

Date: August 15th, 2019
TO: President Jackson, Humboldt State University
FROM: University Resources & Planning Committee (URPC)
RE: URPC Recommendation to the President Regarding the 2019-2020 Budget

The URPC has reviewed and discussed the Updated University Budget Plan for the 2019-20 fiscal year offered by Vice President Douglas Dawes in a memo on August 2nd, and have generated the following response to the proposals therein.

We agree that the use of one-time bridge funding derived from roll-forward resources from FY 2018-19 is an appropriate solution for covering deficits resulting from the emerging enrollment projections. We caution that the use of roll-forward funding as a stopgap measure is not a sustainable practice, and that similar roll-forward funds will not be sufficient to cover the projected deficit increases that are looming as a result of actual and projected decreases in enrollment. The use of one-time funds to address financial shortfalls had become a default, structural operating procedure of the University in years past, which resulted in a misleading perception that budgetary shortfalls are not legitimate crises that require the full attention of the campus community. Over the past few years we have made substantial efforts to alter this course, and we caution against reverting to less advisable institutional habits.

Further, the practice of utilizing roll-forward funds specifically is not entirely in keeping with the original intent of the roll-forward guidelines that were recently approved and in effect for the first time this past year. Although there is a provision for these kinds of scenarios in the roll-forward guidelines, sweeping a portion of roll-forward funds to support the University-wide budget shortfall due to greater than anticipated enrollment decline might be received negatively by those departments who maintained responsible budget stewardship in good faith with the understood implications of the guidelines. That said, the adherence to responsible budget practices, further promoted by the roll-forward guidelines, has helped to provide a viable stopgap measure for the upcoming fiscal year, and thus should be commended and reinforced as best practice in forthcoming communication to the campus community.

We encourage ongoing efforts towards public-facing, coordinated, strategic resource planning throughout the University to better address the budget shortfall for FY 2019-20 through FY 2021-22, as it will take time to stabilize and increase enrollments. The Integrated Assessment, Planning, and Budgeting (IAPB) initiative was successfully piloted in FY 2018-19 in order to distribute Graduation Initiative 2025 funds. Information Technology Services and the College of Natural Resources and Sciences are further piloting the model for FY 2019-20 budgeting, and there is a five-year implementation plan in place that will bring the entire campus on board. Full implementation of the IAPB process will provide the University the flexibility to proactively respond to budgetary shortfalls, hopefully allowing us to avoid further need for reactionary responses. All planning processes should be transparent, inclusive of broad stakeholder input and participation, and communicated through multimedia channels for wide dissemination.

Indeed, clear and timely communication with the campus and surrounding community regarding the state of HSU's budget will be particularly vital in the coming year, as several impactful and potentially confusing factors will be at play. It is important to emphasize throughout resultant plans and their dissemination that two disparate trends will be occurring simultaneously in regards to FY 2019-20 budgeting: 1) an increase in ongoing allocations for specific programming and interventions earmarked

for distribution of GI 2025 resources, and, conversely, 2) an overall continued reduction in budget in response to enrollment projections. These concurrent activities will undoubtedly lead to some cognitive dissonance. Further, the widely publicized State of CA Budget and CSU Budget Memo reflects the largest single increase in CSU allocations in recent memory. However, in relation to HSU, these substantial allocations are mostly earmarked for predetermined spending, and any increases in state funding rates are largely offset by a 13% decrease in enrollment projected for the current fiscal year. These nuances are important for our campus and surrounding community to understand so as not to erode confidence in the decision making happening at our university.

As the circumstances surrounding our current readjustment of the budget illustrate, increasing enrollment needs to be the foremost focus of the entire campus community. While we are certainly facing financial challenges in the coming years, we might take the opportunity to frame these challenges as impetus to pursue an innovative seachange in operating procedures on several fronts. To this end, we support forward-thinking, data-driven investment and reinvestment towards the aim of enrollment increases, and URPC members have offered some suggestions for such initiatives. For instance, considering the rural nature of the University's location and the long commute for students from surrounding areas, offering robust online degree and course offerings may attract additional students to the campus. Identifying degree and course offerings that are in demand, appropriate for the institution, and for which infrastructure currently exists (or may be built) will be essential in the success of such online initiatives. Similarly, access to student support services (Financial Aid, the Registrar, the Student Health Center) during evening hours is essential for students who work during the day and take evening courses. Not being able to access these services while on campus is a barrier to working students that are not able to take time off to handle matters with these offices. Providing extended access (after 5 PM and through online systems) will remove an obstacle that working students face on their path towards degree completion. Though our resources are limited this year, strategic reallocations might be advisable wherever a well-considered and thoroughly vetted shift might foster expanded student inclusion and success.

In order to make investments during a period of relative scarcity, increased criticality towards past and ongoing spending practices will be necessary. We should face belt-tightening measures with the same sort of imaginative energy we afford the generation of new proposals, and be prepared to forego expenditures and stop doing things if and when they are shown to be less than supportive to our goal of educating all enrolled students. To that end, when new initiatives are being considered or adopted, we advocate the inclusion of and adherence to thoroughly realized assessment designs that can further help to facilitate timely and detailed reporting to all stakeholders.

In summation, the URPC approves of the one-time use of roll-forward bridge funding, but discourages similar stop-gap measures moving forward. We celebrate the success of the IAPB model and encourage ongoing efforts towards coordinated, strategic resource planning throughout the University. We advocate strongly for clear and consistent communication with the campus and surrounding community, especially recognizing the budgeting stewardship that has bridged the gap for this year (operating expense reduction, course reduction and alignment, seeking other revenue sources, etc.), and clarifying the context of our current scenario. We approve of future-facing innovation towards the aim of increased enrollment and student success (both in adopting new initiatives and sunseting less impactful practices), as long as it is thoroughly and transparently vetted and tied to required ongoing assessment.