October 2, 2012

To: The Campus Community

After considerable consultation and many questions asked as I immersed myself in the campus budget for the first time, I am pleased to announce approval of the CSU Stanislaus 2012-13 FY budget. It is posted on the Budget Central website. We have tried with this posting to provide a document that makes the budget transparent and fairly easily understood by the layperson. If you have questions about specific elements of the budget document, please direct them to Julie Benevedes, Interim Associate Vice President for Financial Services. She and Michelle Legg, University Budget Manager, worked diligently to translate the various budget recommendations and the actual allocations from the Chancellor’s Office into a budget document.

I want to thank the members of the University Budget Advisory Committee (UBAC) and the vice presidents for their hard work in preparing recommendations for me regarding the budget. It is no easy task to address funding reductions of the magnitude that now routinely come our way. As I noted in my response to UBAC’s recommendations, I asked the vice presidents this year to work through their respective division budget plans as a group. Thus, they now better understand each other’s financial challenges, have reduced potential harm to other divisions through budget reductions within their own, and have subjected each other’s plans to necessary and constructive criticism. The result is, in my opinion, a more unified approach to budgeting across divisions.

This year’s budget currently assumes that Proposition 30 — by which a temporary tax increase would forestall a $250 million “trigger cut” to the CSU this year — will not pass on November 6. This reflects not pessimism but prudent and responsible recognition of the fact that we cannot wait until November to decide what we must do should Prop 30 fail to win voters’ support. If Prop 30 passes, it will nonetheless result in a one-time budget gap of $132 million for the system via a rollback of student tuition fees; I will seek UBAC’s help in dealing with this better (though still difficult) situation.

Key features of this year’s CSU Stanislaus budget are:

- Greater attention to all three primary, ongoing sources of revenue to the campus. Rather than focus only upon state General Fund allocations (which include student tuition fees), we have also examined state Lottery Fund dollars and projected University Extended Education revenues.

- Greater attention to the systematic use of one-time dollars from General Fund, Lottery, and University Extended Education reserves. In the current financial climate, dollars in these funds will be expended faster than they can be replenished. Given that the CSU’s state funding-related difficulties likely will continue for the foreseeable future, we must steward our reserves wisely and conservatively over the next few years.
Preservation of jobs. The vice presidents, to a person, sought to handle 2012-13 budget cuts without severe impact to our current campus employee situation. Assuming that our budget projections are accurate — and assuming standard attrition in our campus workforce, largely via retirements — we anticipate minimal direct impact of budget reductions on our permanent employee numbers. The cost, of course, is less flexibility and depth in other elements of the budget. But the trade, in my opinion and that of the vice presidents, is exactly the one to make at this point.

Again, I thank all of you for your resilience and your commitment to the campus community in the face of our ongoing financial challenges.

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