



News & Events

University News & Information

California Polytechnic State University, San Luis Obispo, California

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FROM: Bob Detweiler, Interim Provost/Vice President for Academic Affairs
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RE: Budget Update

What follows is a brief update on the Budget, Student Housing North and Parking

BUDGET:

Plans are continuing to develop for the anticipated \$9.3 million shortfall in funding for Cal Poly's 2004-05 operating budget. The following is a summary of key information about the 2004-05 budget:

- o 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 provides the state with the ability to finance about \$15 billion and, thereby, reduce the impact of budget cuts statewide to about \$15 billion.
- o The Governor's budget proposal:
 - Anticipated the passage of Proposition 57 and allocated a cut of \$239.6 million to the CSU;
 - Provides for fee increase for undergraduate (10%), graduate (40%), and out-of-state (20%) students;
 - Reduction of 10% in first-time freshmen; and
 - Increase in the student faculty ratio by 1.
- o The Governor's proposal did 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 was at least 7%, with only 6% allocated to instruction and advancement.
- o Approximately 80% 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 maintaining the quality of academic programs and service operations on campus and preserving full-time continuing positions, to the extent possible.

Examples of budget reductions for next year include such things as the elimination of summer programs, a reduction in enrollment by 850 full-time equivalent students (FTES), assignment of staff to other

non-state funded positions on campus, elimination of management and staff positions, non-reemployment of temporary and part-time faculty, and elimination of vacant positions. In addition, the freeze on hiring remains in place, as does the review of travel and equipment purchases.

We estimate that, although there are no reductions planned for tenure-track faculty, due to the decrease of 850 FTES and the state budget reductions, a number of non-tenure-track faculty will not be reappointed. In total, there will be about 109 (full time equivalent) fewer faculty and staff positions on campus next year due to the budget cuts. Final staffing levels will be known as the new fiscal and academic years begin and plans are known about vacancies related to retirements and job changes. In many areas on campus, we have held 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.

There are signs that the economy in California is strengthening and there has been some recent talk from the Governor about possibly considering a tax increase. There is no indication, however, that either the improved economy or possible tax increases would mitigate the budget shortfall for next year.

The budget process will continue to unfold as the Legislature reviews and acts on the Governor's proposal, the May Revision is considered, the Governor acts, and the CSU Board addresses fees and the budget allocations.

STUDENT HOUSING NORTH:

The Student Housing North project is moving once again with some additional requirements related to the Morro Shoulderband Snails, an endangered species. As reported previously, 14 of these snails were found on the southwest corner of the housing site. Cal Poly is working with U.S. Fish and Wildlife Services to develop and implement a plan for the protection of the snails. That process will unfold simultaneously with the bidding of the overall project. The schedule anticipates construction beginning in the summer of 2005 with the first of three phases of housing being ready for student occupancy in fall 2008. Phases two and three are planned to follow in 2009 and 2010, respectively.

The housing project is being designed and built to sustainability standards consistent with Leadership in Energy and Environmental Design (LEED) certification and, when completed, there will be housing for about 2,700 students, related amenities including parking, retail operations, and space to gather, study, and recreate.

PARKING:

There has been considerable attention recently to the need for parking related to the construction of the Bonderson Building and plans for Engineering IV, both located on what is now parking lot H-2, across from the Library. This lot will be closed permanently this summer, resulting in the loss of about 600 parking spaces.

The Cal Poly parking and planning staff have been looking for alternative ideas and replacement parking spaces in various plans around campus. They were actively involved with the City in developing and implementing new bus routes to make public transportation more attractive. Those routes began in the fall and student ridership of the busses has increased. Cal Poly continues to work with the City to encourage the reduction of travel time for each bus route. In addition, van and car pools are being encouraged for daily commuters to campus. Bike paths are being added and are a part of the California Blvd extension, for example. Even the opening of Cerro Vista, resulting in 800 additional students living on campus, has reduced the demand for parking and the flow of traffic on campus. But, the demand for parking remains strong.

One plan to address the parking demand that is to be implemented this summer involves the redesign and re-striping of existing parking lots, which is estimated to provide about 100 new spaces.

Another idea, which has been reviewed and endorsed by the Landscape Advisory Committee, is to add about 50 parking spaces off California Blvd, next to, but separate from the project to extend California Blvd to Highland Drive. The option in this plan that would generate the most parking spaces would have caused the removal of the tree currently identified as the Founders' Tree that is located east of what will be the new road. To remove the tree would provide about 30 additional parking spaces relatively close to campus buildings and allow for a safer ingress and egress point for those who use the parking area. At the same time there is considerable concern about the tree as well as the significance of it in recognition of the proud history of Cal Poly. Very few issues in a complex institution like Cal Poly stand alone. The tree and parking spaces is one such example, and we have encouraged and valued comments related to both the preservation of the tree as well as the need for parking at Cal Poly. We have concluded that the tree should remain in place but recognize the on-going concern related to the demand for parking spaces.

Additionally, parking locations are being considered that would add approximately 350 parking spaces either at the Old Poultry location (on Mt. Bishop Road) or on Via Carta, north of the existing parking lot. The preferred location for this parking is the Old Poultry site subject to cost estimates and environmental reviews.

