

Humboldt State University
Academic Affairs Divisional Budget Policy

Annual Budget Process

The annual budget process is an ongoing, continuous cycle as described in the budget process timeline published by the University Budget Office and is tied to the State of California budget process. At the beginning of each fall semester the President and the executive leadership will begin the budget process by reviewing the HSU mission and setting priorities for the following year¹. The Provost then consults with the Provost's Council and the Council of Deans to establish divisional goals for the year. In the second week of October, the Provost issues a budget call letter, based on the current fiscal situation and the priorities of the University and the Division, to the divisional Deans and Directors.

Deans and Directors then consult with their faculty and staff to discuss the budget year's goals, opportunities and challenges. (Deans and Directors are expected to publish their own budget policies and budget process schedules, which should complement those of the University and the Division.) Budget planning documents are prepared by the Deans and Directors for submission to the Provost on the last Friday of fall semester. Requests for augmentations are included in the budget planning documents.

At the Provost's request and with the agreement of the faculty serving on the Provost's Council, Deans and Directors will make budget presentations to the Provost's Council on the Tuesday and Wednesday of the week prior to the start of spring semester. The Provost's Council will make recommendations to the Provost on the prioritization of budget requests by the end of January.

During the first two weeks of February, the Office of Budget & Institutional Data for Academic Affairs will compile a prioritized divisional request, which the Provost will use in the University's annual budget process.

Base Budgeted Position Salary and Benefit Funding

Base Budget Salary and Benefit Costs

Salary and benefit costs will be established at the college/major unit level and posted to the University financial system at the cost center level.

Salary expenditures make up the largest portion of the annual budget and represent long-term commitments, and therefore must be carefully monitored. The University Budget Office maintains a database called the Position Inventory. Colleges and major units will work with the Office of Budget & Institutional Data for Academic Affairs to update the Position Inventory annually and establish salary and benefits base budget for the coming year, also known as the base year. Salary and benefits budgets associated with probationary, tenured faculty, permanent staff and management positions are established in the Position Inventory by position and cost center. Each position in the inventory carries the ending base budget value for that position from

¹Year will include summer as the leading term.

the current year, i.e., all salary increases for the current year have been applied to that position for 12 months and are carried forward into the next base year. Lecturers with full-time appointments will also be included in the position inventory. Salary and benefits budgets associated with other temporary faculty and incremental department chair salaries are established in salary pools at the college or major unit level. FERP multi-headcount positions are established at the department level.

Benefits Management

Benefits will be managed at the Division (Provost) level in consultation with the colleges and major units. Benefits will be budgeted at the beginning of each fiscal year by position. This funding will be distributed to the cost center/department level in accounts designated for benefits expenditures. During the course of the fiscal year, funds will not be moved out of benefits accounts for other expenditures categories, but will be retained for benefits expenditures. The primary use of benefit savings is to provide for benefits funding across the Division. At the end of the fiscal year, any net savings in benefits accounts will be pooled at the Division (Provost) level and used according to roll forward policy.

Vacant Positions

In the current year when a permanent faculty member retires, without entering FERP, or resigns, the following actions will be taken by the Office of Budget & Institutional Data prior to the start of classes in the Fall and Spring:

1. Salary and benefit funds will be transferred for backfill from the vacated position to the college's Temp pool at a full-time vacant rate with an average benefits amount prorated for the number of months remaining in the current year.
2. The remainder, minus the retiring/resigning faculty member's expended salary and benefits, will be transferred to the division level for reallocation.
3. The Provost will fund the amount required for lump out.

In the base year (ongoing budget) when a permanent faculty member retires, without entering FERP, or resigns, the following actions will be taken by the University Budget Office:

1. The vacated position will be funded at a full-time vacant rate with an average benefits amount and the salary and benefits will be moved to the college's Temp pool.
2. The remainder of the salary and benefits will be moved to the division level for reallocation.
3. The vacant position number will remain in the Position Inventory but the FTE and associated salary and benefits will be changed to zero. If a decision is made to search for that position in the future, funding can be transferred from the Temp pool and/or division level as required for the new hire.

The vacant rate will be established each year at the division level (see Vacant Rate section below).

In the year following notification of intent to retire to FERP status and upon acceptance of the FERP appointment by the faculty member, the following actions will be taken by the Office of Budget & Institutional Data:

1. Half of the position (.50 timebase) will be retained in the Position Inventory at the FERP salary and will be moved to the FERP multi-headcount position in the department.
2. The remaining .50 timebase will be funded at half of the vacant rate and an average benefits amount and will be moved to the Temp pool at the college level.
3. The remainder of the salary and benefits will be held at the division level for reallocation.
4. The Provost will fund the amount required for lump out.

Actions numbers 1 through 3 above will also be reflected in the position inventory for the on-going base budget at the end of the first year after the faculty member enters FERP status.

Faculty position recruitments are authorized by the Provost through an established process that includes identification of budget for salaries and benefits.

When a permanent staff member, administrator, or Librarian retires or resigns, the college or major unit will reexamine its priorities before refilling the position. If it is determined that the position should be retained, the position will remain in the Position Inventory at the current salary and benefits. If the position is not retained, the salary and benefits will be moved to the division level for reallocation for the next base year. Refilling a position will require approval of the Dean/Director and approval of the Provost.

Permanent employees who are on temporary assignments will have their permanent positions retained in the Position Inventory at their salary and benefit level.

Vacant Rate

The vacant rate is the average Lecturer full-time salary and benefits rate for the three colleges. It will be reestablished each year in March by the Office of Budget & Institutional Data based on the average Lecturer salary and benefits rate of the most recent fall term.

New Faculty Recruitment Authorizations

Permanent base funding must be identified before going forward with any tenure-track faculty recruitments. This funding may be available because of faculty retirements/separations or because of budget augmentation.

Faculty Startup and Other One-Time Funding

One-time funds are needed to conduct searches and to provide modest startup packages for new faculty. Typically standard search costs and startup packages are funded at the college or major unit level. Once a reserve is established, funding needed beyond the standard costs may be requested from the Provost's reserve as part of the annual budget process.

Dean level searches are funded by the Provost. Other search and/or moving costs for MPP and staff positions are funded at the college or major unit level. Funding needed beyond standard search costs for MPP and staff positions, may be requested from the Provost's reserve through the annual budget process.

Operating Expense Funding

Units and programs need to be budgeted with adequate funding for an operating expense budget. Money must be set aside in the budget to provide course materials, office supplies, appropriate technology, travel funding, and library materials.

Instructional Equipment and Classroom Upgrades

Funding for instructional equipment and classroom upgrades is essential to any university and must be considered as part of the budget process.

Contingency Reserve

The Provost must responsibly plan for unforeseen funding requirements and initiatives. The current contingency is \$150,000 and is budgeted at the Provost's level in the Centrally Managed Commitments (CMC). The Provost has a goal of building a reserve of \$500,000 (1%) as a planning buffer for unforeseen costs, and to be used as one-time and seed funding in areas of opportunity.

Any new base budget funds coming to Academic Affairs through increases in enrollment funding or other augmentations should reside with the Provost for the first year, and may be allocated on a permanent basis through the annual budget process in the second or subsequent years as areas of greatest need are identified by the divisional budget process.

Unexpended Year-End Budget Balances (Roll Forward)

In any given year unexpected cost savings will occur. The policy for use of these funds should encourage careful planning and discourage unnecessary spending. Therefore colleges or major units in Academic Affairs can expect to roll forward their unexpended salary and OE balances into the next fiscal year provided that they submit for the Provost's approval a description of the source and amount of funds and a detailed plan for their use.

Unidentified and/or unencumbered year-end balances and all benefit savings will be pooled at the division level for reallocation by the Provost for the highest priority needs in the Division.

If a college or major unit over-expends its current year budget, the deficit must be covered from divisional funds at fiscal close, but the college or major unit's budget will be reduced by that amount in the next fiscal year.

Lottery Funds

Lottery revenue is distributed by the CSU system to HSU annually. Lottery revenue is budgeted in trust funds for expenditure on instructionally-related items. Lottery funds have traditionally been budgeted to the Provost for redistribution to the campus. The amount is subject to change, depending on actual revenues from the State Lottery. See http://www.calstate.edu/budget/1998_99BudIndex/98_99_LottInfo/9899LottBud/GenGuide.shtml for further clarification of lottery expenditure guidelines.

Lottery funds will be allocated on an annual basis as part of the Academic Affairs budget process, contingent on the recommendation of the Provost's Council and the approval of the Provost. Typically these funds are allocated on an historical basis; however the Provost, in consultation with the Provost's Council and the Vice President for Student Affairs, may choose to allocate a portion of these funds to meet existing conditions.

Any unrestricted Lottery funds that are unencumbered on April 1 will be gathered up each year and transferred to a central account in the appropriate division of Academic Affairs and/or Student Affairs for spending on division-wide priorities as determined by the appropriate Vice President. Any Lottery programs with restricted funds, such as the California Pre-Doctoral Program and the Teacher Recruitment Project, must spend their funds to zero before June 30th each year.

Any Lottery shortfalls will roll forward to the next fiscal year to the major budget unit level, i.e., College of Arts, Humanities, & Social Sciences, College of Natural Resources & Sciences, College of Professional Studies, Information Technology Services, Library, Marine Science Facilities, Office of Academic Affairs, Office of Research & Graduate Studies (Pre-Doctoral Program), Office of Enrollment Management, EOP (Access & Academic Development), Financial Aid (Future Scholars), Student Life (HOP), Associate Dean of Professional Studies (Teacher Recruitment).

Effective Date: July 1, 2008

Addendum to Academic Affairs Divisional Budget Policy on Lottery Funds

Historical Notes of Interest on Lottery

• Using 2007/08 as a baseline for historical purposes, Lottery funds have been allocated as follows:

\$28,900	(3.41%)	CSU Scholarship Program for Future Scholars (Student Affairs)
\$63,779	(7.53%)	Access and Academic Development Program (Student Affairs)
\$28,270	(3.34%)	Office of Enrollment Management (Student Affairs)
\$12,000	(1.42%)	Humboldt Orientation Program (Student Affairs)
\$72,240	(8.53%)	Teacher Recruitment Program (Academic Affairs)
\$5,000	(.59%)	California Pre-Doctoral Program (Academic Affairs)
\$86,201	(10.18%)	Office of Academic Affairs (Academic Affairs)
\$94,450	(11.15%)	College of Arts, Humanities & Social Sciences (Academic Affairs)
\$94,450	(11.15%)	College of Natural Resources & Sciences (Academic Affairs)
\$47,220	(5.57%)	College of Professional Studies (Academic Affairs)
\$37,900	(4.47%)	Information Technology Services (Academic Affairs)
\$262,450	(30.99%)	Library (Academic Affairs)
\$14,140	(1.67%)	Marine Science Facilities (Academic Affairs)

\$847,000 (100.00%) Total

• In the past the Library has traded part of its general fund allocation for Lottery funds and this allocation should be honored/considered in future allocation schemes.