

November 16, 2009

Academic Affairs Budget Reduction Strategies

Budget Overview

Academic Affairs received a base-budget reduction of **\$7,260,000**¹ for AY 09/10 on a base budget of \$58,070,000. That is a base-budget reduction of 12.5%. This is on top of \$2,400,000 in base-budget reductions for the two previous years.

Because of furloughs and a variety of other one-time measures it looks like we will be able to operate this year without a deficit. The problem is how to manage a base-budget reduction of this magnitude in AY 10/11 when we cannot count on these one-time mechanisms to be available.

We will not approach the budget reduction as something we can weather with one-time measures. We will develop a plan that is sustainable over time. That plan may need to be phased in over a number of years, which will require some one-time funding, but the target will be a sustainable base budget within which Academic Affairs can live.

Budget reduction strategies will be coordinated at the divisional and sometimes at the university level. The magnitude of the budget reduction will require us to examine everything that we currently do and determine what we can and cannot continue. Our priority is for students to make timely progress toward graduation.

In developing these budget-reduction strategies, it is important to understand that this is a zero-sum exercise. Whatever is not reduced in one category will have to be found in some other category.

Base-Budget Reduction Strategies

- I. Enrollment Target Reduction. The enrollment target for resident students has been reduced from 7034 to 6612. That is a reduction of 422 FTES. At the AY 08/09 SFR of 21.4 that is the equivalent of approximately 20 positions. At an average lecturer cost of \$65,500, which includes benefits, that is a savings of \$1,310,000.² It will not be possible to save this entire amount because the reduction in the number of students will not always result in a corresponding reduction in classes. Given a planned reduction of 200 entering Freshmen, which will result in course reductions, and moving summer to extended education we should be able to realize 70% of that amount = **\$920,000**.
- II. Increase SFR from 21.4 to 22.4. At an enrollment target of 6612, 14 fewer faculty positions are needed at a SFR of 22.4 instead of our current 21.4.

¹ All bolded numbers are rounded to the nearest \$10,000.

² This amount would include the \$210,000 already saved by moving summer session from state-support to self-support.

Given our mix of programs, I do not think we can increase the SFR much beyond this. SFR increase = **\$920,000**.

- III. Restricting Tenure-Track Faculty Hires. The difference between the average salary and benefits of faculty retiring, resigning or not being retained and the average lecturer salary is \$59,500. The difference in number of units taught by tenure-track and lecturers is 6 WTUs per year. That saves another \$11,900, at the average lecturer rate, for a total savings of \$71,400 per position.
- a. Actual changes in the position inventory from 08/09 to 09/10 = \$760,000
 - b. Estimated changes from 09/10 to 10/11 = \$900,000
 - c. Estimated changes from 10/11 to 11/12 = \$700,000
 - d. Estimated changes from 11/12 to 12/13 = \$700,000
- I recommend adopting this strategy for at least four years for a total savings of **\$3,060,000**.
- IV. Reorganization and Review of Existing Structures and Functions. This is a diverse category of projects in which it is difficult to determine cost savings. The goal in this category is **\$1,000,000**.
- a. Assigned Time Review. The deans and I are reviewing all assigned time.
 - i. Graduate Coordinators and Program Leaders had just over 8 FTEF assigned in AY08/09. At the average lecturer rate this is \$524,000. The deans believe that the most time consuming duties of graduate coordinators can be streamlined or reassigned to the Office of Research and Graduate Studies or to the dean's office. Remaining duties can be assumed under collateral duties. Program leader duties will be reassigned to the department chairs in which those programs reside. Saving = \$300,000.
 - ii. New Faculty release time. In AY 08/09 there was 51.2 WTUs given in release time. With reduced tenure-track hires for next year that amount should be reduced to about 15 WTUs for a savings = \$71,000
 - iii. Department chair time. In AY 08/09 there were approximately 16 positions in department chair time. Reorganization should be able to save 2 positions = \$119,000.
 - iv. Other.
 - b. Review all Academic Support Functions and Entities.
 - i. Natural History Museum. Eliminated all state support = \$113,000.
 - ii. Marine Lab. Eliminated half-time staff support = \$44,000
 - iii. Library. Eliminated one faculty position = \$118,000
 - c. Curriculum Review. I have asked the deans to work with departments in reviewing their programs: number of units in the major, frequency of offerings and number of labs or activity sections.

- d. Departmental Reorganization and Review. We have a large number of very small academic departments. These small departments are not efficient for a variety of reasons including, but not limited to, having separate committees, staff support and departmental chair support. The deans have been asked to oversee reorganization at the college level.
 - e. Increase Self-Support Opportunities. Some entities can increase self-support and in doing so free state support dollars for other areas. This includes increased grant funding, fund raising and contract work. All units will review these opportunities.
 - f. Review of all 11- and 12- Month Positions. When we moved to year-round operation and began a state-supported summer session, we anticipated a more active summer program. Even under state support that has never materialized. I am asking all units to review their 11- and 12-month operations to determine if reductions are feasible. While this review is motivated by the budget situation it is something that needs to be done regardless of that situation. Having run a very small summer program for a number of years we are in a position to assess the real need for 11- and 12-month programs.
 - g. ITS Coordination. The task force on IT coordination is looking at ways to streamline and coordinate ITS functions across campus.
- V. Program Elimination or Reduction. By all measures, Humboldt is trying to do too much. We have more programs, more small classes and more unique courses than many, if not most, of the other campuses in the CSU. Program elimination is not going to be cost effective unless it focuses on undersubscribed or high-cost programs. We have both. Additional factors like centrality to our mission and quality will have to be taken into account in deciding which programs to eliminate. Adding the estimated totals in the first four categories and subtracting it from the total reduction needed provides the dollar amount for program elimination or reduction. What we do not save using the other strategies will need to be made up here. **\$1,360,000.**