

From: CSU, Chico President Paul Zingg
Sent: Tuesday, February 24, 2009 1:56 PM
To: All Announce (restricted)
Subject: Budget Message

To: The Campus Community

From: Paul J. Zingg, President

A state budget has finally been agreed to by two-thirds of the Legislature and signed by the Governor, averting an unprecedented cash-flow disaster for the state of California. There is no question the state faces an immense challenge to reduce its \$42 billion deficit, and this newly-signed 17-month budget is a first step in that process. At the same time, there is no doubt the budget lacks the funds necessary to meet the needs of all the students who wish to obtain a quality education at a CSU campus. The budget does not include funding for enrollment growth or increases in operational costs, such as health benefits for employees or utility bills. These necessary costs will have to be funded in our reduced General Fund allocation. The CSU system is already serving approximately 10,000 students without the accompanying state support for their education. For this reason, campuses have been forced to reduce the number of students we can serve. Our campus's enrollment target next year is about a 3 percent reduction (that is, 500 full-time equivalent students) of this year's enrollment, which due to the fine work of our admissions staff should be achieved.

In my budget message of January 23, I mentioned that last year we had anticipated 2008-09 budget cuts, which ranged between 3 to 5 percent across campus units. This year we have also been aware that 2009-10 would probably include cuts, so departments and units have been preparing again for budget reductions. Last week's state budget deal includes so many contingencies, such as voter approval of spending limits and receipt of federal stimulus package money, that it is hard to say yet what the ultimate cut will be to the CSU and Chico State. At this time, we are planning for a 5 percent cut for 2009-2010 on campus. Even if that reduction goes no higher, it represents a painful scaling back of our operations and services that none of us is pleased with, or wants. Professional travel will remain curtailed; the availability of elective courses will be reduced; some open positions will remain unfilled; and both major and minor capital projects will be delayed. Our focus during this difficult period will continue to be on how we can manage cuts while maintaining our academic quality, assisting students' progress toward graduation, and protecting the base of our workforce.

I can assure you that, throughout these tough budgetary times, we will not cease talking with state leaders about the importance of higher education, as an investment in the state's future and the future of every resident who seeks to better him- or herself through a college degree. Nor will we join any chorus expressing relief that our reductions may not be as harsh as some of the most dire forecasts predicted. The issue is not what our budget decreases could have been; it is what our budget increases should be. Our economic problems will be dramatically reduced by a better educated, better trained citizenry. Chico State graduates approximately 3,000 students, and the CSU approximately 90,000 students, into the state's workforce each year. These university graduates, and the businesses and professions they will enhance with their presence, represent the lifeblood of our state. The on-going failure of our political leaders to recognize this simple fact is devastating to the long-term recovery of the state.

I appreciate your time and attention to these periodic messages on the budget situation, and always welcome your feedback. Thank you once again for your hard work and commitment to the values and promise of higher education, and more specifically, to Chico State and our campus community. I will never take your efforts for granted, nor will I ever lose track of the tremendous successes we achieve together on this outstanding campus. We have much to be thankful for, and proud of, at Chico State that transcends the challenges of lack of vision and resolve in Sacramento.