



April 6, 2004

2004-05 Budget Summary - Media Fact Sheet

Vice President for Administration and Finance Larry Kelley

State funding for higher education is being reduced due to a weak economy in California

The state budget shortfall for 2004-05 is estimated to be \$30 billion

Passage of Proposition 57 in March provides the state with the ability to finance about \$15 billion, thereby, reducing the impact of budget cuts statewide to about \$15 billion.

The Governor's current budget proposal:

- o anticipated the passage of Proposition 57 and allocated a cut of \$239.6 million to the CSU
- o calls for fee increases for undergraduate (10 percent), graduate (40 percent), and out-of-state (20 percent) students
- o reduces by 10 percent the number of first-time freshmen
- o The Governor's proposal does not provide funding for mandatory cost increase such as health care, workers' comp, and utilities
- o Based on the governor's budget proposal and mandatory cost increases, Cal Poly's budget shortfall for 2004-05 is \$9,340,806
- o The reduction to the operating divisions will be at least 7 percent, with only 6 percent allocated to instruction and advancement
- o Approximately 80 percent of the operating budget in any given year is for compensation (faculty and staff salaries plus benefits).
- o President Baker has asked that budget plans focus on quality academic programs and service on campus and preserve full-time continuing positions to the extent possible

Cal Poly's anticipated 2004-05 state budget impacts

Reduction of summer programs	
Reduction in student enrollment	850 FTES
Faculty and Staff reduction -	
Staff positions	62 FTE
Part-time/temp Faculty positions	47 FTE

- o Plans are continuing to unfold related to retirements and job changes. Final staffing levels will become known as the new fiscal and academic year begins.
- o The hiring freeze remains in place as does the review of travel and equipment purchases, resulting in reductions in non-personnel budgets
- o Cal Poly has held staff positions open in anticipation of the budget reductions but there will be some reassignments, limited staff layoffs, and "bumping" as positions are eliminated and the people in those positions are moved to other positions on campus.
- o The budget process will continue to unfold as the Legislature reviews and acts on the governor's proposal, the May Revise is considered, the Governor acts, and the CSU Board addresses fees and the budget allocations.

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