

From: CSU, Chico President Paul Zingg
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To: All Announce (restricted)
Subject: Message on the budget

To: Faculty and Staff

From: Paul J. Zingg, President

I'd like to provide you with some observations about our budget situation, as a follow-up to Chancellor Reed's October 23 message to all CSU employees. Last spring, in anticipation of inadequate state funding, and in consultation with the University Budget Committee, I asked all campus divisions to make plans for a possible 5 percent cut in their budgets for the 2008-09 fiscal year. This would be an across-the-board action, although each division would approach the cuts with the strategic priorities of the University guiding them. While we hoped those plans might not be needed, the state's current fiscal situation, compounded by the nation's economic woes, underscores why this is an appropriate action.

As the Chancellor reported, the state Department of Finance is requiring a \$390 million cut by all state agencies and departments that receive General Fund support. This works out to \$31.3 million for the CSU, approximately 1 percent of the System's General Fund allocation. Governor Schwarzenegger also has plans for a special Legislative session after the November elections to examine additional 2008-09 cuts.

Because of our campus planning, these events are not catching us by surprise. All units should have plans in place for cuts this fiscal year. Our approach has been to ask each division to see where cuts need to be made to best maintain our essential programs, basic operations, and service commitments and to protect our fundamental responsibility to foster student learning, progress to degree, and success. For example, we do not have a campus-wide hiring freeze or limit on professional travel; however, units are looking at vacancies closely before approving searches, and taking a prudent approach toward travel and other expenses.

All of us recognize that the fiscal outlook for the state and the nation is very troubling and uncertain right now. State revenues are down and forecasts, such as they are, are poor. We don't know the outcome yet of the November ballot propositions that may affect state spending even further. The dust hasn't settled on the multi-billion dollar federal package for the economy. But even with these great uncertainties, we know our University will continue doing its good work.

The state needs our efforts to teach and train young people more than ever. Our graduates are the impetus for the economic growth for our region and state. Our vital educational institutions -- none more so than our own University -- provide the foundation for the knowledge-based global economy of the 21st century just as they foster democratic engagement, encourage altruism and community service, promote environmental stewardship, enable a healthier population, build a more sustainable future, and solve problems. As disappointing as it is that state budgets do not reflect the long view regarding the role of higher education in these matters, we will stay true to our mission; we will meet our obligations; and we will not miss a beat calling on the state to meet its obligations.

This past Saturday, hundreds of prospective students and parents visited Chico State for Preview Day. Their enthusiasm, on a gorgeous autumn day on our campus, was clearly evident. What an invigorating reminder it was of our special purpose, and how much our efforts are appreciated and, in fact, required by so many. This awareness drives our entire campus, as I know it has the University Budget Committee and other councils which address our budget situation. The UBC meets this week and, as always, Chair Kathy Kaiser and I will report on its deliberations and recommendations.

Thank you for all you do for our University. These are trying times and we are not immune from their ill effects. Yet, we should be bolstered by the good work we accomplish and the hopes we raise everyday. People count on us and we give them good reason to do so no matter what the circumstances.