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## CSU Works to Ensure Employees Receive Paychecks

LONG BEACH – In response to Governor Schwarzenegger's request today for state agencies to cut the pay of state workers to the federal minimum wage until a budget is passed, California State University Chancellor Charles B. Reed said that CSU employees will continue to receive their regular paychecks while the university seeks ways to cooperate with the state to minimize the impact on the state general fund.

While CSU is not under direct executive authority and subject to the requirement, Governor Schwarzenegger has requested that CSU and a number of other state entities assist in the effort.

"We are working to ensure that CSU employees will receive their regular paychecks and can expect their normal compensation until a new budget is signed," said Reed. "At the same time, we are looking at paying compensation with alternative revenue sources other than the state general fund in an effort to cooperate with the Governor and the legislature in this challenging budget environment."

Gov. Schwarzenegger has announced his intent to issue an order to cut the pay of about 200,000 state workers to the federal minimum wage of \$6.55 an hour until a budget is signed in an effort to avert a cash crisis. The budget deadline was July 1, and without a signed budget soon, the state has indicated it may run out of cash and be unable to borrow the billions of dollars needed to meet the state's financial commitments.

The Governor has also called for a hiring freeze of all non-critical functions. For the CSU, this will mean "we are going to be prudent in our hiring, but the CSU needs to be prepared to serve the record number of students that will be enrolling on campuses for the fall semester beginning in August. To be responsive, the CSU will need to hire faculty and staff to help meet the needs of those students," said Reed.

In addition to the CSU, the Governor has requested that other state entities including the University of California, California Community Colleges, the California Public Utilities Commission, constitutional officers, and legislative and judicial branches, assist with similar efforts to help preserve the state's cash supply during the budget impasse.

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