Contact: Matt Lazier, Public Affairs 805-756-7109; mlazier@calpoly.edu

Cal Poly Announces Employee Furloughs and Other Measures to Cover \$33.7 Million in Budget Cuts

SAN LUIS OBISPO – Cal Poly administrators on Wednesday announced an employee furlough program and other moves they are making to trim \$33.7 million from this year's budget – the campus's share of \$564 million the California State University system must cut as the state's fiscal crisis continues.

Cal Poly has instituted a hiring freeze on all non-faculty positions and is implementing reductions in compensation costs. The university also is cutting other operating costs and delaying some construction projects. In addition, contingency funds and revenue from a CSU-wide student fee increase will help fill the gap.

The \$33.7 million cut is a 15 percent reduction in the university's current operating budget of about \$226 million. Cal Poly will make the reduction as follows:

- o About \$16 million through furloughs and layoffs about 10 percent of total annual compensation;
- $\bullet \ \ \text{About 7 million through operating cost cuts and deferral of construction } \ \ \text{projects}; \\$
- o About \$8 million from a CSU-wide student fee increase approved this week; and
- The balance from campus contingency funds and other cuts.

Cal Poly President Warren J. Baker said, "In balancing the budget, we're striving to sustain quality service to students and excellent academic programs."

Cal Poly will continue to monitor the budget situation closely throughout this year, Baker said, and there are no plans at this time to implement layoffs beyond those needed to meet the \$16 million target for reduction in compensation costs.

"I am very concerned that this budget reduction is threatening the very nature of Cal Poly," Baker said. "Our goal as we struggle with this is to meet the needs of our students and preserve the quality of our academic programs. We're working hard to avoid layoffs, but some may be necessary."

The Provost's Office, which oversees academic operations, is working with faculty to try to ensure that all courses essential for students' degrees are being offered in sufficient numbers.

"We'll make every attempt to preserve the essence of what makes Cal Poly special for students: the learn-by-doing experience," said Provost Robert Koob. "Our faculty members are very smart people, and they know we have to make sure essential courses are offered first – and that we may have to sacrifice some other courses that we love to teach, that truly enrich a student's education, but that aren't required for graduation."

Cal Poly's budget cut announcement comes after unions representing most of its 2,500 faculty and staff members have voted on the issue of accepting 24 furlough days over the next 11 months – at a pay cut of about 10 percent for most employees – in order to avoid layoffs. Non-union staff at the university – including all senior administration officials – will participate fully in the furlough plan.

Cuts in the university's operating expenses are being left largely to individual colleges and departments and will include positions left vacant as well as cuts to travel, professional development and supplies budgets around

campus.

The most visible of these cuts will be the postponement of planned major upgrades to some campus facilities, roads and landscaping. For example, plans will not proceed this year for a project to turn South Perimeter Road into a plaza area after it is closed permanently to automobiles this fall.

Some construction is proceeding on campus this summer and fall, including the ongoing renovation of the University Union Plaza and the Recreation Center expansion set to begin in October.

Students voted to pay a new fee specifically to pay for the Rec Center work. The UU Plaza work is being done with revenue from the existing UU fee, which cannot be used for academic purposes.

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Cal Poly Public Affairs
California Polytechnic State University
San Luis Obispo, CA 93407
805.756.1511
polynews@calpoly.edu