

From: President
Sent: Wednesday, January 21, 2009 6:22 AM
To: Faculty-Staff
Subject: CSU State Budget Update
Importance: High

Dear Colleagues,

New information has been provided to campuses by Chancellor Reed for the current year (08/09) and next year's (09/10) CSU budgets, as described in the following summary:

The Governor's budget proposal for 2009/10 includes the following:

- An additional one-time reduction to the CSU in the current fiscal year (08/09) of \$66.3 million. Our campus share amounts to an additional \$1.4 million cut to our current operating budget.
- In addition, as the state runs out of cash, the CSU system and campuses are expected to help cover the following costs:
 - Compensation (salaries and benefits) through the end of the 08/09 fiscal year, in addition to other operating costs;
 - Cal Grant A awards for Winter and Spring terms;
 - Some portion of Cal Grant B awards for Winter and Spring terms (amounts to be determined); and
 - State construction costs for November and December, as well as project shutdown costs.
- Assumes a 10% student fee increase for 2009/10.
- Shifts Lottery Program Funds to the State General Fund.
- Increases funding for additional nursing cohorts (campus share to be determined).
- Decreases funding for Cal Grant programs in 2009/10.
- Unfunded mandated costs of approximately \$84 million.

You also recently received a communication from Chancellor Reed announcing a systemwide freeze on salary increases, hiring, travel and equipment to help support the assumption of State payment obligations by the Chancellor's Office and campuses.

It is critical that the Governor and Legislature work together quickly to resolve the state's current cash and budget problems to avoid exacerbating these problems for 2009/10 and beyond. I will talk about

these and other budget matters at my Budget Forum today, January 21, from 11:00 a.m. to Noon in Snider Recital Hall. I hope to see you there.

Regards,
Ham

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