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FOR IMMEDIATE RELEASE

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**Cal Poly Vice President for Administration and Finance Issues Statement on State Budget**

Vice President for Administration and Finance Larry Kelley has issued the following statement on today's budget proposal issued by the Governor Arnold Schwarzenegger:

"It is obvious from the Governor's budget today that these continue to be challenging times for the state. The Governor has made some difficult choices that are guided by the economic realities in California. We welcome the concept of a long-term fee policy and recognize that the cost of higher education is paid as a partnership between the state and the students. At the same time, we are concerned that continued reductions in state support limit access by students to the CSU. We are also concerned about the long-term effect that can have on the state's economy.

Cal Poly had funding reductions of over $16 million in the current fiscal year and will be facing a new round of budget reductions based on this proposal. The budget includes both programmatic and general reductions in funding for the CSU system, as well as a 10 percent reduction in new freshman enrollment. It also includes a proposed 10 percent increase in fees for undergraduate students and a 40 percent increase for graduate students, possibly impacting the production of teachers.

We encourage flexibility in the areas of budget reductions so the cuts will have the least possible impact on the quality of the academic and support programs and on the students we serve.

It is too soon to know the specific impact on Cal Poly, but we anticipate having numbers from the CSU by early February."
The Governor's budget is being introduced in the Legislature, where it will be considered throughout the coming months with the target of having a new annual budget in place for the fiscal year beginning July 1, 2004."

To view the budget news release issued by the CSU Public Affairs office, click here.

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