

DATE: September 30, 2009

TO: Cal Poly Employees

FROM: Robert Koob, Provost and VP for Academic Affairs
Larry Kelley, Vice President for Administration and Finance

RE: Update

The 2009-10 academic year is underway with over 18,000 students enrolled and budget cuts and furloughs in place. Although the state's dire financial straits have made our jobs more challenging, we must continue to provide our students with the best education and service possible.

Budget: We are continuing to monitor the state's revenue collections against those forecasted in hopes the state can meet its current commitments without further reductions to our 2009/10 budget. If funding levels for higher education are not maintained at the current level, federal stimulus money could be at risk; therefore, we are cautiously optimistic that the state will refrain from further higher education cuts in 2009-10.

With that said, the CSU has prepared a preliminary budget request for the 2010-11 year that will be submitted to the CSU Board of Trustees for approval in November. The CSU system intends to submit a budget aimed at trying to reverse some of the damage caused by recent cuts. We don't have a crystal ball on how that will play out.

Cal Poly will go into the 2010/11 budget planning cycle with a \$13 million shortfall, which represents the net cost of the furloughs that will expire at the end of the current fiscal year. The University will also realize a loss of revenue of approximately \$7 million associated with a required targeted enrollment reduction of 1,648 full-time equivalent resident students. We will continue to plan for 2010/11 using the most recent data available understanding that the plan will continue to evolve given the uncertainty of the state's revenue receipts.

College Based Fee: Contrary to what you may have read, the Chancellor's Office has not issued an ultimatum to the campus or any final decision on the college-based fee increase approved by our students last spring. Chancellor Reed and President Baker continue to discuss when additional academic fees might be levied at Cal Poly. All CSU campuses have been asked to refrain from increasing local academic fees at this time. We will keep you updated on developments. However, in light of the state's continued budget challenges and the recently implemented State University Fee increases, we expect it to be awhile before this matter is resolved.

Enrollment: These are not the final numbers, but our current count show that at this time Cal Poly has 19,321 students enrolled for Fall 2009 taking an average unit load of 14.26 as compared to Fall 2008 with 19,408 students enrolled taking an average unit load of 13.96.

Cal Poly currently is projected to come in at 17,735.7 FTES which is 2.2% above the Chancellor's Office target of 17,350. The official enrollment census will be completed sometime next week. We don't expect material changes to the numbers provided here.

Capital Projects:

UU Plaza Renovation: The walkway in front of El Corral Bookstore and SESLOC has been completed and the contractor is now concentrating on the installation of utilities. Funding: University Union student fee reserves.

Recreation Center Expansion: The project's Construction Manager at Risk, Sundt Construction Inc., submitted a favorable guaranteed maximum price for the Recreation Center expansion and renovation project. The project is scheduled for Board of Trustees approval of financing at the November 2009 board meeting. The Recreation Center will remain open during construction. The temporary weight lifting and fitness areas have been relocated to the main gym. Funding: System-wide revenue bonds to be repaid with University Union student fees designated for that purpose.

Simpson Material Demonstration Lab: Construction is scheduled to begin in October with a 12 month construction schedule. Funding: Donors.

Technology Park: Construction on the first building in the Technology Park is continuing. Completion is scheduled for late spring 2010. Funding: Grants and system-wide lease revenue bonds repaid from tenant leases.

Center for Science: This project is still on hold pending release of funding by the State.

South Perimeter Road Closure: South Perimeter Road between Grand and the Construction Innovations Center has been closed to vehicles except for service and delivery vehicles. Access to the PAC and Music buildings will remain available for deliveries and loading.