

# CAL POLY HUMBOLDT

## University Resources and Planning Committee

**Date:**

**TO:** Senate Chair and General Faculty President Monty Mola,  
Cal Poly Humboldt

**FROM:** Jenn Capps and Jim Woglom – Co-Chairs of the University Resources and Planning Committee (URPC)

**CC:** Committee Members –

**RE:** 2022-23 Budget Recommendation to the President

*Chair Mola,*

*Below, please find the University Resources and Planning Committee's (URPC) Budget Recommendation for FY 2022-2023. If this recommendation successfully passes through two readings in the Senate, we ask that you forward its contents to President Jackson in order to inform his decisions regarding budgeting for next year, in accordance with the [CBC Guidance on Senate Ratification of URPC Recommendations](#).*

### **Introduction/Overview**

We stand together at a turning point in the fiscal context of our University. We have completed the difficult and often painful task of reducing the University's budget by \$21M over three years in response to steep declines in tuition-based revenue spurred by decreased enrollment (the summation of a total of five years of such reductions). While we were nearing completion of that aim, the University sought and received a historic investment from the State of California to subsequently become the state's third polytechnic university, Cal Poly Humboldt.

In August of 2022, Gov. Newsom and the state legislature approved \$458 million (\$433 million in one-time funding and \$25 million in ongoing funds) to help support the polytechnic vision. Funding from that investment was allocated to launch at least 12 academic programs by fall 2023. It will also fund extensive infrastructure improvements and new facilities that directly support student success and retention and allows Cal Poly Humboldt to build out new programs and enhance current academic offerings.

This investment, while incredibly exciting, does not and cannot offset the results of the aforementioned reductions directly or immediately. Polytechnic investment funds must be tied explicitly to polytechnic related initiatives, and as such, allocations that cannot be overtly identified as polytechnic-centric must be funded through existing tuition-based revenue and/or other forms of fundraising. The University has submitted a prospectus with specific indications of expected allocations planned through 2029, with annual spending requests and mandated spending reports submitted twice annually to the Chancellor's Office. Further, while the polytechnic funding is a substantial and impactful investment, it is important to emphasize that it is only one component of a series of mitigating factors and broader financial planning efforts underway to ensure we comprehensively transform into a thriving polytechnic university.

There are promising indications in our enrollment projections that suggest an impending upwards trend, but those projected students have not enrolled yet. Therefore, our tuition-based revenue has not increased, though it has stabilized. We hope and anticipate that the shift to a polytechnic university will drive enrollment growth towards and beyond our target of 7,603 FTES. However, since that growth and resultant revenue has not yet materialized, it cannot be responsibly factored into allocations of resources at this time.

This combination of concurrent developments has led to considerable and understandable cognitive dissonance amongst the campus community regarding the state of the University's budget. Colleagues have expressed that it is disconcerting to watch expansive polytechnic-related resource allocations occur while working to affect programming with reduced resources. The URPC is cognizant of this dynamic and it has driven many of our discussions around this budget recommendation. The committee strives to more clearly delineate those distinctions in ongoing discussion and communication.

The dissonance described above has also resulted in corresponding existential questions amongst committee members regarding the processes and role of the URPC as a standing committee of the University Senate tasked with oversight of the University's budget at the "University-to-Division" level. This includes the committee's role in advising the University Senate and administrative units in matters related to the budget as the resource context of the University becomes more complicated and nuanced. We have spent a great deal of our convened time in meetings this year contemplating the resource picture of the University and our appropriate place in relation to it, with less than optimal progress to date. We outline below some of our intentions towards concerted process improvement efforts that we hope will concretize the parameters and means of our work for future cycles.

One of the advisory tasks many of the members of the committee have been assigned over the course of AY 2021-22 is that of engaging as members of the Budget, Finance, and Reporting Group of the Polytechnic Implementation Steering Committee, described at length below. Though the purview of the URPC does not generally descend below the University-to-Division framing suggested above, the Provost has asked that participants from the URPC engage in the work of both committees in order to encourage synergistic input and shared awareness of allocations related to the polytechnic buildout between the two interrelated advisory bodies.

In the recommendation that follows, we outline the guiding measures and principles that guide our decision-making, specific allocation and reduction actions at hand (all with recommended amounts), and the assumptions that inform those decisions.

## **Guiding Measures and Principles**

As the University moves to adopt a budget that:

- is sustainable and aligns with our strategic plan priorities,
- proceeds conservatively and builds a larger Contingency to support campus efforts to move beyond continuous reduction cycles of the past, and
- distributes allocations contingent on available funding,

the URPC adopted the following principles to guide decision making:

### **Guiding Measures**

The Guiding Measures represent the components and mechanisms through which we will establish our budgetary plan.

#### **Strategic Budgeting:**

We will continue to embrace the strategic budgeting principles.

#### **Scalable Budget Model:**

We will establish the framework for a transparent, scalable University-to-Division budget model, driven and informed by accepted practices, institutional data, and the Guiding Principles below.

**Communication Plan:**

We will communicate our intentions and actions to the campus community through multiple means. We will seek input from stakeholders and use that input to further our intentions and actions.

**Guiding Principles**

These Guiding Principles serve as a recognition that there are components of this University that transcend budgetary concerns and that these components should be prioritized and honored throughout the process of budget reduction or realignment.

**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, 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.

**2022-2023 UNIVERSITY Budget Reductions (Division of Academic Affairs Year 3)**

In order to meet the goals of the URPC balanced budget proposal for 2019-2022, the University needed to make a final budget cut of \$3.047 million in Academic Affairs. The division decided to go into AY2021-2022 with MBU budgets reflecting this reduction. Reductions were made in the budgets of the three instructional colleges by reducing the amounts in the temporary faculty pools (\$2.41 million), removing budgeted empty staff positions (\$135 thousand), and reducing operating expenses (\$502 thousand). The division was able to utilize one-time funding to bridge needs in these areas.

## **2022-2023 UNIVERSITY Budget Allocations**

### **PAT Funding Priorities**

Beyond the budget and enrollment reports we have reviewed in keeping with our committee duties (detailed below), the President's Administrative Team (PAT) has informed the URPC of a number of budget priorities, intentions, and concerns for the forthcoming budget cycle.

They propose finalizing compensation adjustments that would bring Athletic personnel compensation stateside. Athletics' (now called Athletics and Recreation's) personnel salaries were moved from state support to fee support in 2007 as a means of bolstering Academic Affairs' financial circumstances at the onset of the recession that occurred that year. Athletics and Recreation has continued to largely operate based on allocations from student fees since that time, with a recent, staged transition that has brought \$1.5M of their total payroll stateside with a remainder of \$1.9M still coming from fee allocations.

While student fees are intentionally shielded from increases to maintain financial accessibility for students, compensation for Athletics faculty has risen commensurately with all Unit 3 employees. This has led to a context in which student fee-based revenue, which has fallen along with enrollment, cannot adequately cover necessary expenditures in Athletics, resulting in considerable risk to the University and our students and employees, including under-funded travel (coaches and students have been tasked with driving buses, often at night), proper medical coverage and medical equipment/supplies, and time base restrictions for Unit 3 employees which prevent the workforce from meeting safety, operational, and NCAA standards. Initial University planning focused on continuing to address this over multiple years, but an external assessment determined that the operational, safety, and NCAA compliance risks must be addressed sooner rather than later. AD Jones is simultaneously working through addressing funding gaps in a

collective effort to address the institutional issues of adding additional cost (i.e. pay to participate) to enhance students' residential experience.

The PAT has further conveyed that they hope to allocate base funding to ensure that the Student Activities Center's (SAC) budget is fully funded through ongoing stateside resources. The transition of Student Activities from the now decommissioned University Center to Enrollment Management has been affected largely through one-time allocations which are not sustainable in future cycles. The Student Activity Center is a meaningful space for enhancing the student experience and bolstering enrollment and retention, but one that cannot be funded with polytechnic monies (as it is not outlined in our Prospectus), or fees, as alterations to fee allocations must be affected by student legislative action.

There are considerable unknowns with respect to collective bargaining and our enrollment vulnerability that drive the need to be conservative in our planning to ensure the University continues to move beyond the continuous reduction cycle of the recent past. The PAT is thus planning to hold a portion of currently unallocated base funding in Contingency. The rationale for expanding contingency is twofold:

- The PAT's acknowledgement of the continuing Collective Bargaining work currently underway, while State allocations to offset increased salary spending are not immediately forthcoming, with millions in potential commitments in base funding on the horizon based on contract negotiations.
- In response to further system-level discussion regarding our enrollment vulnerability. Briefly, the University is vulnerable to the recalibration of enrollment funding provided by the Chancellor's Office based on our enrollment targets. The University enrollment is 37% below our target of 7,603 resident full time equivalent students (FTES), and has been for the last several years, there is a risk that system-provided funding could be recalibrated to match our actual enrollment. This would result in a significant revenue loss up to \$20M which would have dramatic deficit implications to our budget picture as the University would again be facing a structural deficit and there would be no choice but to reduce budget allocations to align with resources again.

As such, we must proceed cautiously until our enrollment rebounds. Investing a portion of available funding to establish a larger Contingency is a prudent strategy that protects against future volatility while also creating a one-time funding stream to cover unforeseen costs and/or support strategic investments in the short term.

After considerable deliberation, the URPC recommends that the PAT take a measured, austere, and empathetic approach in regards to new base allocations for the coming year. The

combination of our enrollment vulnerability and uncertainty regarding potentially expanding salary commitments, along with the recent history of materially impactful reductions and onset of prescriptively restricted investments, suggest that any capital available for reinvestment should be applied to the aim of offsetting future reduction cycles while maintaining student-centered services. Past reductions have hindered curricular capacity, damaged student experience, and harmed overall University morale.

We acknowledge that expansion of the Student Activity Center could lead to much needed increases in enrollment and retention, and that the lack of ongoing funding threatens the overall sustainability of the enterprise. While we understand that the current amount needed to fully fund SAC services through ongoing, stateside funds is \$1.6M, we recommend allocation of \$900,000 base budget in AY 2022-23, with the potential of further allocation in future cycles. We further encourage Enrollment Management to investigate the feasibility of encouraging student legislative action towards student fee support of appropriate ongoing expenses.

We also understand that the fiscal viability of Athletics and Campus Recreation is currently undermined by continued dependence on flat, fee-based funding for expanding salary commitments which are making ongoing operation untenable. The URPC thus recommends continuing the staged allocation of new base funding to Athletics with the intention of moving those salary commitments stateside, with a \$1.2M allocation in AY '22-'23 and a final \$700,000 allocation to complete that transition in AY '23-'24.

Finally, we recommend holding the entirety of the remaining funds that are available for allocation (\$1.098M) in contingency in anticipation of financial commitments and vulnerabilities on the near horizon. We realize that this allocation will not fully offset the impending cost increases and potential deficits at hand, but whatever we can commit to avoid further structural reductions prior to anticipated revenue increases from expanded enrollment should be allocated towards that end. We further recommend developing a plan for addressing and prioritizing limited resources in the next cycle in the event that enrollment growth is slower than anticipated.

<b>Recommended Base Allocations in relation to PAT Budget Planning Priorities</b>	<b>Dollar Amount of URPC's Allocation Recommendation</b>	<b>Rationale</b>
Student Activities Center	\$900k this year, while Enrollment Management	Student Activities currently operates with \$1.6 million

	investigates the feasibility of student fee allocation in support of remaining need.	gap in base allocations, with no sustainable plan for funding currently in place.
Compensation Adjustments in Athletics and Campus Recreation	\$1.2 million this year and \$700k in the '23-'24 cycle as a staged reallocation in order to bring Athletics And Campus Recreation salary commitments stateside.	Compensation to the tune of \$1.9 million and rising is currently covered by student fees, which are not rising commensurately with salary commitments.
Contingency / Collective Bargaining/Enrollment Vulnerability	\$1.098 million additional (\$800k currently)	Unknowns related to collective bargaining and enrollment vulnerabilities spur continued concern regarding future
	<b><i>\$3,198,000</i></b>	

### Polytechnic Funding

In the 2021-22 Budget, Cal Poly Humboldt received a transformative \$458M investment, \$433M in one-time and \$25M in ongoing (base funding), from the State of California to transition to a polytechnic university. This funding is held centrally at the Chancellor’s Office (CO) and annually Cal Poly Humboldt submits a spending request to the CO to access a portion of these funds. Once ongoing funding is allocated, it becomes part of Cal Poly Humboldt’s Budget. To date, we have requested a total of \$8.8M in ongoing funding to support polytechnic implementation in 2021-22 and 2022-23, with the initial investments focused on creating a solid foundation for polytechnic success as we work to successfully launch twelve new academic programs in Fall 2023. (link to detailed planning document).

Planning for polytechnic funding is part of the broader polytechnic implementation framework, which consists of the Cal Poly Implementation Steering Group and seven working groups. This structure was established this year to help ensure that as our University progresses with its planning and implementation as a polytechnic, that the allocation of polytechnic funds are informed by the planning work of the working groups. These seven working groups include:



Curriculum and Academic Programs; Facilities; Technology and Infrastructure; Enrollment and Growth Management; Inclusive Student Success; Communication; and Budget, Finance, and Reporting. The intent is for the working groups to be sharing information with each other regularly at monthly steering group meetings, and liaising with each other in an ongoing basis as needed, so that as plans develop for the buildout in the various areas, corresponding budget implications are taken into consideration and can inform polytechnic budget allocations.

The Cal Poly Budget, Finance, and Reporting group, with representation from faculty, staff, students, and community members, is responsible for leading Poly financial planning in collaboration with the other working groups and the President's Administrative Team. Faculty and staff membership intentionally overlaps with the URPC to provide continuity in planning efforts. This group is responsible for overseeing and managing the \$25M in ongoing funding and the \$433M in one-time funding, in collaboration with the Provost and the Chief of Staff. This group is also responsible for all reporting to internal and external stakeholders. The team submitted a report of the year one funding, and a plan for year two funding, to the Chancellor's Office. It has held presentations and open forums for the campus community, and will continue to do so on an ongoing basis.

## GI 2025

In 2021-22, Cal Poly Humboldt received \$2.2M in ongoing GI 2025 funding. While this funding has already been committed and is not a new allocation associated with the 2022-23 budget, we wanted to highlight the ongoing investments being made from GI 2025 funding through our integrated planning framework to support inclusive student success. These investments were the culmination of efforts of the Inclusive Student Success/GI 2025 Implementation Group, which was established to combine efforts from GI 2025 and polytechnic transition to identify and execute student success priorities. This group co-lead by Dr. Carmen Bustos-Works and Dr. Jason Meriwether identified the following funding priorities with associated funding amounts:

GI2025 Spending Plan	
Increase Student to Professional Advisor Ratio	\$830,000
Data and Assessment Enhance IRAR capacity	\$133,760

Diversity, Equity, and Inclusion	\$180,000
High Impact Practices (Hands-on/place-based experiences)	\$455,000
Removing Administrative Barriers	\$150,000
Basic Needs	\$246,620
Mental Health	\$246,620
	<b>\$2,242,000</b>

## Budget Assumptions

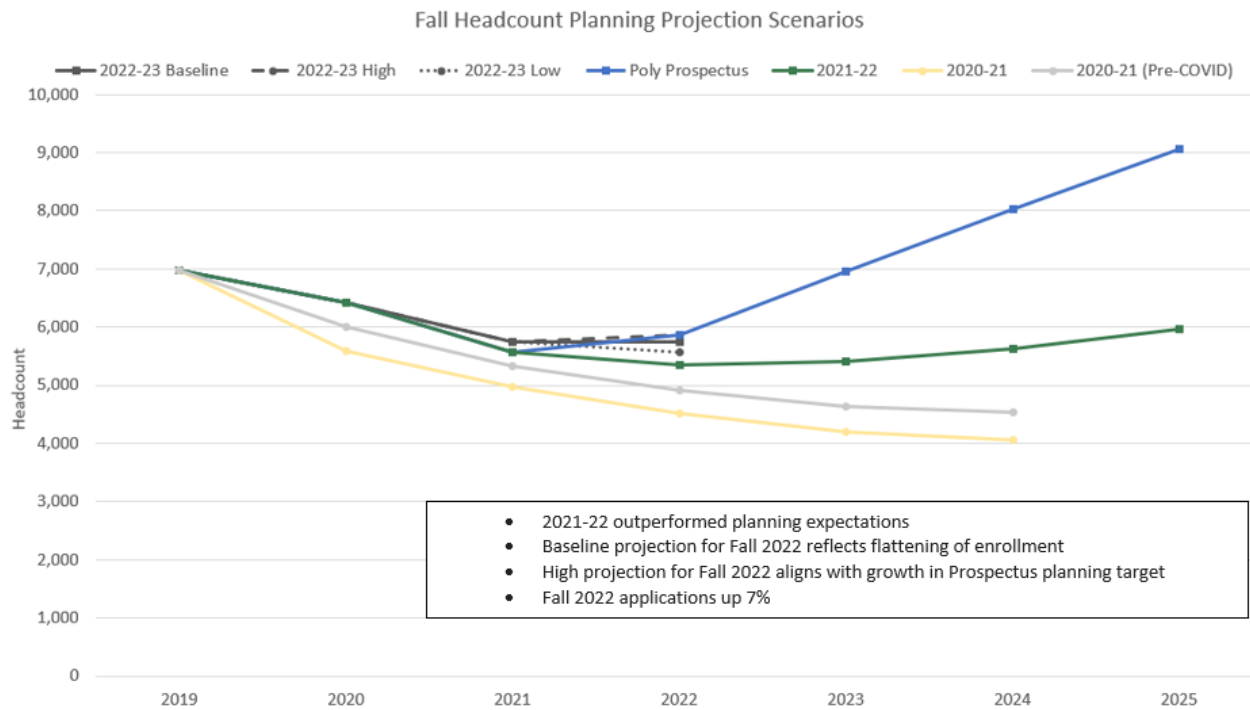
### Enrollment Assumptions

After several years of enrollment declines, enrollment has stabilized from a budget planning perspective, with projected baseline headcount enrollment changing by less than 10 students from the projected enrollment level used in budget planning a year ago. While significant enrollment vulnerability remains as the University's projected enrollment is 37% below our system funded enrollment level of 7,603 annual resident FTES, the Fall 2022 incoming class is projected to grow and initial signs of enrollment beginning to rebound are promising. In addition, a small increase in our non-resident student population reflects progress in this area and results in a small increase to our projected non-resident tuition revenue.

HSU Operating Fund - BASELINE Enrollment Scenario Date: April 15, 2022	2021-22 Budget	2021-22 Actuals	2022-23 Budget
Resident FTES	4,781	4,756	4,776
<i>Shortfall from CSU Resident FTES Target of 7,603</i>	<i>(2,822)</i>	<i>(2,847)</i>	<i>(2,827)</i>
<i>% off from CSU Resident FTES Target</i>	<i>-37%</i>	<i>-37%</i>	<i>-37%</i>
WUE FTES	200	206	200
Out-of-State FTES	55	69	70
International FTES	25	21	25
<b>Total FTES</b>	<b>5,061</b>	<b>5,053</b>	<b>5,071</b>
<i>Total Annual Headcount</i>	<i>5,312</i>	<i>5,522</i>	<i>5,306</i>

The Enrollment Projections Group (EPG) analyzes enrollment variables and trends throughout the year to develop enrollment targets used in budget planning, as well as other planning campus activities. To guide planning and ensure the campus is prepared, baseline, high and low projections are developed, with the baseline scenario reflecting the active scenario used in the formal budget recommendation. A more in depth review of historical enrollment trends and variables is available in the [EPG’s latest enrollment update](#) on 4/14/2022.

Looking ahead, Cal Poly Humboldt is actively pursuing an ambitious growth strategy as we transition to a polytechnic institution and launch twelve new programs in fall 2023. Our high projection for fall 2022 is aligned closely with the enrollment targets outlined in the Prospectus. In addition, we continue to outpace enrollment projections from previous budget cycles.



## Revenue Assumptions

2022-23 revenue is projected to increase by \$12.5M (including the infusion of earmarked Poly funding) compared to the 2021-22 budget level after factoring in the preliminary CSU Budget Memo updates and polytechnic funding (Years 1 & 2). The 2022-23 Revenue Budget is \$146.1M. The two main sources of revenue that make up this increase are the State appropriation and tuition:

- State Appropriation: With the infusion of polytechnic funding in the 2021-22 Budget, which is being held central by the CO pending allocation, Cal Poly Humboldt will have two annual State Appropriation funding streams for the foreseeable future:
  - Annual New State Allocation: The Governor’s January Budget Proposal included a 5% increase to the CSU. In addition, the CSU held a portion of the 2021-22 funding centrally during the last budget cycle. Based primarily on the preliminary CSU Budget Memo, and in light of continuing collective bargaining negotiations, we are estimating all net new State appropriations will go to offset compensation and benefit increases, with the campus responsible for a portion of the already negotiated Unit 3 agreement. \$4.2M to support compensation and benefit increases, partially offset by a decrease of \$.1M related to 2021 retirement rate decreases and a decrease of \$.6M to our SUG allocation, results in a net State appropriation increase of \$3.5M.
  - Polytechnic Funding: Of the \$25M ongoing polytechnic funding allocation, \$8.8M has been requested through 2022-23 and we are awaiting approval from the CO on our Year 2 spending plan. Planning continues regarding future allocations, with a majority of the spending anticipated in Years 3 – 6 (2023-24 through 2026-27) in alignment with launching and sustaining new polytechnic academic programs in fall 2023 and additional new programs in subsequent years. (Add link to additional information)
- Tuition: Tuition revenue is anticipated to increase \$.14M, associated with an increase in non-resident tuition. State Tuition Fees are only anticipated to decline by \$1,000, remaining basically unchanged from the 2021-22 Budget. This reflects a major improvement from previous cycles.

### **Expenditure Assumptions**

The 2022-23 Expenditure Budget reflects mandatory cost increases, the final round of reductions in Academic Affairs from the prior reduction cycle, and campus determined allocations based on priorities identified during the budget planning process:

- Mandatory CSU system-wide compensation and benefit increases totaling \$4.656M
- University wide operating costs (Insurance and State University Grant (SUG)) and dedicated budget increases totaling -\$191,494
- Base reductions totaling -\$3,052,488
- Recommended base allocations totaling \$3,198,000

Including base budget adjustments, the 2022-23 Base Expenditure Budget is \$146.1M, reflecting a balanced budget for the first time in many years. This budget reflects a significant turning point in Cal Poly Humboldt's financial position.

The URPC recognizes that there is great uncertainty regarding current collective bargaining negotiations underway and acknowledges that adjustments may be needed to proposed base allocations to offset any costs that must be absorbed by the campus once negotiations are final in order to maintain a balanced budget.

### **Reserves Assumptions**

The anticipated 2022-23 Operating Reserve beginning balance of \$6.3M is expected to remain unchanged year over year. The Operating Reserve provides flexibility to take mission-related risks and to absorb or respond to temporary changes in environment or circumstances. Without adequate reserves the University can suffer cash flow stress and become distracted from appropriate long-term decision making. Any spending out of the Operating Reserve must be accompanied by a plan to replenish the reserve fund.

Of note, last year the URPC revised the [University Operating Fund Reserve Policy](#) to incorporate required reserve thresholds in alignment with the revised CSU Reserve Policy and also to establish an Equipment Reserve bucket. Reserves are essentially our savings accounts and are funded by one time dollars available at the end of the year. They are not funded through base reduction or the elimination of positions, though they are dependent on coming in under budget each year. Reserves help us to preserve current operations and navigate difficult financial times.

As of July 1, 2021, the Reserve balances were as follows:

Reserve Funds	Target %	~ Target (\$M)	Current %	Current (\$M)	% of Target
Operating Reserve	25% of Budget	\$33.2	4.7%	\$6.3	19%
Maintenance Reserve	.5% of CRV*	\$4.5		\$2.0	44%
	10% of CP**	\$6.9		\$0.3	4%
Capital Reserve	10% of CP**	\$18.2		\$3.6	20%
	.5% of CRV*	\$4.5		\$0.0	0%
Equipment Reserve	10% of CRV	TBD		\$0.0	0%
	of cap equip				0%
<b>Total Reserves</b>		<b>\$67.3</b>		<b>\$12.2</b>	<b>18%</b>

\*CRV = Current Replacement Value – HSU’s CRV is \$880M based on recently completed facility condition audits

\*\*CP = CSU Five-Year Capital Plan - HSU's total projects in 2021-22 plan: Capital = \$182M, Maintenance = \$69M

Since July, 2020-21, \$1.48M in earmarked Roll Forward is still pending distribution to the Reserve accounts listed above.

### Roll Forward Guidelines

Over the course of this year, the URPC has worked toward [revising our Roll Forward Guidelines](#) to align with system-wide best practices and to simplify and promote cohesive planning. The revised guidelines allocate a larger portion of funding back to divisions (100% of unspent salaries and operating expenses budgets) and encourage the establishment of a larger Contingency to support continued investment in institutional priorities and initiatives. For context, the University Operating Fund Roll Forward Budget Guidelines defines the allocation of unspent budget balances (“roll forward”) in the University’s Operating Fund at the end of each fiscal year. Roll forward budgets reflect one-time budget allocations that annually augment the University’s ongoing base budget and are used for a variety of purposes such as reallocations to restricted activities, one-time strategic investments, and one-time additions to reserves (Operating, Capital, or Maintenance Reserves). Strategically leveraging roll forward budgets minimizes the need for the University to utilize unbudgeted reserves, as outlined in the University Operating Fund Reserve Policy.

### URPC Budget Planning Activities

The URPC is a senate subcommittee that includes faculty, student, and staff representatives along with all of the VPs and representatives from the Budget Office, Enrollment Management, AS, and Advancement. The URPC has senate duties ([Senate Bylaws](#)) and receives an annual charge/request from the President. The URPC meetings are public and additional representatives from other departments, including Institutional Research, Analytics, and Reporting (IRAR) and Associated Students (AS), present, and contribute to the meetings. The duties of the URPC can be summarized as reviewing, evaluating, and making recommendations on previous and future expenditures based on the Strategic Plan and Vision. This is intended to occur at the University-to-Division level. The URPC reviews information from a number of sources including the Enrollment Projections Group (EPG), IRAR, Housing, Dean of Students, Admissions, the Budget Office, etc. (Figure 1). The main deliverable of the URPC is a Budget Recommendation that is reviewed by the Senate and then delivered to the President. Budget constraints are provided from CSU to the President and he is responsible for forwarding a final budget to the CSU.

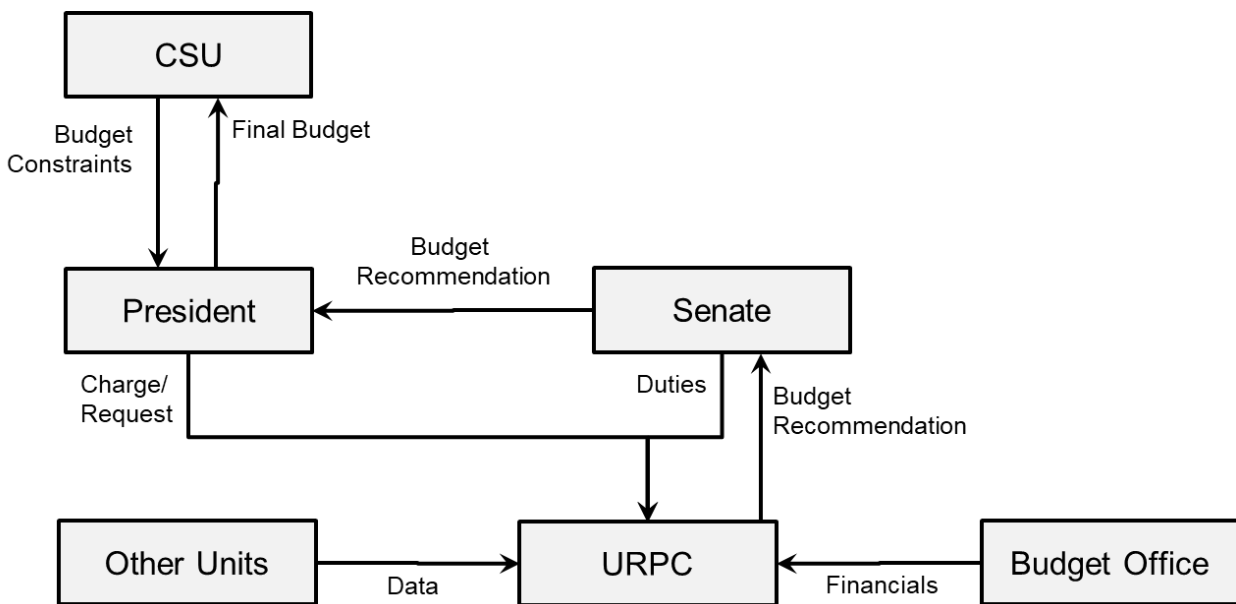


Figure 1. Diagram of URPC in relation to other organizational units.

The URPC established practices before we began budget reduction measures five years ago. We have transitioned out of this period and we did some work to create a transparent and clear process for completing the tasks required of the URPC, but this work was not completed this year. We were provided with a [Draft Timeline](#) from the Budget Office but this was not finalized. Process improvement requires focused time for a team to define the tasks that are required to

move through developing their final deliverables. To achieve this, the URPC plans to complete the following steps:

1. The existing process document will be used by the URPC through the summer to develop a detailed process for the future.
2. The process will be reviewed and updated by the URPC at the start of the 2022 fall semester.
3. The process will be presented to the Senate for review.
4. Following this, the process will be presented to the President.
5. Upon completion, the process will be provided to all remaining stakeholders (students, staff, faculty, and administrators).

One organizational issue that arose this year was that if the URPC remains at the division level, how are issues that are below that level resolved? This includes issues on housing, student employment, and funding for over-taxed minority faculty.

During AY 2021-22, The URPC completed the following tasks.

- Examined various options for rolling excess funding (revenue) from one year to the next. We also selected and finalized an option described in this document. This also included discussions about reserving funding vs. spending.
- Future enrollment projections and scenarios were examined in detail and predictions of future tuition revenue based on these projections.
- Financial reports for the first half of the AY were reviewed at the division level. These are available at the [Budget Office website](#).
- Issues were received and rolled into a URPC issues list but this was not reviewed. It now appears that these issues fit more with the Senate, as most require information that is below the division level.
- The links between the polytechnic transition budget and the General Base Fund were reviewed.
- Training on using the [OpenBook](#) was provided for reviewing finances.
- The five year plan for finances was reviewed.
- We received updates from the Presidential Administrative Team (PAT) on the potential future financial situation with CSU and the State of California.

## Conclusion



Cal Poly Humboldt 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 2022-23 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 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.