

## President Budget Message

**From:** CSU, Chico President Paul Zingg  
**Sent:** Thursday, June 11, 2009 2:25 PM  
**To:** All Announce (restricted)  
**Subject:** Update and Information on State Budget Cuts

To: The Campus Community

From: Paul J. Zingg, President

I want to share with you up-to-date information about cuts that may be made to the CSU budget. As I mentioned in my May 20 e-mail message to the campus, I attended a meeting last week on the budget with Chancellor Reed and the other CSU Presidents. Many of you are aware that, since the five ballot propositions failed in the May 19 special election, Governor Schwarzenegger and Legislative leaders of both parties have recommended unprecedented cuts to higher education as well as other areas of the state's General Fund budget. Depending on the extent of federal stimulus money that is available and other decisions, the cuts to the CSU could be anywhere from \$400 million to \$700 million. These are reduction levels far beyond what was expected following the state budget deal in February that was contingent upon the passage of the ballot propositions among other assumptions. Therefore, given the severity of the budget reductions being weighed in Sacramento, all cost-savings options for the CSU were discussed at our meeting last week.

The guiding principle for the CSU System in considering budget cuts is the same one I have shared with you for our campus: serve students without sacrificing quality, and preserve our workforce as much as we possibly can. There were no decisions about budget cuts made at last week's meeting, but the Chancellor's Office has taken one preliminary step: initiating changes to Title 5 of the California Code of Regulations to modify provisions pertaining to furloughs, salary reductions and unpaid holidays for **management, executive, and non-represented personnel. These changes require a 45-day notification period so that action could be taken at the July 21 CSU Board of Trustees meeting. The text of the Title 5 revisions is at <http://www.calstate.edu/title5/index.shtml>. The Trustees are also likely to consider a student fee increase at the July meeting on top of the one approved earlier this year. With the CSU System now facing a potential cut close to one-fifth of its operating budget, drastic measures that would not otherwise be contemplated may in fact be pursued.**

On our campus, we will, as we have in the past, anticipate cuts prior to knowing the exact figures. Below this message is a list of questions and answers regarding the CSU budget situation. In the document you will read that the campus will be tightening admissions and further restricting hiring and professional travel. As other actions are needed, and as we have more information, I will be back in touch with you.

It goes without saying that this is an excruciating time of waiting for Legislative action while at the same time considering severe cuts to our budget. The state's calamitous economic circumstances are imperiling programs and services many of us never even thought of as expendable. Employees have serious questions and concerns, as do the students, parents, community partners, vendors and others that depend on us. I continue to be extremely grateful for the professionalism with which you conduct business and serve the needs of students and others during this time of great uncertainty. Our University's mission and strategic priorities – the values we impart, and the standards we set – must remain constant for the sake of our students. They depend on us and we will repay their trust with the good work for which we are known. Thank you once again for everything you do on behalf of Chico State and in the interest of our students.

### Campus FAQs

*Do we know yet what the budget cut to the CSU and to CSU, Chico will be?*

There has been no new budget from the Legislature, though in Governor Schwarzenegger's most recent proposal, the CSU faces an unprecedented reduction in state support of between 16 and 20 percent covering fiscal years 2008-09 and 2009-10. Despite the lack, and need, of certainty, the campus must plan for worst-case scenarios as it has in the past.

*What budget-cutting steps are under consideration?*

The CSU is considering all cost-saving measures except campus closures. The top priorities for the CSU during this process are to serve as many students as possible without sacrificing quality and to preserve as many jobs as possible for our employees.

*What will change regarding the existing restrictions on hiring and professional travel?*

Both new and replacement hiring will be restricted to those deemed absolutely essential to maintain operations and provide support for students, including their progress to degree. The provost and vice-presidents will review all hires in their divisions and any hires require presidential approval. In general, travel will be restricted to essential in-state obligations, as, for example, required meetings at the Chancellor's Office. State-support professional travel will be restricted to individuals who are presenting papers at conferences or otherwise participating as members of a sponsoring agency's board or organizing committee. All travel must be approved by the heads of divisions.

*How will this affect bargaining agreements covering our employees?*

The Chancellor's Office reports it will be meeting with all of the bargaining units as soon as possible to discuss the budget situation. Until those meetings have taken place, there is unlikely to be any news about how current contracts may be affected.

*What does the CSU's notice for initiating changes to Title 5 for management personnel mean to our campus?*

In order to consider possible furloughs, salary reductions and unpaid holidays for **management, executive, and non-represented personnel**, the CSU has made a formal public notification so that changes may be made after a 45-day period. Action could be taken at the July 21 CSU Board of Trustees meeting, but no decisions have been made at this point.

*What is our strategy at this point regarding enrollment?*

Overall, our goal is to shift to a CSU-mandated lower FTES target while preserving students' progress toward degree completion. Our first step will be with the 2009 summer sessions: low-enrollment sections will be evaluated and possibly eliminated, and the sessions that have not yet started will be transitioned from state support into self-support where there are adequate enrollments. Looking toward the next academic year fall and spring semesters, all further applications for fall '09 will be cut off, and spring '10 enrollment will be limited to upper division transfers from our service area, with some exceptions such as non-resident/international students.

*Do we know what will happen with student fees?*

No decision has been made, but given the potential extraordinary level of cuts being considered, the CSU Board of Trustees will likely consider an additional increase.

*Will financial aid disbursements be affected?*

While cuts to both current and future state Cal Grants have been discussed by Legislators, no decision has been made. CSU, Chico will do everything it can to keep students informed and work with them about their financial aid packages.

*How will information about budget cuts and their impact be conveyed?*

President Zingg will continue to write the campus community about the budget situation as he has in the past.

*What message do we want to convey as campus representatives solicit private support funding?*

Private support advances the University and its mission and priorities and should never be identified as replacing state funding. This is not in the best interest of our supporters, nor will it aid the University in its efforts to advocate for state support.

*How will our commitment to the region be maintained?*

Service area first-time freshmen students still have priority admissions, and we are still serving upper division transfers from the service area. Our initiative to be a partner to and economic engine for the North State will continue.