

President's Budget Message – June 29, 2009

From: CSU, Chico President Paul Zingg
Sent: Monday, June 29, 2009 11:22 AM
To: All Announce (restricted)
Subject: CSU Budget Update

To: Campus Community

From: Paul J. Zingg, President

Since my last e-mail message of June 11, there are no System-wide decisions about how the CSU will address the severe budget cuts that are expected. While we won't know what the exact reduction figure is until the state budget is passed in Sacramento, Governor Schwarzenegger's proposal would mean a \$584 million cut in General Fund support to the CSU. That is a 13 percent reduction from the level of state support we received in 2007-08. As you know, one of the options under consideration by the CSU to respond to the budget cuts is salary savings. The Chancellor's Office has been in contact with all bargaining units representing CSU employees. Two of our labor unions, the California State University Employees Union and the Academic Professionals of California, have agreed to negotiate furloughs. A furlough is a mandated period of time off without pay that is temporary. Unlike salary reductions or pay cuts, furloughs do not affect health benefit eligibility or the pay rate for retirement benefits. Earlier in the month, the CSU initiated changes to Title 5 that could also lead to furloughs for management, executive, and non-represented personnel. Discussions with all our labor unions are proceeding, and other cost savings measures will continue to be explored at the CSU System level. The Board of Trustees has called a special board meeting July 7 to discuss the CSU's options to the proposed budget cuts. Then, at its regular meeting July 21, it is anticipated that the Board will adopt specific budget actions to be implemented.

Along with these System-wide measures, our campus will continue to restrict hiring, non-essential purchases, professional travel, and pay increases. We also are taking steps to effect mandated enrollment reductions, such as cutting off applications for fall '09, limiting applications for spring '10 to upper division transfers from our service area, and transitioning summer sessions from state support to self-support. It's important to know that the salary savings that may be realized at the System level will not be sufficient by themselves to cover the proposed budget cuts we face. All of our units and divisions will have to make budget reduction decisions in anticipation of cuts likely to be 10 percent or possibly higher. As soon as we have firm information about the CSU budget, I will share that with you.

You may have read that State Controller John Chiang has said he may issue registered warrants, or IOUs, after July 2 if the Legislature and Governor have not completed a budget by that time. The Chancellor's Office has told the CSU Presidents that, if warrants are issued, the System will use its own funds to meet payroll. I'm sure there will be more on this vital concern, and when that is available I will pass that along to you.

Despite the uncertainty with which we are having to cope, please communicate with your supervisor, chair or program director if you have other questions or concerns. This is a time when we must keep in contact with one another, even if the answers to some of our questions are not yet clear. We are establishing a space on the home page that will have links to the latest campus budget information. For information from the Chancellor's Office, go to <http://blogs.calstate.edu/budgetcentral/> <<http://blogs.calstate.edu/budgetcentral/>>. Similarly, it is a time to remain mindful of the important work we do on behalf of our students, as well as the prospective students and their parents who are visiting us in these summer months. We need to assure them that they have made a wise decision to choose Chico State for their higher education. At the heart of this assurance is the dedication to student success that motivates each of us every day. Thank you for extending that message and ensuring its validity.