

The California State University Employee Update

Friday, April 3, 2009

State Will Not Receive Enough Stimulus Money; CSU to Get Reduction

California will not receive enough federal stimulus money to avoid \$948 million in cuts to specific programs in the 2009-10 budget, including a \$50 million reduction to the CSU's 2009-10 budget. A determination by the state treasurer and state finance director as to whether or not the state would receive a specified amount of the federal funds was one of the requirements that was included in the recently enacted state budget. The treasurer and finance director's March 27 decision means the cuts to specific programs will occur. It also means the personal income tax rates will increase by 0.25 percent rather than 0.125 percent. Overall, the decision preserves \$2.8 billion of revenue on which the state budget depends. The \$50 million reduction--while not welcome news—is not an unanticipated development. It has been understood to be a possibility since the state budget was passed in February. Given that the legislative analyst's office recently predicted that the current budget is already \$8 billion short and likely to grow due to California's deteriorating economy, the CSU's emphasis is on persuading the legislature and governor to avoid further cuts.

Chancellor Emphasizes CSU's Impact on State's Economy to Legislators

The California State University plays an essential role in providing skilled professionals for the state's workforce and is poised to help California's economy recover if the university is spared further cuts, CSU Chancellor Charles B. Reed told the Senate Budget Subcommittee at its hearing April 2. Reed appeared with University of California President Mark Yudof and California Community College Chancellor Jack Scott. Reed said the CSU graduates nearly 92,000 students each year and prepares the majority of California's workforce in the state's leading industries including agriculture, technology, entertainment, engineering and nursing. Reed, along with other CSU leaders, has testified before the Assembly and Senate committees to underscore the impact the CSU has on the state's economy and to make the case for adequate funding. State general fund support to the CSU was reduced in 2008-09 by \$97.6 million below the previous year; \$66.3 million of the cut was a permanent reduction to the CSU's base budget that will continue in 2009-10. CSU will receive another \$50 million cut to its 2009-10 budget. "By 2025, the demand for skilled workers will outpace the supply of graduates with a bachelor's degree by 3 million people if we don't fund education in California," Reed said.

CSU Gets New, Reappointed Trustees:

- Jack in the Box CEO Linda Lang is the newest appointee to the CSU's Board of Trustees. Lang, 50, has served in her current post since 2005 and previously held positions in marketing, operations and finance before becoming president of the company in 2003. Lang is a member of the San Diego State University College of Business Advisory Board and is a board member of the San Diego Regional Economic Development Corporation and the Jack in the Box Foundation. She also serves as the director on the WD-40 Company Board. Lang is a Republican and a resident of Rancho Santa Fe.
- **William Hauck**, 68, of Sacramento, has been reappointed to the Board of Trustees. A board member since 1993, Hauck is president of the California Business Roundtable, a statewide, non-partisan organization composed of chief executive officers of California's leading corporations. He also served as the co-chair of the California Performance Review Commission and serves on the Board of Directors for Blue Shield of California. Hauck is a founder and a member of the Board of Directors of Information for Public Affairs. He previously served as chairman of the California Constitution Revision Commission and deputy chief of staff for Governor Pete Wilson. Hauck is a Democrat and a resident of Sacramento.

Cal Grant Payments Made

Cal Grant spring quarter advances, which have been on hold, have now been processed and campuses should expect payment by check in the coming weeks. These payments will bring the campuses current.