

January 25, 2002

To: Faculty and Staff
Academic Affairs

From: Scott G. McNall

Cc: Manuel A. Esteban

Re: Potential Budget Reductions in 2002-2003, 2003-2004

Principles for Reductions

After careful consideration of the State's financial future, the Governor's budget message, analyses of the Legislative Analyst, and advice from senior officials in the CSU, we believe it is prudent to develop budget reduction scenarios which assume a minimum of a 5% continuing reduction over the next two fiscal years (2002-2003 and 2003-2004). This translates into an estimated reduction of \$4.5 million from Academic Affairs, or \$5.4 million for the entire university. We are hopeful that the necessity for such a reduction will be tempered by changes in the state's fiscal condition, and/or that the Governor and Legislature will find a way to mitigate the impact of any state-level reductions on the CSU budget.

The principles which must guide budget reductions in Academic Affairs are grounded in the Strategic Plan, which in turn rest on five core values: student learning, faculty and staff development, the wise use of new technologies in learning and teaching, service to others, and accountability for the use of resources entrusted to us by the state.

It is understood that each unit needs to determine how these values translate into the work that must be done. That is, budget reductions should not result from the mindless application of formulae. Rather they are to be the result of informed judgment, based on the use of relevant data. Synthesis must follow analysis and judgments are required following broad and timely consultation with relevant constituencies within the university community.

The principles that will guide our reduction efforts are:

- **Primacy of student learning:** Student progress toward the degree must not be jeopardized.
- **The importance of faculty and staff development:** Any reductions must be considered in light of its impact on student learning.
- **The wise use of new technologies:** Reduction in funding for classroom technology (e.g., smart classrooms, support for on-line learning, etc.) must be considered in light of its impact on student learning.

- **Service to others:** We will assess all collaborations with the community (educational, business, performing arts) in relationship to their impact on student learning, student recruitment, and student access.
- **Accountability for the resources entrusted to us:**
 1. All current expenditures (state and non-state) must be assessed.
 2. Consideration must be given to protecting the units and the infrastructure that generate resources for the university.
 3. We will evaluate all enhancement programs.
 4. We will consolidate administrative functions where it makes sense, and where there are immediate and meaningful savings.
 5. Reductions should not have the effect of shifting costs to other units.
 6. Any potential reduction must achieve immediate and meaningful savings and be effective.

We will share this set of principles with our colleagues on the University Budget Committee (which includes the CFA), the Executive Committee of the Academic Senate, and with the Academic Affairs Council, to seek their input and commentary.

I have asked each dean, vice provost and director to discuss these principles with their colleagues, to discuss how each principle translates into recommended action, and to share widely with you the budget data I provide to them.

If you have questions about the budget, please send them to me and to Vice Provost Arno Rethans. We will do our best to answer all of the questions in future communications.