

Dear Colleagues,
Provided below is the latest update from the CSU Chancellor's Office.
Regards, Ham

**The California State University Employee Update
Monday, June 8, 2009**

CSU Leaders Consider All Options to Cope with Severe Budget Cuts

Faced with budget reductions between \$400 million and \$700 million, the California State University's leaders have been meeting to develop strategies to manage an unprecedented budget crisis. At the conclusion of their most recent session on June 3, CSU Chancellor Charles B. Reed said that his goal is to provide an action plan developed in consultation with the presidents and trustees. Reed stressed that no decisions have been made, but the magnitude of the cuts means that all options need to be on the table as no single solution or approach can create the savings the CSU needs. The guiding principle behind the decisions, Reed said, will be "to serve as many students as possible without sacrificing quality and to preserve as many jobs as possible."

Although no decisions have been made regarding how the CSU will address the budget deficit for 2009-10, the CSU has initiated changes to Title 5 of the California Code of Regulations for management and executive personnel to modify provisions related to furloughs, salary reductions and unpaid holidays. The timing of the change was made to meet a 45-day requirement should action be needed at the July 21 CSU Board of Trustees meeting. The Title 5 revisions can be found here:
<http://www.calstate.edu/title5/index.shtml> .

Over the past year, the CSU has implemented several cost-savings measures including a salary freeze for vice president/chancellor level positions, a hiring freeze, and travel and purchasing restrictions. In addition, for the first time in its history, the CSU declared systemwide impaction to limit the number of new students entering in fall 2009, due to the state's inability to fully fund enrollment growth and the CSU's operational needs.

The continued deterioration of the state's economy and a looming \$24.3 billion state deficit, however, means that more actions will need to be taken in addition to those already implemented. Under the most recent budget proposal by Gov. Arnold Schwarzenegger, the CSU faces reductions in state support between 16 and 20 percent. The Joint Conference Committee on the Budget is expected to vote on the proposed cuts to higher education for 2009-10 in the coming weeks as the state budget makes its way through the legislative process.

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