

Dear Colleagues,

I want to thank and commend the University Budget Advisory Committee for completing the process that resulted in a series of recommendations to me for 2009/10 budget changes. Making budget recommendations in the best of times is not easy. Given the state of California, CSU and campus budget realities, I know this was an even more difficult task for everyone on the Committee to undertake.

Since receiving UBAC's recommendations on April 17, I have spent considerable time consulting with various groups and individuals, and have received many emails in response to my April 21 request for input, which I also have considered in making my budget decisions.

As you all know, since receiving the UBAC recommendations the Chancellor's Office has informed us that with the failure of the state ballot initiatives and the state's continuing struggle to generate revenue to meet its budgeted revenue targets, the CSU will sustain substantial additional cuts in state funds for 2009/10. While additional cuts for 2009/10 were expected, the magnitude of the state's financial problem has grown even more serious than originally anticipated. Be assured that I will aggressively seek CSU intervention on further budget cuts to our campus in the hope that we can significantly reduce additional cuts, although we may not be able to avoid them all together. We have only the most preliminary information now, which does not factor in a number of options available to the CSU. We expect to have more definitive information by early June. These dramatic changes in the fiscal environment also have weighed very heavily in my budget decisions for the coming year.

Enclosed are two documents that outline \$6.2 million in initial base budget reductions that will be made for 2009/10. The first document is an overview, and the second provides more information about the cuts to each division. These cuts incorporate many of the reductions identified by UBAC, but do not follow them exactly. For example, after carefully considering the impact of the budget recommendations, some additional reductions in management positions have been made that were not identified by either UBAC or within the Division budget scenarios.

Any thought of deferring a portion of the \$6.2 million budget gap to a future year is not possible, first, because we don't have any one-time funds and also because we are expecting significant additional reductions. The magnitude of the current cuts varies among Divisions based upon factors which I believe reflect both operational and strategic priorities. The aggregate cut to Division resources is about 8.1%. We are cutting a substantial number of management positions as well as part-time and temporary lecturers and staff. I want to emphasize that there is no cut to permanent staff or faculty in this \$6.2 million reduction. Affected managers have already been advised. It also is important to note that we have not made any base cuts this year, while many other campuses in the CSU did make base cuts.

This is a significant reduction to the University's operating resources with serious implications in the near and longer term. The colleges have elected to reduce summer session in an effort to preserve a course schedule for fall that can support our budgeted student enrollment. We will notice changes in class sizes and schedules. Operations and public service levels throughout the campus also will be impacted. We could not absorb this magnitude of reduction and expect that we would continue operating as we have in the past. These changes will not be easy to make. However, I am confident that we can find ways to support each other, by acting out of mutual concern, respect and cooperation, as

we work through these transitions. I certainly take no pleasure in having to make these difficult decisions, but the CSU Stanislaus community has a history of working together in difficult times, and it is my hope that we will continue that tradition.

UBAC recommended several areas to explore to rethink processes and priorities, which I consider an excellent and necessary step as we address these cuts and any additional, unavoidable budget cuts for 2009/10. The organization of divisions, colleges and programs, as well as such costs/benefits as faculty assigned time will be part of our on-going budget discussions. Also, next week I will appoint a committee with representation from the faculty and the campus community to review the academic calendar, including the programs for summer and winter session. I expect to have recommendations in early fall to consider for implementation in the 2010/11 academic year. I also have decided to expand UBAC by increasing the total membership to 14, including four faculty, two students, four staff, and four administrators.

In early June, the Chancellor and campus presidents will be involved in discussions about any new state budget cuts to the CSU for 2009/10. The new UBAC will be appointed shortly and convened as soon as we have further budget information to resume the campus budget advisory process. We anticipate UBAC will be active throughout the summer. During this same time, I also will be consulting with the Senate Executive Committee, Labor Council, student government leadership and the President's Cabinet. Updates will be sent to the campus community whenever we have some definitive news to share.

Finally, please join me in a campus budget forum next Tuesday, May 26, from 9:00-10:00 a.m. in Snider Recital Hall to review our current budget situation and address your questions and concerns. Thank you again to UBAC and to each of you for participating in this difficult, time consuming, but vitally important process.

Regards,
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Enclosures (2)

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