Greetings to all as we begin the spring quarter. As we continue our planning for the 2013-14 academic year, I am pleased to share positive news with you in anticipation of the 2013-14 state and CSU budgets. The passage of Proposition 30 by voters last November and the proposed 2013-14 Governor’s budget signal a reinvestment in public higher education and reverses a seven-year trend that decreased state support for the CSU by approximately 30 percent.

The Governor’s 2013-14 budget proposal seeks $125.1 million in new state funding for the CSU and also reinstates the $125 million that was cut from last year’s budget.

As CSU Chancellor Timothy White stated in response to the Governor’s proposed 2013-14 budget: “The proposed budget heads us in the right direction and will allow the CSU to address the unprecedented demand of high quality education at our institutions, as well as areas of critical need. We still face many fiscal challenges and will continue efforts to operate efficiently and effectively and seek out additional innovative ways to control costs.”

The budget plan presented to the CSU Board of Trustees in November focused on three areas: student access and success, faculty and staff compensation and mandatory costs.

**Student Access and Success**

As part of the additional proposed $125 million for the CSU, $10 million has been directed to expand the use of technology and online strategies to improve degree pathways, advising and course offerings. An additional $7.2 million is proposed to further efforts to reduce time to degree, close the achievement gap and improve graduation rates. Cal State East Bay is well positioned to compete for funding in these two areas, given our strength and leadership in online and hybrid instruction and our focus on student success and the quality of education we deliver.
The CSU Board of Trustees also supported funding for additional classes next year to help meet growing demand. An investment of $21.7 million will allow the CSU to grow by almost 6,000 students across the system, with an anticipated increase in full-time equivalent students of 135 proposed for Cal State East Bay. This funding is still far short of what is necessary to accommodate the more than 300,000 high school and community college students that have applied to the CSU for fall 2013. We will need to continue to develop ways to increase student access and success in a constrained resource environment.

Following many years of rising tuition increases which partially offset declining state support, our students will not face additional tuition increases next year if the proposed budget is adopted.

**Faculty and Staff Compensation**

As I have expressed in the past, the most important asset of our great University is our dedicated and committed faculty and staff. A very modest compensation pool of $38 million is proposed for faculty and staff (1.2%), which will begin to address the much needed resources necessary to recognize and compensate our faculty and staff for the quality education and services that are provided for our students.

Campus presidents and other system and campus executives will not be included in this compensation pool. Issues related to distribution of the compensation pool will be addressed through our collective bargaining processes.

**Mandatory Costs**

A total of $48.2 million is proposed to help cover mandatory cost increases for employee health benefits and operation and maintenance of new space and energy.

We will share more information about the 2013-14 state and CSU budgets as it becomes available, especially the anticipated impact to our University. Understanding that the finances within the CSU are more stable in the near term with the passage of Proposition 30, the CSU is cautiously optimistic that our budget will begin to turn around. With this said, the limited additional resources identified during the most recent CSU Board of Trustees meeting will not be sufficient for us to achieve our goals to improve student access, student success and the quality of the education we deliver. Given that adequate increased funding from the state is highly unlikely in the near future, we must also look to our own resources for the flexibility required to advance on our University mission.

**Planning for Distinction**

The old saying that “timing is everything” fits appropriately with our University-wide taskforce that was charged with the Planning for Distinction process initiated last fall. This is a critical time for us to prioritize our academic and administrative activities and programs to ensure that we are spending our limited resources in support of our highest priorities as we plan for next year and our future. Understanding the substantial amount of time and effort required
for such a comprehensive review, a successful outcome is essential to providing future
direction for the University within the financial constraints we face and ensuring that we
continue to meet our University mission.

Consistent with the traditions of our educational community, there will be opportunities for all
faculty, staff, students and alumni to participate and share their valued perspectives within the
Planning for Distinction process. I urge you to continue to follow the work of the Planning for
Distinction instructional and support task groups and provide comments and suggestions to the
Steering Committee. I cannot emphasize enough how critical this process will be to help us
define our path to enhance academic excellence, institutional distinction and regional influence
as we continue our quest to become a model institution for regionally engaged learning in the
21st century.

It is indeed a great privilege and honor to serve as President for such a dedicated and
committed University community. I look forward with a sense of confidence and optimism that
we as an educational community will continue our tradition of working collaboratively and
collegially in meeting the challenges ahead in providing a quality educational experience for
our wonderful students and the generations of students to follow.

Regards,

Leroy M. Moislitz

President