

# **Humboldt State University**

## **Budget Reduction Principles for 2009-10 Fiscal Emergency**

June 4, 2009

### Overview

We all know that California is facing a difficult budget situation. With the failure of the propositions and the deteriorating revenue projections, it is now clear that the CSU will have to make substantial budget reductions. We need to develop budget-reduction strategies now rather than wait until too many costs become fixed next semester. It is critical that we work together quickly and effectively to develop the best strategies possible for our students and the University.

### Principles

1. Budget reductions and reallocations should be tied to system and campus strategic planning and priorities.
  - a. Vision

Even in difficult budgetary times, we should continue to work toward realizing the vision of the University. The vision statement should figure prominently in all budgetary discussions.
  - b. Priorities
    - i. Student Success: Support student academic success and provide courses and services that facilitate their graduation.
    - ii. Enrollment: Meet our enrollment target, which may be adjusted by the Chancellor's Office due to budget realities. In addition, maintain enrollment demand and work to maximize non-resident enrollment.
    - iii. Reaccreditation: We must continue to make progress toward the goals set out in WASC's Capacity and Preparatory review.
      1. Student Learning outcomes
      2. Inclusive academic success
      3. Develop capacity for institution-wide planning and decision-making. This includes progress in such areas as institutional research, governance and budget planning.
    - iv. Revenue generation: We need to increase non-state funding that supports critical areas of need.
2. Maintain University reserves. We have a reserve that can help mitigate budget reductions. However, we should maintain a reserve for 2010-11 to help phase in reductions made to the 2009-10 base and buffer any new budget reductions.
3. Strategically target reductions rather than distribute them by percentage.

4. Reductions will be a mixture of one-time and on-going measures. Examples of one-time reductions include restrictions on travel, hiring and equipment. Ongoing budget reduction strategies should be part of every division's response to this crisis. This is the time to rethink much of what we do and ask if there are ways of doing them for less. Ongoing budget reduction strategies will have to include reducing, suspending and eliminating programs and services. These should be University decisions tied to strategic planning and University priorities. We are going to have to decide what is more and less critical.