

As stated in the URPC's Balanced Budget Proposal for 2019-2022, "Each Division will be tasked with providing a clear, transparent, and rationalized summary to the URPC regarding progress towards identifying and adopting strategies to achieve the specified reductions in alignment with our Guiding Measures and Principles . These summaries will be submitted quarterly, beginning March 31, 2020." Below is a worksheet for documenting and reporting information that will help keep the URPC and campus informed about Divisional planning.

Please describe your division's Year 1 achieved reductions (reflected in the 2020-21 budget) and also provide a status update of reduction actions since July 1, including how much is still outstanding.

Base budget for reduction calculation: \$4,010,000

18.3% Reduction (4% of campus total): \$735,000

Estimated reductions accomplished: \$600,000

- Eliminate vacant Assoc. VP position and three vacant staff positions ~ \$450,000
- Reduce OE based on Budget Office analysis ~ \$80,000
- Eliminate subsidy of print and bulk mailing services ~ \$70,000

Estimated remaining reductions: \$135,000

- Additional OE reductions and possible additional savings from eliminated positions
- One-time or additional ongoing support possible from non-state sources.

No savings were realized from the Early Exit Program as no University Advancement employees chose to participate.

Please describe the overall budget reduction planning process within your division. Additionally and specifically, address the following:

a) How have you achieved transparency among your stakeholders? For example, how did you share with your stakeholders an overview of the division's budget, with a description of what has been reduced thus far and from where, and how much is still needing to be achieved?

b) How have you engaged stakeholders in a shared decision-making process? For example, how was their feedback and input considered in decisions made thus far, and how will their feedback/input be considered in decisions still to be made to reach final reduction targets?

University Advancement collaborates with, and provides services to, many different units on campus. The division's primary audiences are external, including alumni, donors, families of current students, community members, and elected officials. The division is also very focused on students, prospective students and their families, and this plays out primarily through marketing support to Admissions as well as University-wide

communications including social media and top-level websites.

The Budget Office provided extensive consultation regarding the divisional budget as well as the related HSU Foundation Budget. There have been ongoing discussions about the division's budget planning with campus leadership, leadership within the division, and key volunteers. There have been briefings and updates for divisional staff as well as discussions of divisional priorities. The division has also consulted with the leadership within the HSU Foundation, which is closely associated with University Advancement, as well as volunteer leaders involved in planning for a capital campaign. Much of the work for the current budget reduction builds upon a reorganization effort that was already underway during the prior year.

A study group of the HSU Foundation Board produced a report on possible ways the Foundation could provide additional financial support for fundraising efforts. Notably, the study group recommended that such support be in conjunction with additional campus investment.

Financial Services has developed a budget document that shows the budget of both University Advancement stateside budget and the HSU Foundation. It provides greater clarity about how the two budgets interact, and clearly shows the operational funds held within the Foundation.

A draft campaign budget, based on best practices and experience at other campuses, is being used to inform staff and volunteers involved in helping plan the capital campaign. It assumes a need for operational funding of approximately 10% of the campaign goal.

Please speak to how your reduction strategy contemplates and incorporates the guiding principles as provided by the URPC:

- **Students First:** We will always prioritize the needs of students and their education first. We will support students' academic success and provide courses and services that facilitate their education and graduation.
- **Preserve and Value Personnel:** The education of students is intimately linked to the morale and security of staff and faculty. As such, every effort will be made to avoid concerted personnel dismissals. We will instead focus on preserving jobs for existing employees and engaging in thoughtful, evidence-driven approaches to filling positions as vacancies arise, and leveraging reassignment of personnel in line with student needs and growth.
- **Fiscal Stability and Revenue Enhancement:** The budget must be balanced on an annual basis, and be sustainable into future years, through co-equal consideration of contemporary needs and ongoing institutional health.
- **Mission, Vision, and Context:** We will continue to work toward realizing the articulated vision of the University.
- **Transparency (Clarity), Communication, and Shared Governance:** We need input in order to make informed decisions about resource allocations such that they reflect the values, needs, and avowed intentions of the University community. In order to provide meaningful input, the Campus community must be informed about the issues being considered. Reciprocal participation by all stakeholders is thus advised and requested.

Students First

The division supports student success in numerous ways, including through raising funds for scholarships/programs and through university-wide communications. While the reductions will have medium-term and long-term harm, particularly with reduced overall charitable support for future students, it frees up more funds more quickly for direct services to current students.

Preserve and Value Personnel

This budget depends largely on eliminating vacant positions and reassigning responsibilities to current staff. We have maintained most student jobs in the Division, though some vacant student positions are not currently filled. This includes keeping a student caller program going throughout the pandemic, unlike most other CSUs with similar programs. At this point, our budget planning for future years does not rely on layoffs. With those vacancies that must be filled, the division remains flexible and willing to consider campus reassignments.

Fiscal Stability and Revenue Enhancement

The division's budget planning prioritizes expanding the number of major gift officers and enhancing overall capacity to carry out a capital campaign. These are vital steps in order to take advantage of clear opportunities to increase overall charitable giving to the University. However, success in this area will be dependent on creative financing in the face of significant base budget reductions. Possibilities being explored include one-time funding, additional one-time or ongoing support from HSU Foundation operational funds, and direct investment in fundraising efforts by donors who understand the potential of increased capacity. The division is also working with campus partners - such as Sponsored Programs - to overcome or remove campus barriers to generating external revenue as well as to more creatively utilize funds to accomplish University goals.

Mission, Vision, and Context

University Advancement efforts are consistently focused on supporting University priorities and enhancing its brand. The division is relatively nimble and able to pivot to meet changing priorities.

Transparency (Clarity), Communication, and Shared Governance

The division has shared updates and information with campus leadership, key campus committees, volunteer leaders, and stakeholders. Our budget may be explored in detail using Budget Office website tools. The HSU Foundation website has extensive information and documentation. Data provided to the Council for Advancement and Support of Education (CASE) and to the CSU results in reports about charitable giving that contain overview information and details about HSU's efforts.

What might be some projected consequences of your respective reduction/reduced distribution of resources?

- What strategies will you adopt/have you adopted for limiting potential impact to students?
- What are the broad consequences of proposed actions? Include measures such as position reductions and dollar amounts down to the MBU.
- What were the consequences of actions undertaken thus far.
- What are potential inter-divisional impacts? How have you determined those impacts and subsequently limited negative outcomes for other areas?

University Advancement has been deeply impacted by budget reductions over the last five years, well before the most current reductions. In addition, with this budget, University Advancement is taking on a larger percentage reduction than any other division, and accomplishing most of it within the first year.

- According to the Open Book dashboard, University Advancement's expenditure budget is now lower in real dollars than in 2015-16 - \$3.8 million in 2015-16 and \$3.6 million in 2020-21.
- A comparison of filled positions on the University Advancement organizational chart from five years ago and today shows a decline in FTE employees from 31 to 22 - and that does not include the loss of 2 stateside employees and 6 non-state employees at KHSU.
- Operationally, the division is nearly always ineligible for special funding initiatives such as Graduation Initiative 2025, CARES, or any current internal grants from the CSU. This has amplified the impact of reductions to the division's base budget.

The most current reductions will likely:

- Reduce opportunities for alumni outreach
- Decrease effectiveness of fundraising efforts
- Reduce the availability and timeliness of certain services to campus units - including design, photography, and web development
- Reduce campus support that is not directly tied to external audiences

To limit impact on students, the division is:

- Avoiding reductions to student employment budget, while exploring strategies for increasing the number of student employees.
- Expanding efforts to engage in small, low-cost fundraising around particular needs - such as support for students during the pandemic, support for students affected by wildfires or other current crises, support for students facing unexpected short-term financial challenges, and support for students facing health challenges.

Notes on some lessons learned:

- University Advancement's base budget for purposes of this reduction included non-state funding from the HSU Foundation and chargebacks from external grants/contract accounts. This seems illogical. Why would external revenue (grants, revenue, bond funding, donations) generated in University Advancement or any other area of campus result in requirements for reductions to state funding?
- There is value in short-term help to complete projects, launch programs, provide specialized expertise, etc. However, the campus does not have clear guidance on preferred approaches for achieving this.