



HUMBOLDT STATE UNIVERSITY

University Resources and Planning Committee

Date: May 5, 2015

TO: President Lisa A. Rossbacher
Humboldt State University

FROM: Jenny Zorn and Erick Eschker – Co-Chairs of the University Resources and Planning Committee (URPC)

CC: Committee Members –Peg Blake, Jennifer Corgiat, Jerry Dinzes, Gay Hylton, Katia Karadjova, John Lee, Joyce Lopes, Mark Rizzardi, Harry Singh, Craig Wruck

RE: 2015-16 Budget Recommendation to the President

This budget planning cycle marked a challenging year for the University Resource and Planning Committee (URPC). We entered the 2015-16 planning cycle with a structural base budget deficit of more than \$2.5 million and a total operating deficit of \$4.1 million (after factoring in one-time allocations and declining reserves). Looking ahead, the URPC recognized that available resources will remain limited while the need for resources continues to grow. Therefore, the major focus of the budget planning process was to develop a sustainable long-term budget. Although this plan takes an important first step at addressing our structural deficit while recognizing the need to invest in our future, it does not completely solve our long-term budget challenges.

The 2015-16 budget recommendation is a one-year budget recommendation, in the context of a five-year financial plan, with the goal of achieving a balanced budget by 2017-18. The four future years reflect our current plan to establish and maintain a sustainable budget, which incorporates our current assumptions and continues to advance our priorities. It should be noted that this five-year financial plan is meant for planning purposes only and future year allocations are not approved budget commitments. Future budgets will likely differ from this financial plan. The URPC will update the five-year financial plan annually to incorporate new information from the State, the Chancellor's Office, and our University, including adjustments to ensure that our budget aligns with and advances our strategic plan.

Budget Planning Priorities

This year's planning process was parallel with the University's strategic planning process, which created a unique situation in terms of having to identify budget priorities in advance of the

finalization of the strategic planning priorities. To guide planning efforts, the URPC requested the Cabinet suggest priorities, pending the outcome of the strategic planning process. The 2015-16 budget planning priorities were:

- High-quality education
- Increased student success
- Academic excellence
- Improved retention and graduation rates

In support of these priorities, focal areas include increasing tenure track faculty density, improving access to classes, student support, sustainability, equitable pay, fostering an inclusive community, and maintaining our facilities.

Budget Planning Process

To guide the University's budget planning process, the URPC adopted the following guiding principles:

- Achieve a sustainable budget aligned with our strategic plan priorities and balanced by 2017-18
- Build an operating reserve equal to 4% (2% contingency and 2% current operations) by 2019-20
- Allocations will be contingent on available funding
- Allocations will not be distributed until costs have been committed or incurred

Given the magnitude of the structural deficit, the budget process followed a different path from previous years as the URPC worked to establish a balanced budget. The following steps were taken to develop this budget recommendation:

- The URPC issued a campus-wide call for efficiency ideas. More than 100 ideas were submitted and vetted by the URPC. Some of the ideas are directly incorporated in the financial plan and many other ideas are likely to be evaluated further, with input from impacted areas, for potential implementation in the future. These ideas provided a great resource for the URPC and will continue to be utilized to generate additional savings and efficiencies going forward. Further information regarding the efficiency ideas can be found at www.humboldt.edu/efficiency.
- In order to develop a structurally balanced and sustainable long-term budget, the University will have to curtail reliance on one-time funding sources to cover ongoing costs needed to be addressed by incorporating these costs into the ongoing base budget or by ending the activity. To identify the unbudgeted costs, the URPC asked the Cabinet to

identify unfunded costs and high priority allocations for URPC consideration. The Cabinet and the URPC then worked collectively to determine how best to fund and distribute the budget allocations over the course of the five-year financial plan.

- The Cabinet provided a list of potential revenue generation, cost realignment, savings, and reduction options for the URPC which lead to multiple URPC discussions and the list of resource ideas included in the financial plan.
- The Cabinet and the URPC drafted an initial budget proposal and five-year financial plan that was then vetted with divisional leadership teams for feedback.
- Following feedback from the divisions, the URPC finalized this budget recommendation that will achieve a balanced budget by 2017-18, although the plan does project small deficits again in 2018-19 and 2019-20. Likewise, the current budget recommendation reflects a 2019-20 operating reserve of 3.7%, which is slightly below the 4% level proposed in the budget planning principles.

Included in the budget recommendation are the following 2015-16 cost realignments, savings, and reductions, and also the proposed 2015-16 base budget allocations. It should be noted that these recommendations are the result of lengthy URPC conversations in which full consensus was not reached.

Cost Realignments, Savings, and Reductions

To begin to address the structural deficit and offset the proposed allocations (reflected in the Recommended Base Budget Allocations table), the following cost realignments, savings, and reductions are proposed for 2015-16. Note that some of these are still under discussion and in the event that this level of savings cannot be achieved, additional resources will need to be identified or future allocations will be reduced.

Recommended Cost Realignments, Savings, and Reductions	2015-16
International Programs State-side Overhead Reimbursement	100,000
Non-Academic Efficiencies*	500,000
Self-Support/Auxiliaries – Assess Reimbursements for Services Provided**	45,000
Travel Expense Decrease by 15%	150,000
Utilities Budget Decrease	150,000
Total Cost Realignments, Savings, and Reductions	\$945,000

*Non-Academic Efficiencies represent additional non-instructional reductions that will be needed to be identified in all divisions.

**\$45,000 reflects net increase after the existing \$280,000 charge to CEEE is removed.

Budget Allocations

Below are the recommended 2015-16 allocations. The complete list of the allocations included in the current five-year financial plan can be found on Attachment D. In light of these specific allocations, the enrollment growth funding model was suspended for the 2015-16 fiscal year.

The amount listed for equity and market adjustments for faculty and staff is a rough estimate of the total amount that will be negotiated through collective bargaining. The URPC did not discuss a target amount and the amount below is not a URPC recommendation for the pool of funds for these purposes. Future URPC budget recommendations will reflect actual equity and market adjustments.

Recommended Base Budget Allocations	2015-16
Existing Costs to be Budgeted	
Administrative Affairs Deficit	75,000
Advising Counselor Position (1 FTE)	50,000
Enrollment Management Software Maintenance Agreements	40,000
Gov't Relations Liaison (.25 FTE)	25,000
RAMP Staff Positions (2 FTE)	130,000
Sexual Assault Prevention Committee	25,000
New Mandated Costs	
Title IX Advocate Contract	60,000
New Costs	
Equity, Market, IRP Plans, Other Salary Adjustments (Staff and Faculty)	350,000
Centers for Academic Excellence Peer Mentors	60,000
Total Allocations	\$ 815,000

Budget Assumptions

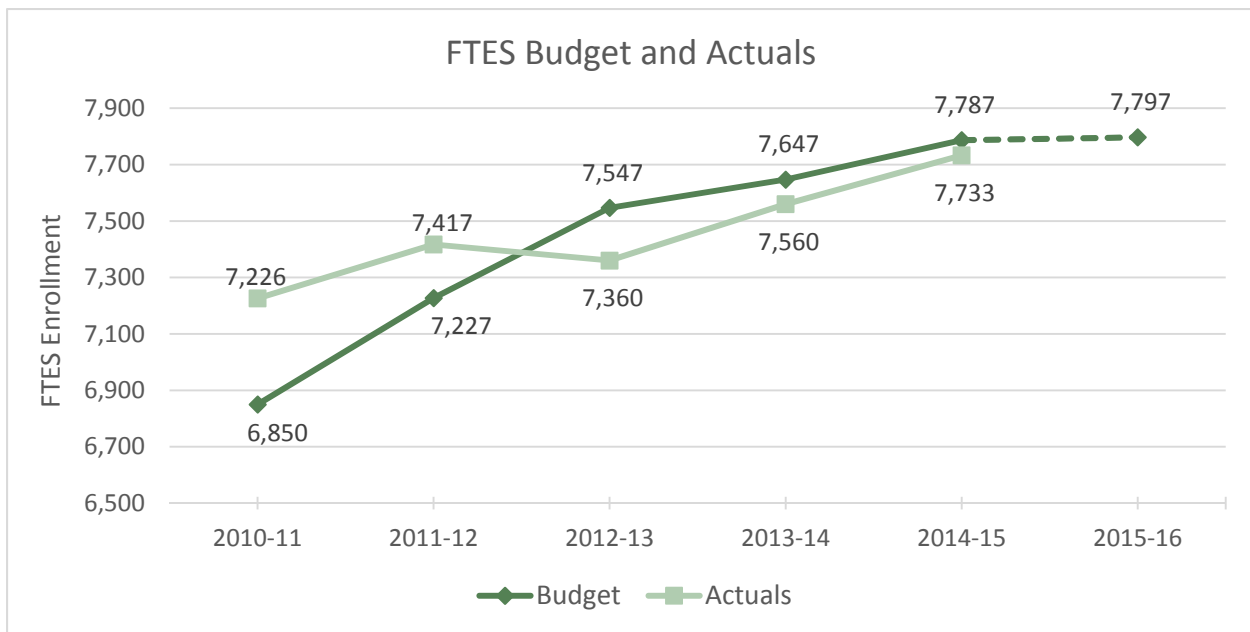
Enrollment Assumptions

HSU had record enrollment in 2014-15, with 7,733 annualized FTES. Minimal growth is anticipated in the 2015-16 budgeted FTES target of 7,797. This represents an increase of 10 students over our 2014-15 budgeted FTES and an increase of 64 over our 2014-15 actual FTES.

For 2015-16, the CSU has increased HSU's 2015-16 resident FTES budget target by 0.5%, from 7,251 FTES to 7,287 FTES, an increase of 36 FTES. This increase is partially offset by a

budgeted decrease of 26 FTES in our non-resident students (Western Undergraduate Exchange (WUE), out-of-state, and international) from 536 FTES in 2014-15 to 510 FTES in 2015-16.

Various future enrollment growth targets were considered throughout the planning process varying from flat enrollment to 1% resident enrollment growth. The five-year financial plan the URPC is presenting reflects minimal growth with a leveling out of new student resident enrollment, small increases in continuing student enrollment through student retention, and increases in non-resident and international student enrollment. Since almost half of the University’s Operating Fund revenue is generated by student enrollment, the completion of a detailed Enrollment Master Plan will be an important planning resource in future planning cycles.



Revenue Assumptions

2015-16 revenue is projected to increase by \$4.2 million compared to the 2014-15 budget level after factoring in the final 2014-15 CSU Budget Memo updates. The 2015-16 Revenue Budget is \$121.8 million. The two main sources of revenue that make up this increase are the State appropriation and tuition:

- **State Appropriation:** The Governor’s multi-year stable funding plan will provide the CSU system with a 4% increase in State appropriation in 2015-16. This equates to a \$2.1 million dollar increase to HSU’s revenue budget. Combined with an additional \$1.7 million state allocation to cover 2014 retirement rate increases, we estimate our State appropriation will increase by \$3.8 million.

- Tuition: We estimate an increase of \$187,000 in tuition and fees resulting from enrollment growth and changes in student mix and average unit load.

Expenditure Assumptions

The 2015-16 Expenditure Budget reflects mandatory cost increases and campus determined allocations based on priorities identified during the budget planning process:

- Mandatory CSU system-wide compensation and benefit increases totaling \$3.91 million
- University wide operating costs (Insurance and State University Grant (SUG)) and dedicated budget increases totaling \$409,000
- CMS Loan Payment **savings** of -\$380,000
- Recommended base cost realignments, savings and reductions totaling -\$945,000
- Recommended base allocations totaling \$815,000

Including base budget adjustments, the 2015-16 Base Expenditure Budget is \$123.96 million, leaving a base budget deficit of approximately \$2.2 million. This recommended budget proposes to utilize existing fund balance (reserves) to bridge the deficit for another year as we work toward a sustainable and balanced budget by 2017-18.

The URPC recognizes that there is great uncertainty about future expenditures regarding increasing the faculty tenure density through retention and recruitment. As the priorities of the Chancellor's Office and of HSU Strategic Planning become clearer, we will need to incorporate updates into future budgets.

Reserves Assumptions

Anticipated 2015-16 beginning reserves will be \$5.5 million. Note that this level of reserves includes \$1.1 million in one-time savings from several divisions contributing roll forward funds to boost reserves in 2014-15. In 2015-16, after covering the budget deficit of \$2.2 million and recouping 25% of the 2014-15 unrestricted roll forward from the divisions totaling \$500,000, we estimate our 2015-16 Operating Fund ending reserves to be \$3.8 million.

Reserve Policy

The State of California recently granted the California State University authority and responsibility to manage capital financing. This authority provides the CSU with the ability to take on debt to complete capital projects, it also requires the system to consider reserve levels necessary to ensure appropriate debt ratings. The URPC has also been working on a reserve policy for the University during the past two year budget cycles. The convergence of these two efforts has helped to inform the reserve policy the URPC is presenting to you under separate cover. The policy includes reserves for operating, deferred maintenance and capital

improvement components. The URPC recognizes that building reserves should not be our primary focus. The rebuilding of reserves must be kept within the context of the need to develop a sustainable budget and the University's strategic plan and priorities.

Upcoming URPC Budget Planning Activities

While HSU has taken steps this year to develop a sustainable budget, there is still much work to be done:

- Continue progress towards a sustainable long-term budget with no structural deficit.
- Review and improve the budget planning process and the role of the URPC, a committee of the University Senate, to establish clearer guidelines and enhance effectiveness.
- Evaluate our current budget to determine if resources are being allocated effectively and in alignment with the campus mission, vision, values, and strategic plan.
- Improve the resource allocation process to incorporate links to strategic planning and accreditation initiatives, utilize performance measurements, and include on-going training for campus personnel.
- Re-evaluate our enrollment growth funding model (which is currently on hold) to ensure appropriate staff and faculty levels are in place to support current and projected student enrollment. As part of this exercise, we should benchmark costs and ratios against peer institutions.
- Understand how our unique mix of programs and units affects costs.
- Establish an ongoing plan for how to support facilities and technology infrastructure projects, such as deferred maintenance and computer refresh projects.
- Develop a plan to address future capital reserve needs.

Undertaking these efforts will be essential to sustainable and strategic long-term budgeting and planning at HSU.

Conclusion

HSU's budget planning assumptions are based on current, known information gathered from campus enrollment planning, projected mandatory cost increases, information from the Chancellor's Office, and the Governor's budget proposal. While we are aware that the Governor's budget is subject to change until approved by the Legislature, we recognize the importance of moving forward with a 2015-16 budget recommendation. In the event of significant changes to the approved State of California budget or allocations from the Chancellor's Office, we request that the URPC be reconvened to discuss how to proceed in light of the new information.

The URPC's budget planning overview document is provided on Attachment A, the detailed budget planning spreadsheet is provided on Attachment B, the budget planning assumptions are

detailed on Attachment C, and a detailed list of future revenue generation, cost realignments, savings, and reductions, and also a list of prioritized allocations are included on Attachment D. Please note: the numbers in the far left column on the budget planning spreadsheet correspond with the numbers used in the budget planning assumptions.

We appreciate your review of this recommendation and look forward to your feedback and comments.

Priorities

As we develop a sustainable budget, resources should support our strategic planning efforts and focus on the following priorities:

- High-quality education
- Increased student success
- Academic excellence
- Improved retention and graduation rates

In support of these priorities, focal areas should include increasing tenure track faculty density, improving access to classes, student support, sustainability, equitable pay, fostering an inclusive community and maintaining our facilities.

Principles

The following principles will guide budget planning efforts:

- Achieve a sustainable budget aligned with our strategic plan priorities and balanced by 2017-18
- Build an operating reserve equal to 4% (2% contingency and 2% current operations) by 2019-20
- Allocations will be contingent on available funding
- Allocations will not be distributed until costs have been committed or incurred

Assumptions

- The University's financial planning will span five years.
- Base expenditures will be base funded and not all initiatives will be base funded.
- URPC will evaluate ways to increase revenue and efficiencies.
- State appropriation allocations are based on the Governor's multi-year budget plan. Although the Governor's Plan only extends for two years, for HSU's planning purposes, 4% annual increases have been projected for all five years.
- 0.5% Resident enrollment growth for 2015-16 (1/3 has been set aside for SUG). No additional resident enrollment growth is anticipated other than through retention efforts.
- Plan factors in significant revenue increases for enrollment growth by increasing first-year student retention and increasing non-resident fee paying students (out-of-state and/or international). This represents a change from our current trends of relatively flat first-year retention rates and declining numbers of non-resident fee paying students.
- Plan does not use the enrollment growth funding model. We will need to codify what to do with enrollment growth funding (e.g. recalibrate to actual enrollment each year).
- 2% Compensation increases each year, but not all bargaining units have contracts and none of the contracts extend all five years.
- Retirement rate increases based on CALPERS five year projections, other benefit increases based on previous five year averages.
- CMS Loan and Co-Generation Plant debt payoff are included.

Humboldt State University
Sustainable Budget Planning Detail for FY15-16

HSU Operating Fund Budget Planning Sheet - Detail Revised April 30, 2015		2014-15 Budget Plan	2014-15 Projection w/ Final CSU Memo	2014-15 Revised Budget (as of 11/30/14)	2015-16 Projection	2016-17 Projection	2017-18 Projection	2018-19 Projection	2019-20 Projection
	Resident FTES Target	7,251	7,251		7,287	7,287	7,287	7,287	7,287
	Total FTES Target	7,787	7,787		7,797	7,797	7,787	7,777	7,767
	Beginning Fund Balance	6,698,699	7,280,614	13,360,984	5,519,316	3,816,621	3,145,426	3,555,231	3,944,536
	Revenue Budget								
1a	Prior Year State Appropriation	60,415,210	60,415,210	63,858,110	63,858,110	67,673,110	70,617,110	74,132,110	77,016,110
	Enrollment Growth				190,000				
	Health Benefits				290,000				
	2% Compensation Pool				1,610,000	1,675,000	1,720,000		
	Remaining portion to allocate		-		-	425,000	465,000		
	Subtotal Multi-Year Funding Plan	3,327,000	2,442,800		2,090,000	2,100,000	2,185,000	2,270,000	2,360,000
1b	Retirement Funding				1,725,000	844,000	1,330,000	614,000	614,000
	SUG Offset Based on Need								
	Other Adjustments								
	Subtotal Other Appropriation Adjustments	1,310,000	1,000,100		1,725,000	844,000	1,330,000	614,000	614,000
	Subtotal State Appropriation	65,052,210	63,858,110	63,858,110	67,673,110	70,617,110	74,132,110	77,016,110	79,990,110
	Student Fees and Other Revenue								
2	State Tuition Fee	44,340,000	44,340,000	44,340,000	44,509,000	44,492,000	44,384,000	44,268,000	44,179,000
	Non-Resident Tuition Fee	1,878,000	1,878,000	1,878,000	1,819,000	1,927,000	2,026,000	2,125,000	2,232,000
	Materials, Services and Facilities Fee (MSF)	2,449,000	2,449,000	2,449,000	2,526,000	2,526,000	2,522,000	2,519,000	2,517,000
3	Other Fees and Revenue (MBA Fee, App Fee, CR, etc)	5,006,432	5,006,432	5,518,756	5,232,432	5,232,432	5,232,432	5,232,432	5,232,432
	Subtotal Student Fees and Other Revenue	53,673,432	53,673,432	54,185,756	54,086,432	54,177,432	54,164,432	54,144,432	54,160,432
	TOTAL Revenue Budget	118,725,642	117,531,542	118,043,866	121,759,542	124,794,542	128,296,542	131,160,542	134,150,542
	Prior Year Expenditure Budget								
	Salaries (includes estimated comp pool distribution)	58,322,037	59,165,760	60,562,055	59,256,717				
	Benefits (includes estimated comp pool distribution)	29,042,398	29,311,798	29,387,953	29,340,841				
	Financial Aid	13,962,930	13,505,530	13,606,514	13,505,530				
	Other Operating Expenditures	18,050,149	18,050,149	24,649,012	18,050,149				
	Total Prior Year Expenditure Budget	119,377,514	120,033,237	128,205,534	120,153,237	123,962,237	125,865,737	128,286,737	131,171,237
4	2014-15 Compensation Increase Shortfall			120,000					
5	Projected Compensation Increases				1,610,000	1,675,000	1,720,000	1,770,000	1,820,000
6	Projected Benefit Increases - Health, etc.				565,000	590,000	600,000	610,000	610,000
7	Projected Benefit Increase - Retirement				1,735,000	870,000	1,400,000	660,000	660,000
8	State University Grant (SUG)				46,000	-	-	-	-
9	Dedicated Budget Allocated to Depts				263,000	-	(4,000)	(3,000)	(2,000)
10	General Univ Adjs: Utilities, Space Mgmt, Insurance				100,000				
11	CMS Loan Payment Decrease				(380,000)	(1,200,000)	(820,000)		
12	Cogen Plant Expense Decrease					(497,000)			
13	Enrollment Growth Model Base Funding				-	-	-	-	-
	Enrollment Growth Funding from CSU				-				
14	Base Allocations/Reductions				(130,000)	465,500	(475,000)	(152,500)	(7,500)
	Subtotal Base Expenditure Adjustments	-	-	120,000	3,809,000	1,903,500	2,421,000	2,884,500	3,080,500
	TOTAL Base Expenditure Budget	119,377,514	120,033,237	128,325,534	123,962,237	125,865,737	128,286,737	131,171,237	134,251,737
	Net Base Budget Surplus / (Deficit)	(651,872)	(2,501,695)	(10,281,668)	(2,202,695)	(1,071,195)	9,805	(10,695)	(101,195)
	One-Time Adjustments								
15	Anticipated Current Year Savings			(1,340,000)					
13	Enrollment Growth Model One-Time Funding				-	-	-	-	-
16	One-Time Allocations/Reductions			(1,100,000)	(500,000)	(400,000)	(400,000)	(400,000)	(300,000)
	Subtotal One-Time Adjustments	1,579,600	1,579,600	(2,440,000)	(500,000)	(400,000)	(400,000)	(400,000)	(300,000)
	TOTAL Expenditure Budget	120,957,114	121,612,837	125,885,534	123,462,237	125,465,737	127,886,737	130,771,237	133,951,737
	Net Budget Surplus / (Deficit)	(2,231,472)	(4,081,295)	(7,841,668)	(1,702,695)	(671,195)	409,805	389,305	198,805
	Operating Fund Ending Fund Balance	4,467,227	3,199,319	5,519,316	3,816,621	3,145,426	3,555,231	3,944,536	4,143,341
	Pledged Business Mgmt Trust Fund Balance				800,000	800,000	800,000	800,000	800,000
	Total Ending Fund Balance	4,467,227	3,199,319	5,519,316	4,616,621	3,945,426	4,355,231	4,744,536	4,943,341
	(as a % of base expenditures)	3.7%	2.7%	4.6%	3.7%	3.1%	3.4%	3.6%	3.7%

Color Legend	
Fund Balance	
Base Revenue Budget	
Base Expenditure Budget	
Projected Base Surplus/Deficit	
One-Time Allocations	
Net Budget Surplus	
Budget Available at 5% and 4% Levels	

2014-15 One-Time Allocations	
Enrollment Growth Funding	404,600
RAMP	250,000
eLearning	360,000
Facilities Improvement Proje	565,000
TOTAL One-Time Allocation:	1,579,600

Revenue Assumptions

1. State Appropriation:

- a. **Multi-year stable funding plan:** The 2013-14 State of California budget included a multi-year stable funding plan that will provide the CSU system with a 4% increase in 2015-16 and 2016-17. While the multi-year plan concludes in 2016-17, we are maintaining the 4% increase through 2018-19 for planning purposes.

For 2015-16, we estimate the 4% will be completely spent on a 2% compensation pool, mandatory costs and .5% resident enrollment growth, leaving no additional funding available.

- b. **Retirement:** In addition to the multi-year stable funding plan, the State will continue to fund retirement cost increases, but only based on 2013-14 payroll levels. If our payroll increases beyond our 2013-14 level, we will have to cover the difference. As our personnel costs increase, our portion of retirement that we must cover will also increase. (corresponding expenditure entry – see note 7).

2. **State Tuition Fee, Non-Resident Tuition and MSF Fees:** Tuition revenue will increase by \$110,000 based on enrollment assumptions discussed in the enrollment section. We are anticipating no changes to current tuition rates. The Materials, Services and Facilities Fee (MSF) increase reflects additional revenue (+\$77,000) associated with a 3% fee increase, which is based in the Higher Education Price Index (HEPI).

3. **Other Fees and Revenue:** Most of these fees are dedicated to specific areas and any revenue changes generally include a corresponding expenditure entry. The increase in 2015-16 reflects an increase in budgeted cost recovery. (Dedicated Budget Allocated to Depts – see note 9).

Expenditure Assumptions

4. **2014-15 Compensation Increase Shortfall:** Reflect additional costs associated with the 2014-15 compensation increases above the amount set aside in the 2014-15 budget. We received funding from the CSU for a 3% compensation pool; however, initial estimates for the California Faculty Association (Unit 3) agreement reflect a net increase of about 3.4% after the different elements of the agreement are factored in. This results in an estimated shortfall of \$120,000.
5. **Compensation:** Reflects compensation increases of approximately 2% each year.
6. **Health/Dental Benefits:** Reflects annual increase of approximately 5% (3 year average).
7. **Retirement Benefits:** Retirement rates increased by 14.5% in July 2014. Rate increases in future years are based on the preliminary five year retirement rate projection provided by CalPERS in March 2014. Since the State will only cover cost increases based on 2013-14 payroll levels, we estimate our portion of the cost will grow each year (corresponding revenue entry – see note 1b).
8. **State University Grant (SUG):** Assumes a one-third set aside of revenue from resident enrollment growth based on CSU financial aid marginal cost set aside in 2015-16 Support Budget Request.
9. **Dedicated Budget Allocated to Depts:** When revenue increases or decreases for dedicated revenue streams (i.e. MSF Fee, MBA Fee), the expenditure budget increases or decreases by the same amount. (Reflects net neutral activity).
10. **General University Adjustments: Utilities, Space Management, Insurance:** CSURMA Insurance rates for 2015-16 reflect an overall cost increase of \$150,000, which is partially offset by a \$50,000

decrease in the Space Management budget. There is currently no budget change for Utilities, but we will continue to monitor this activity in the coming months.

11. **CMS Loan Payment Decrease:** Decreases beginning in 2015-16, reflect reduced payments in the final three years of our CMS Loan payoff. Once paid off, this will free up \$2.4 million in base budget.
12. **Cogen Plant Expense Decrease:** Reflects the payoff of our Cogen Plant debt service. Once complete, this will free up \$497k in base budget in 2016-17.
13. **Enrollment Growth Funding:** The Chancellor's Office (CO) marginal cost formula is used to allocate this funding based on our current organizational structure. This funding is generated from two sources: enrollment growth funding (state appropriation) from the CSU and enrollment growth funding from tuition fees (based on the three year average actual change in enrollment). For 2015-16 budget planning, distribution of the enrollment growth funding has been suspended.
14. **Base Allocations/Reductions:** Reflects net of allocations and reductions included on Attachment C.
15. **Anticipated Current Year Savings:** Reflect anticipated savings in University Wide that will be available at the end of 2014-15. Current amount reflects \$1 million CMS Loan reimbursement and the \$340k CSURMA insurance dividend received.
16. **One-Time Allocations/Reductions:** 2014-15 savings of \$1.1 million represent anticipated one-time savings from the divisions. Savings in 2015-16 through 2019-20 reflect the plan to annually recoup 25% of the unrestricted roll forward from the divisions.

DRAFT

Humboldt State University
Sustainable Budget Planning for FY15-16

HSU Operating Fund Budget Planning Sheet Revised April 30, 2015	2014-15 Revised Budget (as of 11/30/14)	2015-16 Projection	2016-17 Projection	2017-18 Projection	2018-19 Projection	2019-20 Projection
Resident FTES Target		7,287	7,287	7,287	7,287	7,287
Total FTES Target		7,797	7,797	7,787	7,777	7,767
Beginning Fund Balance	13,360,984	5,519,316	3,816,621	3,145,426	3,555,231	3,944,536
TOTAL Revenue Budget	118,043,866	121,759,542	124,794,542	128,296,542	131,160,542	134,150,542
Total Prior Year Expenditure Budget	128,205,534	120,153,237	123,962,237	125,865,737	128,286,737	131,171,237
Enrollment Growth Model Base Funding		-	-	-	-	-
Base Reductions/Savings/Revenue		(945,000)	(1,195,000)	(1,780,000)	(1,240,000)	(1,125,000)
Base Allocations		815,000	1,660,500	1,305,000	1,087,500	1,117,500
Subtotal Base Expenditure Adjustments	120,000	3,809,000	1,903,500	2,421,000	2,884,500	3,080,500
TOTAL Base Expenditure Budget	128,325,534	123,962,237	125,865,737	128,286,737	131,171,237	134,251,737
Net Base Budget Surplus / (Deficit)	(10,281,668)	(2,202,695)	(1,071,195)	9,805	(10,695)	(101,195)
One-Time Adjustments						
Anticipated Current Year Savings	(1,340,000)					
Enrollment Growth Model One-Time Funding		-	-	-	-	-
One-Time Allocations/Reductions						
Scoop Portion of Roll Forward	(1,100,000)	(500,000)	(400,000)	(400,000)	(400,000)	(300,000)
Subtotal One-Time Adjustments	(2,440,000)	(500,000)	(400,000)	(400,000)	(400,000)	(300,000)
TOTAL Expenditure Budget	125,885,534	123,462,237	125,465,737	127,886,737	130,771,237	133,951,737
Net Budget Surplus / (Deficit)	(7,841,668)	(1,702,695)	(671,195)	409,805	389,305	198,805
Operating Fund Ending Fund Balance	5,519,316	3,816,621	3,145,426	3,555,231	3,944,536	4,143,341
Pledged Business Mgmt Trust Fund Balance		800,000	800,000	800,000	800,000	800,000
Total Ending Fund Balance	5,519,316	4,616,621	3,945,426	4,355,231	4,744,536	4,943,341
(as a % of base expenditures)	4.6%	3.7%	3.1%	3.4%	3.6%	3.7%

RESERVES	2015-16	2016-17	2017-18	2018-19	2019-20
Contingency					
HM500 + Pledged Bus Mgmt	2,480,000	2,520,000	2,570,000	2,620,000	2,690,000
Contingency % (Target: 2%)	2.0%	2.0%	2.0%	2.0%	2.0%
Current Operations					
HM500	2,136,621	1,425,426	1,785,231	2,124,536	2,253,341
Current Operations % (Target: 2%)	1.7%	1.1%	1.4%	1.6%	1.7%
Capital Improvements and Construction					
HM500 (after 4% Contingency and Operations threshold reached)	-	-	-	-	-
Property Mgmt & Development (T7962)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
CSU 485 Investment Fund (HM525)	150,000	250,000	350,000	450,000	550,000
Total Capital Reserve	1,150,000	1,250,000	1,350,000	1,450,000	1,550,000
Maintenance and Repairs Reserve					
Rental of University Facilities Fund (TV034)					
Total Maintenance and Repair Reserve	-	-	-	-	-

Principles:
Allocations contingent on available funding
Allocations not distributed until costs have been committed/incurred

TARGET REDUCTION/SAVINGS/REVENUE INCREASE	2015-16	2016-17	2017-18	2018-19	2019-20	5 YR TOTAL
Base Reductions, Savings, Revenue						
Revenue Generation						
Conferences, events and space rental revenue		(25,000)	(50,000)	(50,000)	(75,000)	(200,000)
First year retention increase +20 (GOAL - get to 80% by 19/20)		(110,000)	(110,000)	(110,000)	(110,000)	(440,000)
International non-resident students +10 additional per year (+100 total over 4 years)		(160,000)	(320,000)	(480,000)	(640,000)	(1,600,000)
Cost Realignment						
International state-side overhead reimbursement	(100,000)	(100,000)				(200,000)
Self-Support/Auxiliaries - Assess reimbursements for services provided	(325,000)	(200,000)	(200,000)			(725,000)
Remove CEEE 280k	280,000					280,000
Savings and Reductions						
Academic efficiencies			(600,000)	(600,000)	(300,000)	(1,500,000)
Enrollment growth funding model (funding removed from itemized budget row)	-	-	-	-	-	-
Non-Academic efficiencies	(500,000)	(500,000)	(400,000)			(1,400,000)
Travel expense decrease by 15%	(150,000)					(150,000)
Utility budget decrease by 13%	(150,000)	(100,000)	(100,000)			(350,000)
TOTAL	(945,000)	(1,195,000)	(1,780,000)	(1,240,000)	(1,125,000)	(6,285,000)

Base Allocations	2015-16	2016-17	2017-18	2018-19	2019-20	5 YR TOTAL
Existing Costs						
Advising counselor	50,000					50,000
Gov't Relations Liaison	25,000					25,000
RAMP Staff Positions	130,000					130,000
Administrative Affairs Deficit	75,000	75,000	75,000			225,000
Enrollment Management Software Maintenance Agreements	40,000					40,000
Sexual Assault Prevention Committee	25,000					25,000
New Mandated Costs						
Accessible Technology Initiative (ATI)		80,000	20,000			100,000
Title IX Advocate Contract	60,000					60,000
New Costs						
Advising Counselors (Plus 4)		67,500	67,500	67,500	67,500	270,000
Equity, Market, IRP Plans and other salary adjustments (Staff and Faculty)	350,000	500,000				850,000
Tenure Track Faculty Positions		500,000	500,000	500,000	500,000	2,000,000
Centers for Academic Excellence	60,000		97,500	40,000	20,000	217,500
Deferred Maintenance		250,000	250,000	250,000	250,000	1,000,000
IT Infrastructure		50,000	50,000	50,000	50,000	200,000
Strategic Planning						-
Sustainability		50,000	50,000	50,000	100,000	250,000
CEEE Instructional Designers			100,000	100,000	100,000	300,000
RAMP Mentors		65,000	65,000			130,000
Other: ELITE Scholars, S4 database, Big Time, MCC, SI, Writing Center		23,000	30,000	30,000	30,000	113,000
Additional Course Sections						-
TOTAL	815,000	1,660,500	1,305,000	1,087,500	1,117,500	5,985,500

Base Allocations - Deferred Decisions	2015-16	2016-17	2017-18	2018-19	2019-20	5 YR TOTAL
RISS Student Assts and OE*	70,000					*Lottery
Centers for Acad Excellence Peer Mentors,OE*	20,000					*Lottery
RISS AVP	175,000					
RAMP Mentors*	130,000	base funded in future years				*Lottery
TOTAL	395,000	-	-	-	-	