

Office of the President

DATE: September 11, 2024

TO: Provost Jenn Capps, Co-Chair, University Resources and Planning Committee
 Professor Jaime Lancaster, Co-Chair, University Resources and Planning Committee
 Professor Jim Woglom, Chair, University Senate

FROM: President Michael Spagna 

SUBJECT: 2024-2025 University Resources and Planning Committee Budget Recommendations

I want to thank the University Resources and Planning Committee (URPC) for the thoughtful and forward thinking [2024-25 budget recommendation](#) for Cal Poly Humboldt. The URPC recommendation does a great job at highlighting many of the successes and nuances we face in navigating the current budget landscape.

While we now have clarity on some of the unknowns from Spring, many still remain, and we continue to proactively plan. Adjustments to the recommendation were needed in order to maintain a balanced budget in 2024-25. Below is a summary of the revenue and expenditure adjustments.

Revenue Budget

Revenue Budget - Incremental Changes	URPC Recommendation	Change	Final Budget
Prior Year Revenue Budget	158,666,757	-	158,666,757
State Appropriation Increases	6,653,000	2,609,000	9,262,000
State Approp. Reduction - Enrollment Recalibration (-3%)	(1,919,000)	-	(1,919,000)
State Tuition Increase from Growth	1,271,000	145,000	1,416,000
6% Tuition Rate Increase	1,867,000	-	1,867,000
Other Tuition, Fees & Revenue Adjustments	236,073	788,527	1,024,600
Polytechnic Funding	-	7,824,000	7,824,000



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Total Revenue Budget

166,774,830 11,366,527 178,141,357

State Appropriation Increases

The state appropriation (\$128.9 million) has been updated to align to the final [CSU Budget Memo](#). The \$2.6m change from the URPC recommendation represents additional Chancellor's Office (CO) program earmarks, partial funding for compensation and benefit cost increases and state university grant (SUG) commitments. See Expenditure Budget section below for information on CO program earmarks and SUG.

Enrollment / Tuition Revenue

Cal Poly Humboldt's enrollment is growing for the third straight year. Currently, we are expecting 1+% growth for Fall 2024, which is not as high as initially anticipated, but reflects progress and sets the stage for continued growth. With more modest enrollment growth, and anticipated enrollment recalibration through 2026-27, we have taken a much more conservative approach to our budgeted enrollment target and are planning for a Fall 2024 headcount of 6,131. While there are signs of modest year over year growth, current trends are trailing our projected resident full time equivalent students (rFTES) increase of 2.6% incorporated into our planning. Given this variability as we identify new trends, we have proactively set aside funding to help cover potential enrollment shortfalls.

We continue to be considerably below our CSU funded annual Resident Full-Time Equivalent Student (FTES) target of 7,375. Given the current trajectory to be lower than the -10% enrollment recalibration threshold, we anticipate our enrollment target (and associated state appropriation funding) will be reduced by 5% in 2025-26 which is projected to result in our state appropriation being reduced by \$3.4m.

Cal Poly Humboldt Operating Fund - Baseline Enrollment Projections	2023-24 Budget	2023-24 Actuals	Final 2024-25 Budget
Academic Year Enrollment Projections			
Resident FTES	5,035	4,942	5,262
WUE FTES	200	206	200
Out-of-State FTES	75	74	75
International FTES	20	17	20
Total Academic Year FTES	5,330	5,239	5,557
<i>Total Academic Year Headcount</i>	<i>5,595</i>	<i>5,726</i>	<i>5,836</i>

Cal Poly Humboldt Operating Fund - Baseline Enrollment Projections	2023-24 Budget	2023-24 Actuals	Final 2024-25 Budget
Academic Year Resident FTES	5,035	4,942	5,262
Summer Resident FTES	235	226	200
Total Annual Resident FTES	5,270	5,168	5,462
<i>% Below System Target</i>	<i>30.7%</i>	<i>32.0%</i>	<i>25.9%</i>

Other Adjustments

See "Department Allocated Fee/Revenue" and "Polytechnic Budget" expenditure budgets section below for more information related to these revenue adjustments.

Expenditure Budget

Expenditure Budget - Incremental Changes	URPC		
	Recommendation	Change	Final Budget
Prior Year Expenditure Budget	158,666,757	-	158,666,757
Compensation & Benefit Costs	14,068,263	376,252	14,444,515
Financial Aid	(250,000)	1,767,000	1,517,000
Required Costs & Priorities		-	
Department Allocated Fee/Revenue	236,073	738,527	974,600
CO Program Earmarks	206,000	1,296,000	1,502,000
University Wide Costs (Utilities: \$700k, Insurance: \$500k)	1,200,000	-	1,200,000
2023-24 Campus Priorities (Stabilize Athletics One-Time Funding)*	935,000	(819,000)	116,000
2024-25 Campus Unallocated Base	-	225,485	225,485
Polytechnic Expenses	-	7,824,000	7,824,000
Reduction Planning	(8,287,263)	(41,737)	(8,329,000)
Total Expenditures Budget	166,774,830	11,366,527	178,141,357

Financial Aid

The ~\$1.7m increase in financial aid is attributed to the State University Grant (SUG) program. The SUG program provides need-based awards to eligible undergraduate and graduate/post baccalaureate students. Traditionally, there is more need than SUG available, so CSU campuses are only guaranteed 95% of the previous year's SUG amount and the remaining 5% is redistributed to campuses with the most unfulfilled need. In 2024-25, system-wide SUG increased due to funding from the tuition rate increase and tuition from funded enrollment growth.

In 2024-25, rather than an expected 5% redistribution decrease, Cal Poly Humboldt demonstrated an unfulfilled need and received additional state appropriation to partially cover SUG awarded to students. The remaining unfunded portion is covered by campus enrollment growth and tuition rate increases revenue.

Department Allocated Fee/Revenue

Other budgeted revenue and expenses, such as cost recovery or fee revenue (e.g. materials, services, & facilities (MSF) fee) that directly support an area's instruction or operations.

CO Program Earmarks

A summary of CO allocations received intended to support activities and programs.

CO Program Earmarks	URPC		
	Recommendation	Change	Final Budget
Project Rebound	180,000	130,000	310,000
Accommodations (Support for Students with Disabilities)	26,000	-	26,000
Graduation Initiative & Student Success (GI2025)	-	419,000	419,000
Title IX & Anti-Discrimination Programs	-	500,000	500,000
NAGPRA & Cal NAGPRA Compliance	-	150,000	150,000
Veteran Tuition Waivers	-	97,000	97,000

Total Expenditures Budget**206,000****1,296,000****1,502,000****2023-24 Campus Priorities**

With the refined 2024-25 budget outlook, the campus prioritized limiting allocations to mandatory campus needs due to the shift in the enrollment trajectory. Therefore, the university did not allocate any base funding for ADA accommodations. The CO earmark and campus one-time allocation will support the projected resources needed for CDRC to manage ADA accommodations in the academic year. Due to the intercollegiate athletics Operating Fund (HM500) budget being the primary source of funding for personnel, the university allocated \$116,000 to ensure the department aligned with URPC and campus parameters to avoid layoffs.

Polytechnic Budget

It is with great excitement I share with you our accelerated [Polytechnic Year 4 Funding Request](#) was approved! Our transition efforts are reflected by the robust capital projects, the modest enrollment growth, and the implementation of polytechnic academic programs last fall. While we are grateful for the continued investment in our transformation, our build of polytechnic needs to align with our scaled growth which requires us to be fiscally prudent in our transformational efforts.

Ongoing Polytechnic Budget	Final Budget
Academic Programs Buildout	3,860,000
Student Recruitment and Retention	1,925,000
Communications, Marketing, and Branding	1,072,000
Infrastructure	967,000
Total Expenditures Budget	7,824,000

Reductions

The University has achieved the URPC recommended \$8.3m reduction for the 2024-25 fiscal year. Each division will present during the fall semester on the specifics of their reductions to the campus community. While challenging, through broad engagement and proactive planning we now have a balanced budget. The thoughtfulness and assessment to minimize impacts to students and colleagues is to be commended. Thank you for your continued commitment to our University as we navigate challenging times.

CSU Budget Planning

At a system level, budget planning for 2024-25 is well underway and the CSU will be finalizing the 2024-25 budget request to the State at the September Board of Trustees (BOT) meeting. The Governor's final budget indicated a few positive but also concerning items which are important for the campus to work through strategically and collectively. The Governor signaled the potential of multi-years of deferred compact and a \$397m reduction to the CSU state appropriation for 2025-26. At the next CSU BOT meeting, the CSU is presenting a proposed budget. The approved budget will be a critical resource in our collective budget planning when we kick off 2025-26 budget planning the week of September 16th.