June 19, 2015

To: The Campus Community

I imagine that most of you have heard the news that the Governor and legislature have reached agreement on the 2015-16 budget such that it moves the allocation to the CSU beyond what was signaled in the May Revision. Indeed, the new budget adds $59 million to the allocation proposed in May, and provides the CSU with the amount sought by the Board of Trustees. This is very positive news. Details are forthcoming, and they will be important in the sense that we have yet to learn how much will be allocated to our campus and for what particular functions and needs (increased enrollment, deferred maintenance, and so forth). Important to remember as well is that the amount sought by the Board was what was considered necessary to keep things afloat, not what it would take to move back the clock to a better time. That said, considerable pressure has been lifted from us.

The greatest budget pressure that we still face is an overreliance upon reserves to address needs normally met with base dollars. In short, we are spending our reserves faster than we can replenish them, and we must reduce our dependence upon reserves before the situation becomes exceptionally serious. In this vein, I invite you to read the recent recommendations of the University Budget Advisory Committee which help us focus on this matter. I need to study the specific recommendations further before responding but do want to extend my sincere thanks to UBAC members for their exceptional work. They have captured well the financial dilemmas with which we are wrestling as we try to give our best to our students.

My continued wishes for an enjoyable and productive summer.

Sincerely,

Joseph F. Sheley, President