Fall 2023 URPC Forum

Role of the URPC

University Resources and Planning Committee

About the URPC

WHAT?

Campus committee of faculty, staff, students & administrators who meet bi-weekly to talk budget!

PURPOSE

Duties outlined in the Senate Bylaws

- **Information |** gathering relevant budget-related information; sharing information with campus community
- **Discussion |** we engage in active conversation about budget priorities and impacts
- **Advisory |** we are the consultative body for issues related to sources and uses of resources.

DELIVERABLE "The budget recommendation"

- Annual recommendation to Senate & the President for how to use *previously unallocated funds.*
- Proposes new, ongoing funding at the division or special-project level with a recommendation for use.

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URPC Charge

- University Resource Allocation Model (Completed by December 2024 but ready for a July 1, 2025 implementation).
- To partner on efforts to identify strategies to support the campus in identifying short and long-term strategies for cost savings, cost avoidance and alternative revenue strategies. An immediate focus is on the exploration to implement an Early Exit Program (EEP).
- To partner on multi-year planning.
- To continue efforts in educating the campus community on state, CSU and campus fiscal matters through platforms such as these forum series.

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Agenda

- Role of the University Resources & Planning Committee (URPC)
- Budget Basics
  - Key Terms
- State of the Budget
  - State and CSU Budget Overview
  - Cal Poly Humboldt Enrollment Update
  - Cal Poly Humboldt Budget Update

Summary of Current State

1. We have a balanced budget today
2. There are considerable unknowns that have significant budget implications
3. We are simultaneously growing and need to maintain forward momentum with our polytechnic transformation

The way forward is complex and our goal today is to highlight these variables and considerations to better inform our collective next steps in planning
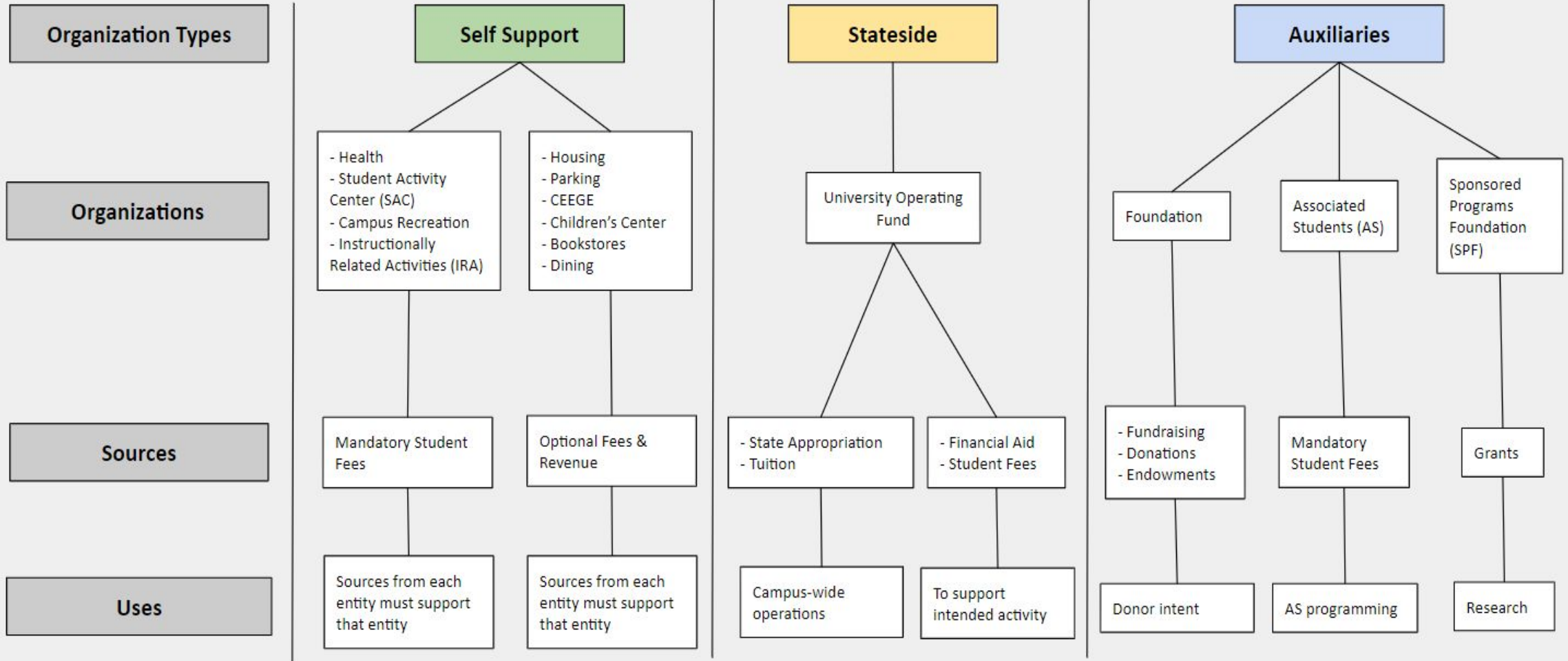
Key Terms

Scan QR code above to download the URPC Key Terms sheet

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Organization Types & Funding Sources

- **Stateside/University Operating Fund (aka General Fund)** - Main operating budget for instruction and operations. URPC makes a recommendation for the University Operating Fund. Sources comprised primarily of:
  - State Appropriation
  - Tuition - Residents and nonresident
  - Student fees
- **Self Supports** - Reflect activities supported by student fees and other sources that are designated for specific purposes. Examples include:
  - Housing – Rent
  - Health – Student Fees
  - Bookstore - Sales
- **Auxiliaries** - Separate not-for-profit organizations, with boards
  - Sponsored Programs Foundation (SPF) – Federal/State/Local/Private grants
  - Foundation – Philanthropic funding
  - Associated Students (AS) – Student fee

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Cal Poly Humboldt's Organizations Operating Funding Sources and Uses

Organization Types

| Self Support | Stateside | Auxiliaries |

Organizations

Self Support:
- Health
- Student Activity Center (SAC)
- Campus Recreation
- Instructionally Related Activities (IRA)

- Housing
- Parking
- CEEGE
- Children's Center
- Bookstores
- Dining

Stateside:
University Operating Fund

Auxiliaries:
Foundation | Associated Students (AS) | Sponsored Programs Foundation (SPF)

Sources

Mandatory Student Fees

Optional Fees & Revenue

- State Appropriation
- Tuition

- Financial Aid
- Student Fees

- Fundraising
- Donations
- Endowments

Mandatory Student Fees

Grants

Uses

Sources from each entity must support that entity

Sources from each entity must support that entity

Campus-wide operations

To support intended activity

Donor intent

AS programming

Research

Not all inclusive, intended to provide a high level snapshot of primary funding sources and uses

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Budget Terms

○ **Base/Original** - Ongoing budget from recurring sources. A campus plan of financial operations

○ **One-Time** - Funding only available once

○ **Revised** - Sum of base and one-time (base + one-time = revised)

○ **Non Restricted** - Flexible funding. Able to support a variety of activities

○ **Restricted** - Funding that must support a specific activity/initiative

○ **Earmarks** - Funding activity identified for strategic investment

○ **Rollforward / Fund Balance**- Remaining budget balance available from the prior year that is available for future use. This is one-time funding

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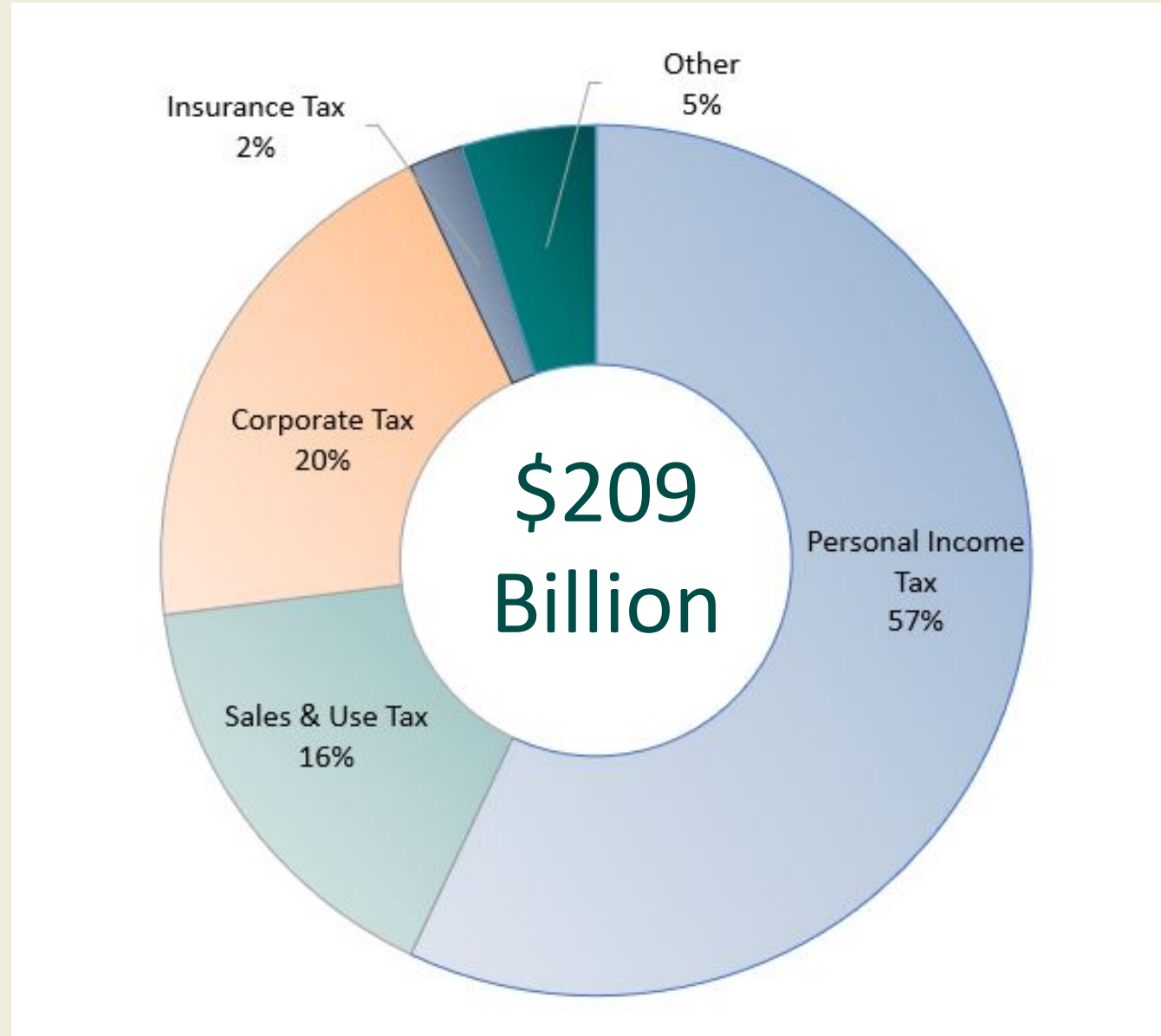
Enrollment Terms

- **Headcount (HC)** - 1 student = 1 headcount. Tuition is paid based on headcount

- **Full Time Equivalent Students (FTES)** - A way of categorizing enrollments. 1 FTES = 15 units for an undergraduate, 12 units for a graduate. Budget planning is based on annualized FTES

- **Resident and Nonresident Enrollments** - The enrollments reported on each student's fee paying status. Used to forecast the resident and nonresident fee revenue

- **CSU Enrollment Target** - Level of students that the system provides Cal Poly Humboldt with funding to support via state appropriation (note: this is Resident FTES only)
  - Our current funded CSU Resident FTES level: 7,603
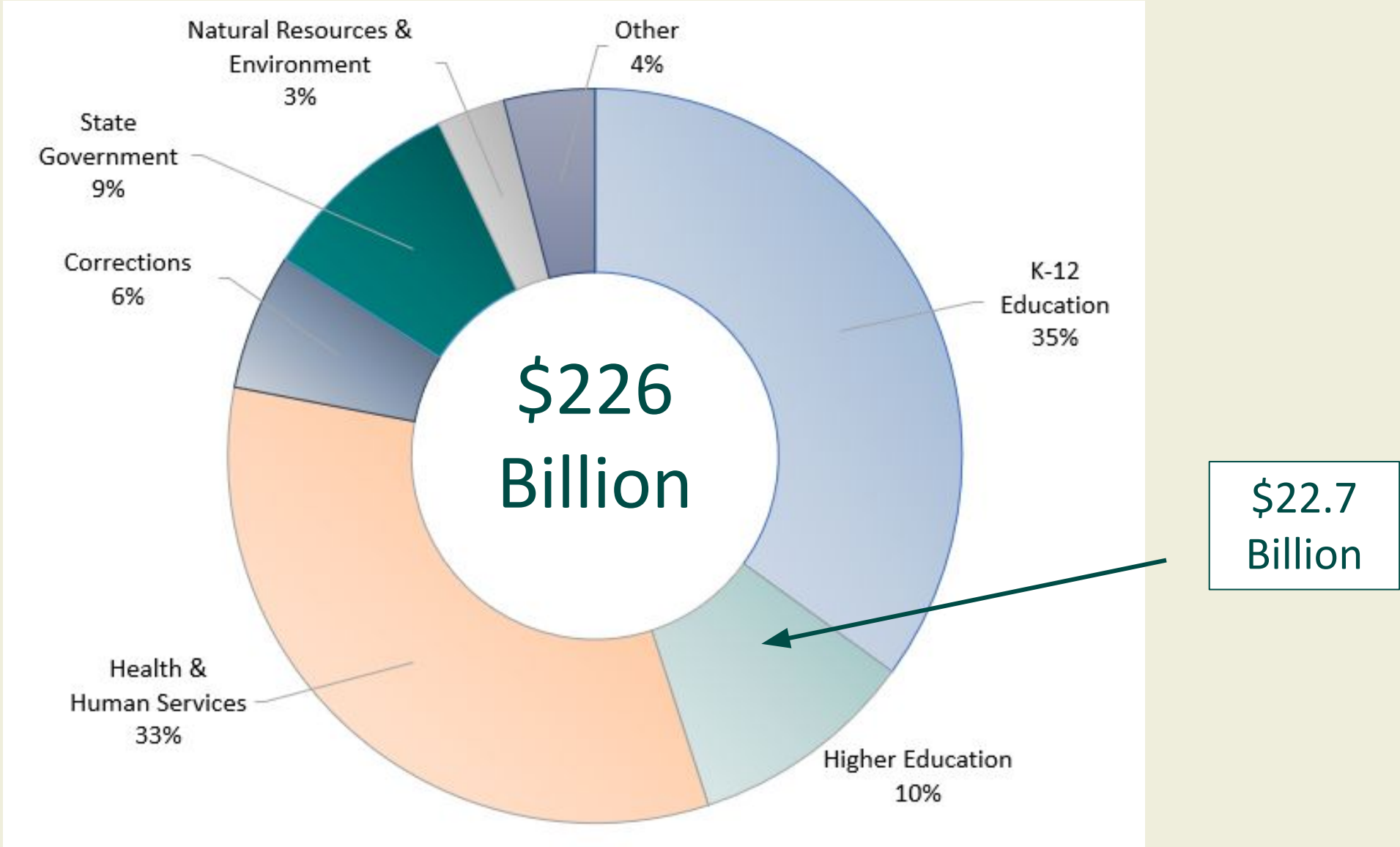
Enrollment - Fall vs. Annual

- Annual = (summer + fall + spring) / 2
  - Note: summer shifted stateside in 2023
- Annual Resident FTES Target is 7,603
- Common Mistake - Don't compare Fall to Annual target

- Example:
  - Fall 2021 Resident FTES: 4,972
  - Spring 2022 Resident FTES: 4,540
  - Annual 2021-22 Resident FTES: 4,756

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State and CSU Budget

2023-24 State Revenues

2023-24 State Expenditures (Source: 2023-24 State of CA Budget)
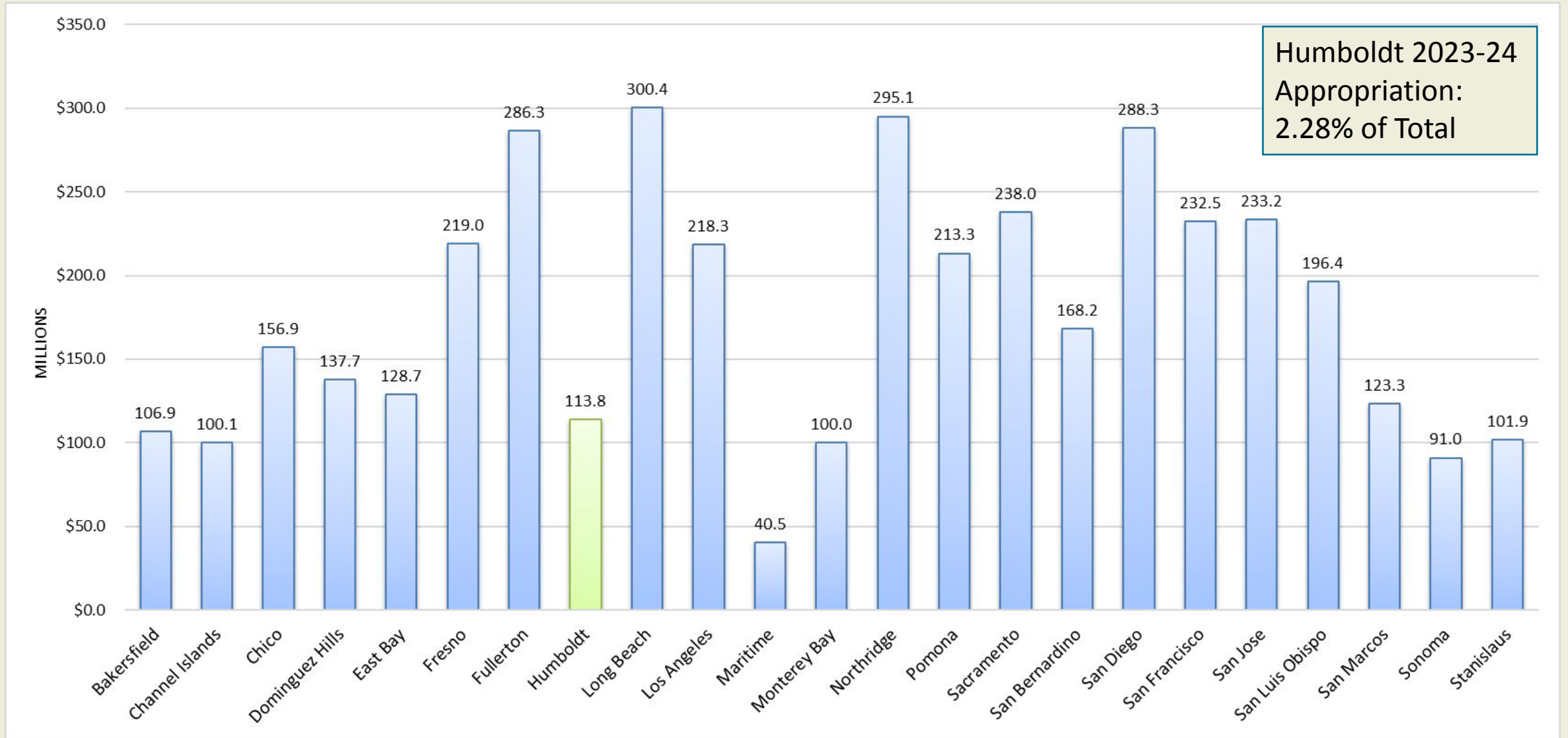
2023-24 State Higher Education Budget

$22.7 Billion

GO Bonds 1%
Student Aid Commission 13%
University of California 22%
California State University 23%
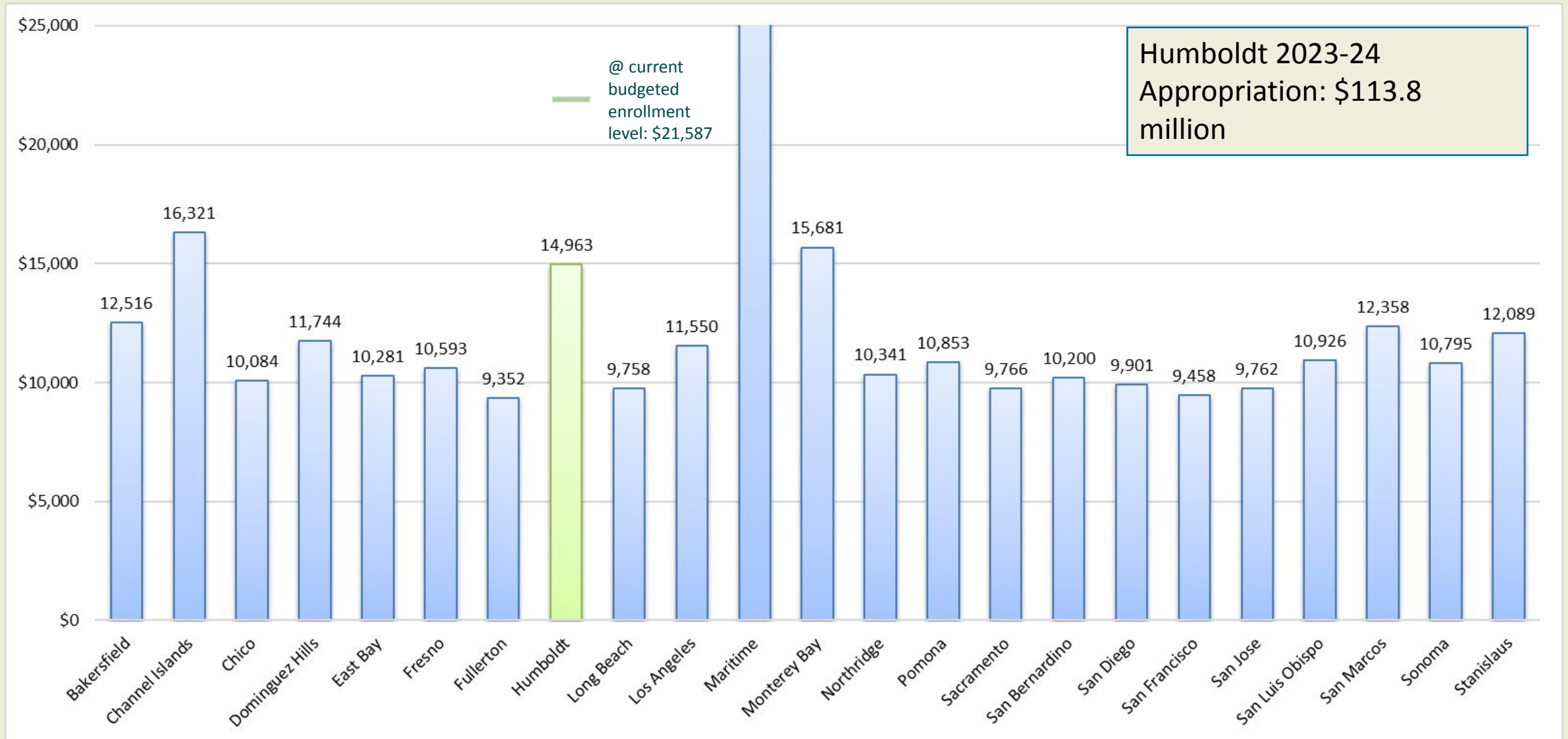Community Colleges 41%
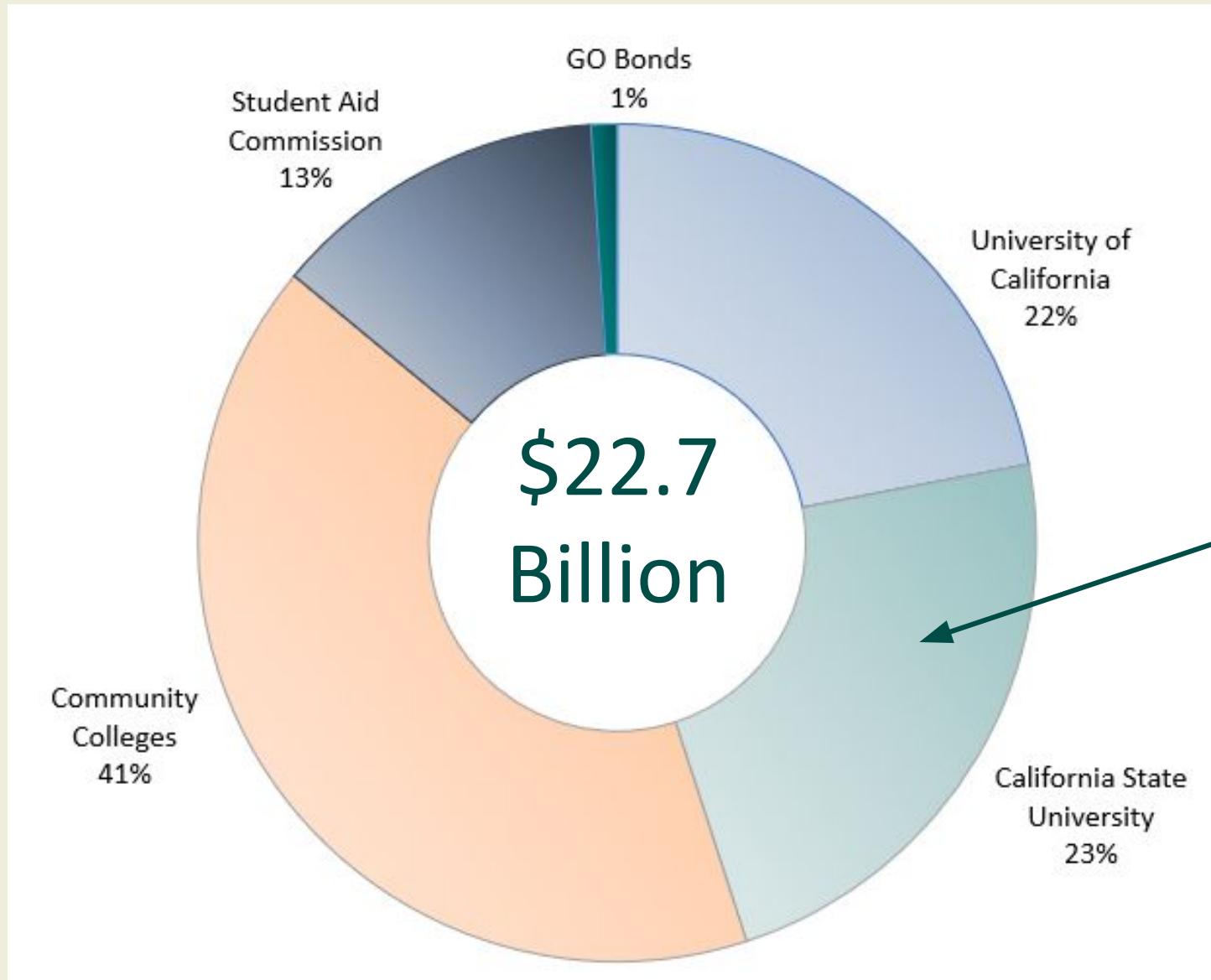
$5 Billion General Fund Ongoing

2023-24 CSU State Appropriation Funding by Campus

(Source: [CSU 2023-24 Final Budget Allocations (B23-02)](#))

Humboldt 2023-24 Appropriation: 2.28% of Total

Campus values (in Millions):
- Bakersfield: 106.9
- Channel Islands: 100.1
- Chico: 156.9
- Dominguez Hills: 137.7
- East Bay: 128.7
- Fresno: 219.0
- Fullerton: 286.3
- Humboldt: 113.8
- Long Beach: 300.4
- Los Angeles: 218.3
- Maritime: 40.5
- Monterey Bay: 100.0
- Northridge: 295.1
- Pomona: 213.3
- Sacramento: 238.0
- San Bernardino: 168.2
- San Diego: 288.3
- San Francisco: 232.5
- San Jose: 233.2
- San Luis Obispo: 196.4
- San Marcos: 123.3
- Sonoma: 91.0
- Stanislaus: 101.9

2023-24 CSU State Appropriation Funding per CSU Target FTES *(Source: [CSU 2023-24 Final Budget Allocations (B23-02)](#))*

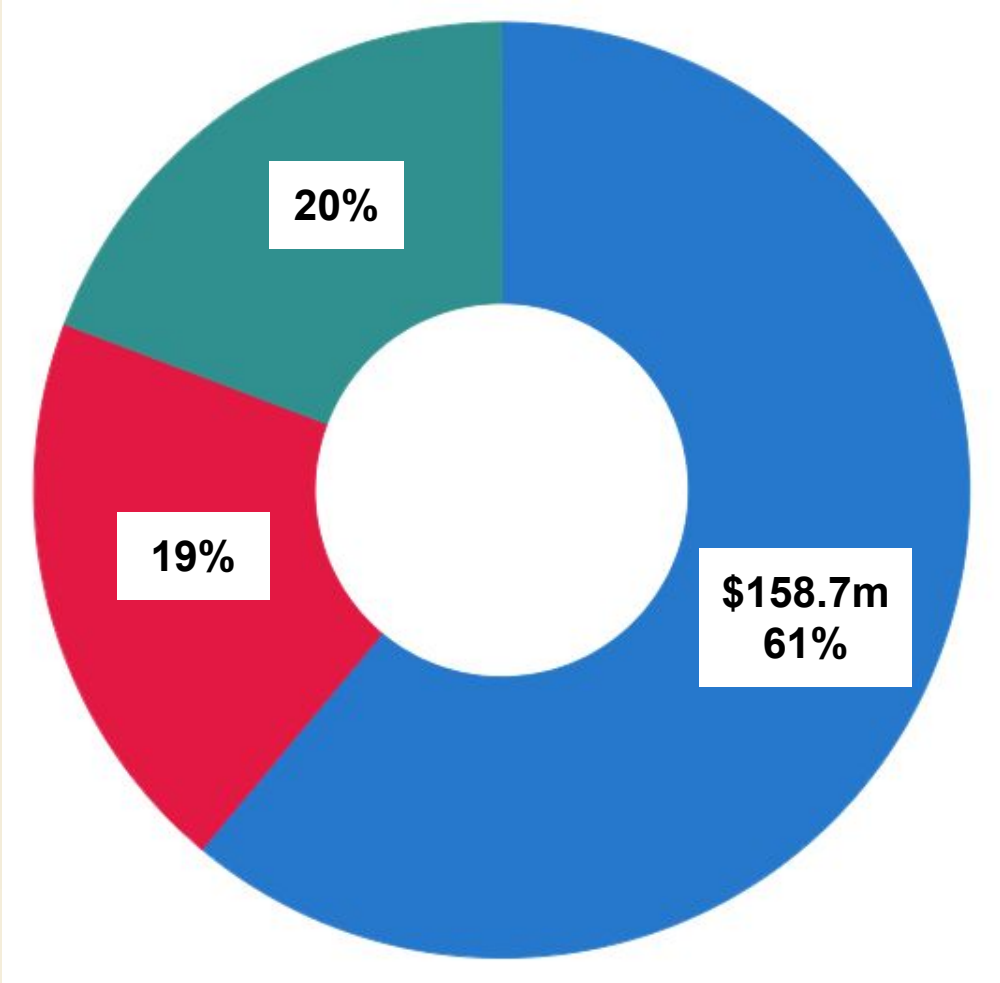Chart showing 2023-24 CSU State Appropriation Funding per CSU Target FTES by campus:

- Bakersfield: 12,516
- Channel Islands: 16,321
- Chico: 10,084
- Dominguez Hills: 11,744
- East Bay: 10,281
- Fresno: 10,593
- Fullerton: 9,352
- Humboldt: 14,963
- Long Beach: 9,758
- Los Angeles: 11,550
- Maritime: (above $25,000)
- Monterey Bay: 15,681
- Northridge: 10,341
- Pomona: 10,853
- Sacramento: 9,766
- San Bernardino: 10,200
- San Diego: 9,901
- San Francisco: 9,458
- San Jose: 9,762
- San Luis Obispo: 10,926
- San Marcos: 12,358
- Sonoma: 10,795
- Stanislaus: 12,089

@ current budgeted enrollment level: $21,587

Humboldt 2023-24 Appropriation: $113.8 million

Cal Poly Humboldt 2023-24 Budget

2023-24 All Funds Revenue Budget Breakdown

$259.8
Million

All Funds Revenue Budget

Provides revenue budget information for all budgeted funds on campus, including the university operating fund, self-support entities, and auxiliary organizations. Please...
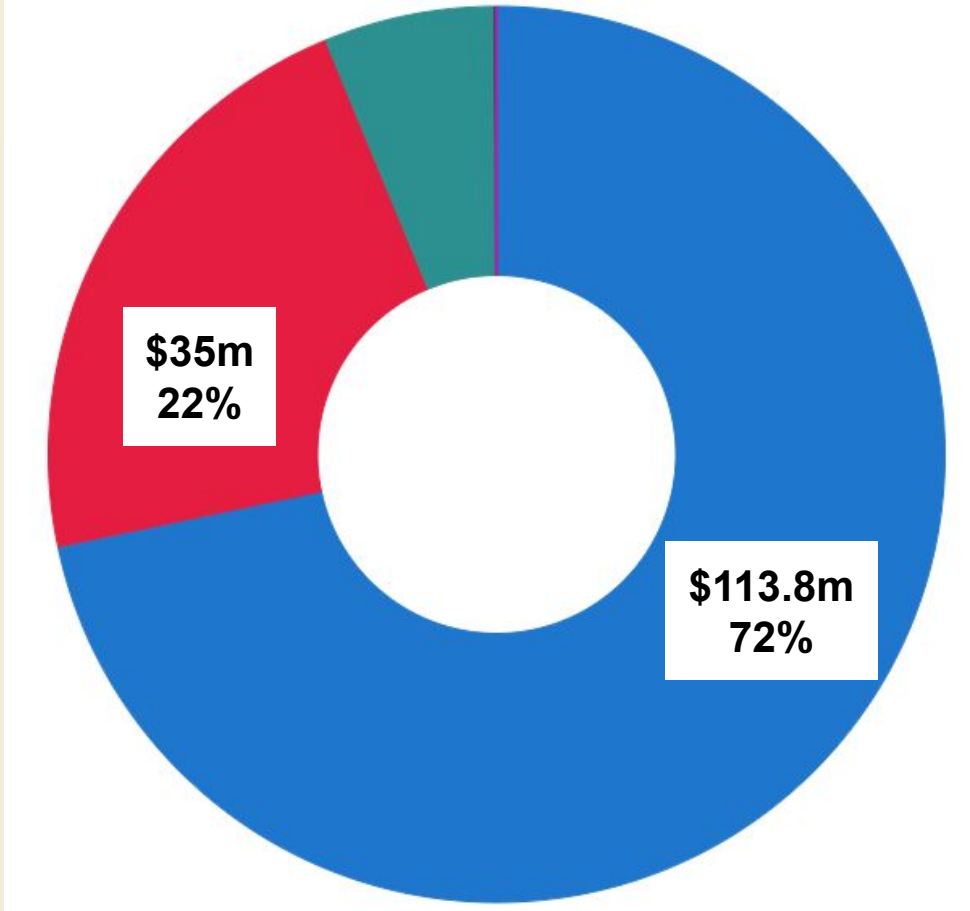
Note: two all funds budgets still being finalized, final Revenue Budget amount estimated at $260.9m

20%

19%

$158.7m
61%

- ● University Operating Fund
- ● Auxiliary Organizations
- ● Self-Support Funds

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2023-24 Operating Fund Revenue Budget Breakdown

$158.7
Million

University Operating Fund
Revenue Budget (Updated with...

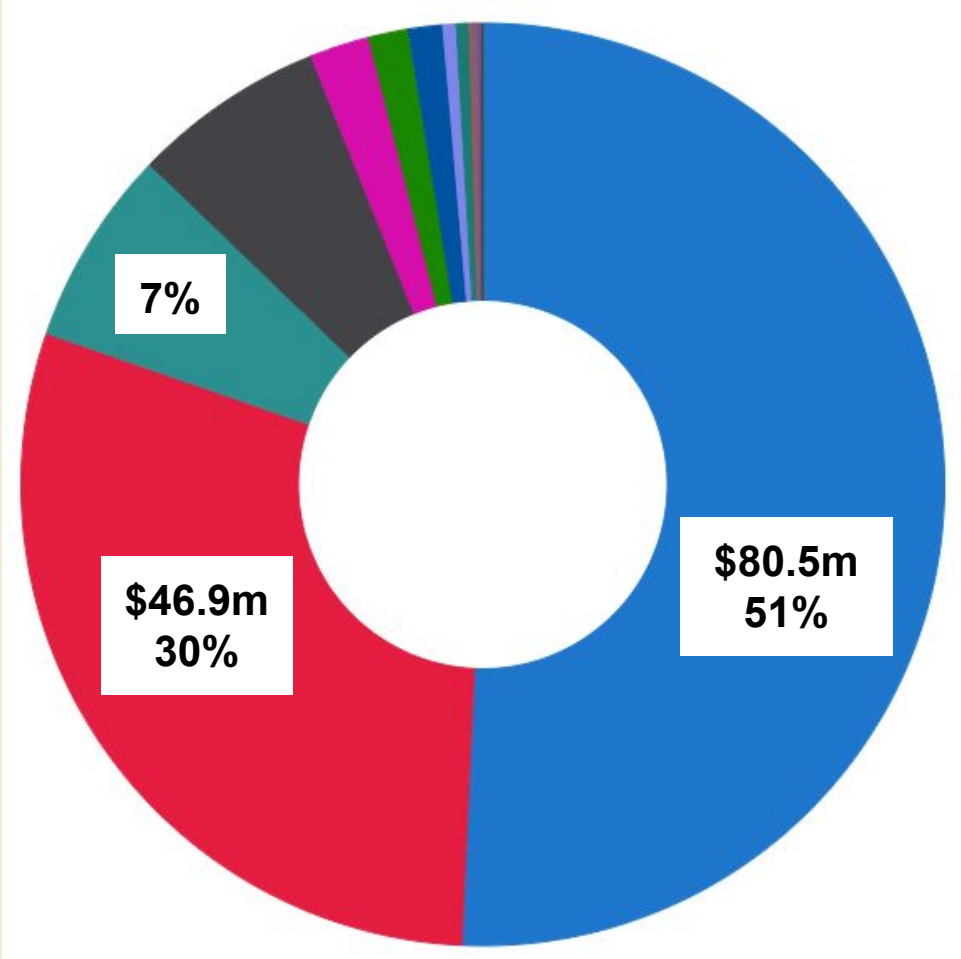Provides revenue budget information for the University Operating Fund.

$35m
22%

$113.8m
72%

- State Appropriations
- Higher Education Fees
- Other Financial Sources
- Transfers In From Other Funds/Appropriations
- Gifts Grants and Contracts

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2023-24 Operating Fund Expenditure Budget Breakdown

Cal Poly Humboldt 2023-24 Enrollment

Current Status, Upcoming Tasks

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Where Are We Today?

- Numbers officially announced Oct. 9

- Saw **growth of 2-3%**, depending on the indicator.

  - Headcount = 5,976 (+2% & 118 students)   Resident FTES = 5,099 (+3.4%)

  - Volatile summer (intentional changes), transition period, new competitive space

- **Second consecutive** fall semester with growth
  - Demonstrates the decline has been stopped
  - Retention rate grew to 75.3%

- Outperforming state and national trends

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Where Are We Headed?

- Push towards **spring 2024 enrollment** growth
  - Helps to enhance Annual FTES
  - Goal = growth (monitoring pacing, adjusting efforts real time)
    - Extended deadlines, strong communications
    - Incomplete app pool is strong
  - Deferments and transfer focus - strategic recruitment and outreach

- Enhanced **operations and strategy** for Fall 2024 impact
  - Focus: Close the gap between interest and enrollment
  - Revamped admissions processes, communications, recruitment travel
  - Significant team turnover - extensive training
  - SEM plan - new students AND retention
  - Academic Affairs collaboration - recruitment partnership opportunities
  - Enrollment Target Progress team
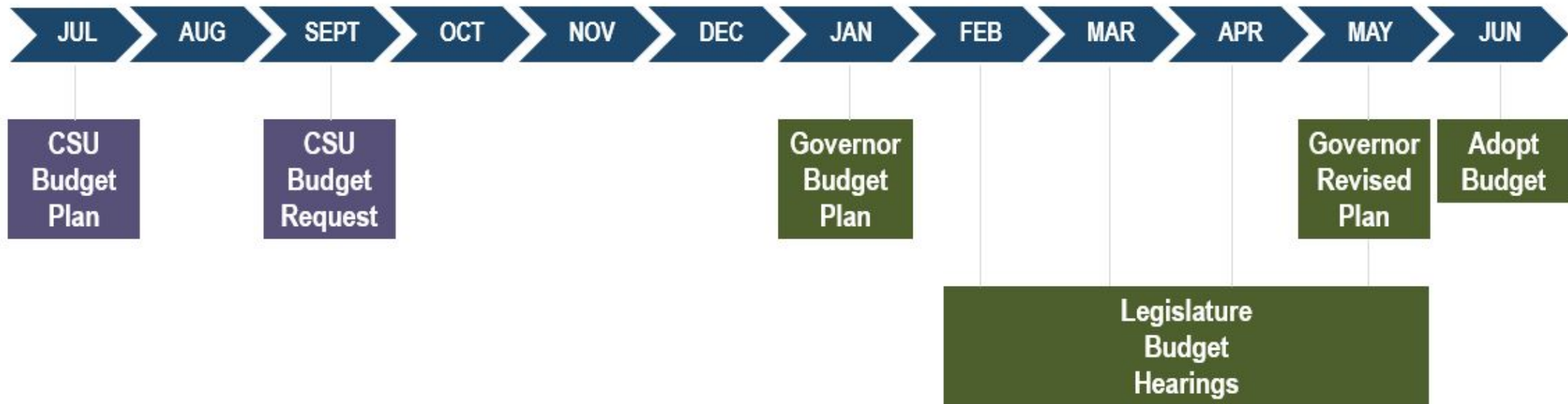 - SEM Plan Implementation Team

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2024-25 Budget Planning

State and CSU Budget Timeline

2024-25 CSU Budget Plan - New Sources

SOURCES OF FUNDS (Incremental New Revenue)	TUITION & WITHIN COMPACT	ABOVE COMPACT	BUDGET PLAN
State General Fund	$240,243,000	$144,546,000	$384,789,000
Tuition from Rate Increase	148,330,000		148,330,000
Tuition from Strategic Resident Enrollment Growth	24,278,000		24,278,000
TOTAL NEW SOURCES	**$412,851,000**	**$144,546,000**	**$557,397,000**

Source: 2024-25 CSU Budget Plan website

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2024-25 PROPOSED INCREASE

$557,397,000
PROPOSED OPERATING BUDGET INCREASE

Workforce Investments **$242.0 M**

Student Access & Success **$115.5 M**

Institutional Support **$55.4 M**

Workforce Investments **$57.0 M**

Institutional Support **$53.5 M**

Student Access & Success **$34.0 M**

$412.9M
TUITION & WITHIN COMPACT

$144.5M
ABOVE COMPACT

Workforce Investments - Compensation

CSU The California State University

Cost of 5% for All Employees & Estimated Campus Funds Needed

	23/24	24/25	25/26	Total
Cost of 5% Increase	$261	$277	$291	$829
Compact Funds for Comp	$123	$68	$112	$303
Campus funds needed	$138	$209	$179	$526
Tuition Rate Increase	$0	$99	$105	$204
Campus Funds Needed	$138	$110	$74	$322

All dollars are in millions.
The dollars above assume full compact funding from the state, estimated required operational costs, along with a tuition increase of 6%.

At 5% over 3 years, Cal Poly Humboldt's estimated campus share (~2.2%) is estimated between **$7m-$7.5m**

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Campus Budget Planning Variables

- **Sources of Funding (Revenue)**

  - State Funding: estimated at Compact (+5%)

    - Governor's Budget in January will signal

  - 6% Tuition Increase: +$2m per year, ⅓ to financial aid

  - Enrollment Growth as of August 2023 estimate: $0 to +$4.0m

  - Enrollment Recalibration: $0 to -$3.4m per year

  - Poly 2024-25 funding estimate: $2.3m ($11.5m remaining)

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Campus Budget Planning Variables

- **Uses of Funding (Expenditures)**
  - Collective Bargaining estimated funding gap over three years (1% = ~$1.1m)
    - 5% x 3 years: $7.5m
    - 6% x 3 years: $11.0m
    - 7% x 3 years: $14.7m
  - Financial Aid: ⅓ of tuition rate increase ~$700k
  - Utilities & Insurance Cost Increases: $700k - $1m+
  - Base Allocation Priorities: $1.5m (reflects 23-24 priorities bridged with Operating Fund one-time)
  - Poly 2024-25 funding estimate: $2.3m ($11.5m remaining)
  - System Earmarks: TBD

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3. We are simultaneously growing and need to maintain forward momentum with our polytechnic transformation

The way forward is complex and our goal today was to highlight these variables and considerations to better inform our collective next steps in planning

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Next Steps

Impact and Engagement

- How does this affect you and your work?

- How can we meaningfully engage you and campus partners?

Budget Planning

- Establish % of enrollment target to use in budget planning

- Develop preliminary five-year budget projection scenarios

- Budget Office working on revamped budget process

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Q&A

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