March 28, 2013

To: The Campus Community

The CSU Board of Trustees met last week to discuss a number of issues. In this update, I am focusing on the Board’s approach to addressing Governor Brown’s proposed $125 million increase to the fiscal year (FY) 13-14 CSU budget. The proposal comes as part of a plan to provide incremental state funding increases to the CSU in each of the next four fiscal years. We are very thankful to the governor for this approach and his recognition of our need to plan our financial future over several budget cycles.

Focusing on the proposal for the fiscal year ahead, $10 million is designated toward systemwide online strategies to increase course availability and improve graduation rates. The Board of Trustees began discussion on the $115 million balance, making an assumption that the governor’s proposal passes as written (which is not certain). The final budget will not be available until revised economic data are evaluated by the state in early May and negotiations with the legislature conclude in June.

A summary of the Chancellor’s Office’s recommendation to the Board of Trustees is available here. It provides considerable detail. In brief, the major components are: $48 million to address cost increases primarily in the areas of health, operation and maintenance of new spaces, and energy; $38 million placed in an employee compensation pool (an average 1.2 percent increase per employee; subject to collective bargaining processes; CSU executives will not receive increases); $22 million to address enrollment demand (our campus’ target will grow by 2.4 percent, a welcome increase in access for regional students and funding for our university); and $7 million for initiatives promoting student access and success.

In the coming weeks, considerable conversation will occur across the many sectors, internal and external to the CSU, involved in structuring the CSU budget and expectations for system goals and aspirations. The governor will reexamine his original proposal in light of developments in the state’s revenue and expenditure situation and feedback he has received following his initial proposal. The legislature will consider bills pertaining to a number of CSU budget and instruction issues. The Board of
Trustees will prepare for consideration at its May meeting regarding the Chancellor’s Office proposal for use of the $125 million in funds – or any variant of the governor’s proposal after his May revision of it.

Most observers of state government and the CSU anticipate debate about the extent to which the governor’s proposed budget augmentation should be tied to very specific outcomes (e.g., explicit increases in system graduation rates). Further, judging from discussion at the recent Board of Trustees meeting, attention almost certainly will turn to the issue of using online course technology to respond to perceived bottlenecks in course schedules – too few required course sections to meet demand. I have asked the Academic Senate to treat this matter seriously to the extent that it eventually finds its way to CSU Stanislaus, for the questions being asked by the Board and others are reasonable if not always fully informed. Where we can, we should respond positively. Where we cannot, we should be able to explain why.

In sum, all eyes are on the governor’s May revision to his proposed budget and the Board of Trustees’ May consideration of effective uses of whatever augmented funding awaits us within that revision.

As always, I appreciate your attention to the larger context of our campus budget.

Sincerely,

Joseph F. Sheley

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Joseph F. Sheley
President (Interim)
California State University, Stanislaus
One University Circle
Turlock, CA 95382
(209) 667-3201 – Office
(209) 667-3206 – Fax
president@csustan.edu