



Office of the President

September 27, 2004

TO: Members, University Budget Committee  
Members, University Executive Committee

Humboldt State University is facing some of its most difficult budget decisions ever. We have a new budget process in place that seeks to make budgeting a more open process and to involve representatives of our shared governance structure in that process. The process this year worked moderately well, although some of the recommendations of the University Budget Committee were questioned by the University Executive Committee. Those concerns stem from a perceived perfunctory examination of academic spending compared with the review of other requests from non-academic units. As President, I am called upon to reach decisions regarding the allocation of our funds and have done so in the context of recommendations from the UBC and the University Executive Committee.

I approve the recommendations of the UBC and the Executive Committee for the allocation of funds to cover mandatory funding initiatives totaling \$10,724,319. The bulk of these funds will go to increases in fringe benefits for faculty and staff that were not covered by Legislative appropriations to the CSU. We also must pay for substantial increases in financial aid for students, and insurance costs. These allocations also include funds to reduce substantially the number of layoffs in Administrative Affairs. These expenditures are summarized below:

All University Sub-total	3,297,706
Student Affairs Sub-total	921,162
Administrative Affairs Sub-total	1,580,608
Academic Affairs Sub-total	4,670,144
President's Division Sub-total	193,974
University Advancement Sub-total	60,725
Sum of Mandatory Funding Initiatives	10,724,319

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In addition to mandatory funding initiatives, we will provide a total of \$1,462,640 in base budget and one-time commitments as recommended by the UBC. These allocations are as follows:

Campus Safety	133,000
Revenue contingency for unrealized enrollment revenue	200,000
Enrollment funding for Spring classes	850,000
Alcohol & Drug Intervention Program	62,000
Information Technology Services	217,640

The proposed allocation for Information Technology has been reduced by \$200,000 that will be allocated in the 2005/06 fiscal year with additional funds if possible. The allocation for academic affairs is dependent upon the realization of Spring 2005 enrollments of at least 7000 FTES and should be allocated in a manner that will allow reduction should anticipated enrollments not develop.

The UBC did not recommend funding for a number of important areas including badly needed increases for enrollment management and advancement. Unless we are able to increase student enrollment, the University will be in even more serious trouble than it now suffers. I will make serious efforts to encourage the CSU to further invest in HSU to meet at least some of the costs summarized below.

Enrollment Management - Admissions	300,000
Graduate Studies Recruitment & Marketing	27,100
University Advancement - VP Office	65,000
Feasibility study for new Student Educational Services Bldg.	200,000
University Enrollment Campaign - Advancement	200,000
Capital Development Officer - Advancement	100,000

I appreciate the hard work that the UBC and the Executive Committee did in making these recommendations to me. I also commend our budget office for its ongoing efforts to develop an open budget process that accounts for the ever increasing costs of fringe benefits at appropriate administrative levels.

Sincerely,

Rollin C. Richmond  
 President  
 RCR:pl

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