To: Campus Community  
From: Paul J. Zingg, President  
Subj: Budget update following May Revise

Before our semester comes to a close, I want to provide some additional budget information now that Gov. Schwarzenegger has announced his annual May revision to the budget for FY 2010 which he initially put forth in January. It is no surprise that the state’s overall budget picture continues to be poor. While the deficit has been revised to $19.1 billion as opposed to $19.9 billion, many budget impacts cited by the Governor are negative: state revenue estimates are down; the state expects less federal funding for the coming year; and court cases and delays in the adoption of new proposals have reduced anticipated savings. You may have read that the revised budget proposal recommends ending the state’s CalWORKS program and scaling back in-home care for elderly and disabled citizens along with other cuts. At the same time, the Governor reiterated his proposal to restore $305 million of one-time cuts made to the CSU in the last state budget. To read or watch the Governor’s remarks, go to http://gov.ca.gov/speech/15164/. The Chancellor’s Office news release on the May Revise is at http://www.calstate.edu/pa/News/2010/release/GovMayRevision2010.shtml.

If past years are an indication, the May Revise is valuable for providing an update on the state’s fiscal health, but does not signal real movement toward a final budget. Sadly, weeks and months of posturing and politicking are likely ahead – including the June Primary – before legislators become serious about an agreement. As welcome as the Governor’s support of the CSU and higher education is, it does not guarantee anything at this juncture. We will probably not have a state budget agreement, and thus know what the CSU’s allocation is, until late summer or fall. And because of that, the answers to so many crucial questions we have, such as whether furloughs will continue next fiscal year for any CSU employees, are not yet known. In June, the CSU Board of Trustees will convene a special meeting to consider CSU budget impacts and a possible student fee increase for 2010-11. The Governor’s budget proposal includes the assumption that the CSU will increase fees next year by 10 percent.

By any standard this has been an extraordinarily difficult and challenging academic year for faculty and staff. For all that you have faced and endured, you have still provided a caring, high-quality educational program and campus environment for our
students. This weekend, more than 3,000 undergraduate and master's level students will participate in graduation ceremonies. Their joy and sense of accomplishment are due in no small measure to all of you. Thank you for your many contributions to the future success of these students, and to the University overall. I look forward to seeing many of you at graduation events later this week. For those of you who are away from campus following this semester, I wish you a happy, restful and healthy summer.