

To: President Jackson
From: University Resources and Planning Committee (URPC)
Topic: Recommendation regarding utilization of Early Exit Program (EEP)

February 19, 2024

Dear President Jackson,

The University Resources and Planning Committee (URPC) as part of its Academic Year (AY) 2023-2024 charge was asked to offer a recommendation to President Jackson regarding the utilization of EEP to address forthcoming budget reduction efforts. EEP has been utilized at Cal Poly Humboldt in the past, most recently during the AY 2020-2021 budget cycle to achieve similar goals. During AY 2020-2021, 58 employees participated in the program and 25 positions (43%) were reduced through this process. The one-time cost to implement this program was \$2.3 million and yielded initial ongoing cost savings of approximately \$2 million. Strategic rehiring of key positions lost during this EEP cycle have depleted the realized savings over time.

URPC discussed utilizing EEP to address a portion of our projected budget shortfall during our 9/22/23, 10/06/23, and 12/08/23 meetings. The overall sentiment of the committee is that the utilization of EEP raised at least as many financial challenges as benefits when centering the success of student and campus operations.

The primary concerns raised about utilizing EEP are:

1. Reducing the workforce without reducing overall activities at Cal Poly Humboldt is unsustainable and creates lasting negative impacts on the level and/or quality of these activities;
2. The rehiring of “most” of the positions who opted for EEP resulted in limited net gains from implementing this strategy and possibly increasing costs to the university given the current market and challenges with attracting talent to Cal Poly Humboldt; and
3. The loss of historical knowledge and business process information slows progress toward goals by requiring a relearning of different processes.

If EEP is implemented, URPC felt that the following might help mitigate negative impacts.

1. Document business processes as appropriate to serve as a guide for tasks;
2. Identify and develop training and re-distribution of workload to support remaining employees;
3. Reduce the scope of duties assigned to retiring personnel instead of relying on remaining personnel to assume these duties; and
4. Allocate personnel resources in a sustainable and effective way by applying strategic managerial leadership approaches.
5. Look at implementing a restricted approach to EEP limiting job classification type and identifying a dollar amount targeted.

Recommendation

To implement EEP as a last resort and only with the above concerns addressed. EEP is one of several options which may be available to the university and the committee would recommend considering other actions such as a strategic review of vacant positions as an alternate approach.

Thank you,

Jenn Capps, PhD, Provost and Vice President of Academic Affairs (URPC Co-Chair)

Monty Mola, PhD, Professor of Physics (URPC Co-Chair)