Budget Requests Next Steps:

President's Administrative Team Review -> URPC Review & Recommendation



Activities To-date

Campus engagement and Division planning

➤ Campus Engagement

- URPC Guiding Principles and Reduction Planning Parameters developed
- FY 2024-25 budget planning scenarios for 3%, 5%, and 8% reductions developed
- January 29 - message to campus about budget reduction planning
- Meetings with campus groups during month of February
 - *University Senate, Staff Council, Associated Students, Council of Chairs, Academic Affairs leadership, EMSS leadership, Advancement, Athletics, Administrative Affairs, Budget Analysts group, Info Exchange, SAAS*
- Division-level presentations at URPC meetings on March 8, 22, and 29 (available online at: budget.humboldt.edu/urpc)

Division Planning

- *Late January* - Divisions began building reduction planning scenarios, incorporating Guiding Principles
- *Late February* - Divisions completed reduction planning scenarios
- *March* - Division leaders met with President and CFO to review reduction planning scenarios and discuss opportunities and impacts
- *March* - Each Division leader presented at URPC

Division Presentations - Emerging Themes

- Enrollment growth is an essential part of the university's ability to build financial resilience and flexibility for the future
- Reductions to operating budgets are more prevalent in lesser reduction scenarios
- Previous budget reductions have limited the opportunities for less impactful reductions
- Reductions to level of service and/or longer response time will be inevitable
- Some areas are heavily reliant on one-time funding and are simultaneously navigating existing deficits in other funding sources

Emerging Themes Continued

- Divisions are seeking to avoid layoffs by focusing on the reduction of vacant positions; unique dynamics emerge with respect to administrative, staff and faculty positions
- Some budget reduction measures have already been implemented in divisions in anticipation of reductions
- Determining where and how much to recommend reducing is a complex and challenging task
- Modest or even significant reductions in small divisions have limited impact on the overall reduction target

Interactive Activity

Opportunity for input

➤ **Listening and Discussion**

In small groups, please discuss the following questions:

- **When making budget reductions decisions:**
 - What is the biggest mistake the university could make?
 - What opportunities might be missed?
- **What advice would you offer to the URPC for this process?**

Wrap-up

Next steps and Preliminary timeline

Next Steps and Wrap-up

- URPC is working on recommendations for reduction % targets by division based on:
 - URPC Guiding Principles
 - Reduction Planning Parameters
 - President's Priorities
 - Division URPC presentations
 - Other relevant context
- URPC recommendation to University Senate
- Budget recommendation to President
- Budget finalized and approved by President