



## President's Message

### Members of the Campus Community:

Welcome to the beginning of our second century. As we begin our first academic year in that second century, we pause to think what will the next 100 years bring. This fall we expect 21,655 students, which includes 2,750 new freshmen and 800 new graduate and credential students. And, I have to ask these questions: What challenges will we face? What successes will our student, faculty, staff and alumni have?

Looking now to the start of our university's second century, we recognize there has been a dramatic shift by the state of California in its commitment to funding of higher education. Sadly, the state has disinvested in higher education and its commitment to access. We are extremely disappointed that our state has chosen to turn its back on higher education. The state budget adopted by the legislature for 2011-12, resulted in a net \$28 million reduction in General Fund permanent base funding to Fresno State. The state disinvestment in higher education means that for the first time in history, less than 50% of our budget is coming from the state of California.

And, our experts tell us that we should not expect state funding for higher education to improve any time soon. The buzz phrase now is the "new normal." Our future reality will rely on new methods of funding to carry out our mission.

How will we meet that challenge?

- A significant part of that reduction will be made up through a 22 percent fee increase enacted for students.
- We eliminated over 50 staff and administrative positions that were held vacant because of the position freeze this past year. Two additional positions that were filled had to be cut.
- We will continue restrictions on travel and large equipment expenditures.
- Fewer part-time lecturers will be hired. That will impact class size, and teaching loads for tenure-track faculty and time for faculty to stay current in their fields will be impacted, and result in over 100 fewer class sections offered this fall.
- The Instructionally Related Activity fee will increase to \$70 per semester with \$60 devoted to athletics to offset the significant fee increases that have impacted grant and aids, and \$10 devoted to maintaining library hours and other important academic support services.
- Athletics will reduce their operational budgets by 15 percent and will no longer offer maximum scholarships allowed by the NCAA.
- There will be reduction in the amount of support devoted to student advising, tutoring and career services.
- Administrative Services operations will continue to focus on improving processes and other procedures.
- Funding for deferred maintenance on campus buildings will be dramatically reduced.

Further, the budget adopted by the Legislature for 2011-12, also calls for an additional \$100 million reduction to the CSU if state revenues do not achieve a certain level, which could result in an additional mid-year reduction to our campus of \$5.5 million. We are planning to bridge the gap with carryover funds. But, another \$100 million reduction to the CSU system will significantly impact our ability to serve students in 2012-13.

Looking ahead, we will face, in Academic Affairs, a base budget gap of just over \$2 million, as the one-time federal stimulus dollars that helped academics will be gone. Again, we are using carryover funds this year to bridge the gap in 2011-12. However, a permanent solution must be found for 2012-13.

Currently, we are operating our campus with about 300 fewer faculty, staff and administrators than we had three years ago, even as we serve about the same number of students. Because of your hard work and resourcefulness, we have been able to serve students without severe disruption. For that, I thank you, and I know that our students and their families thank you for the sacrifices that you've made.

Our future will depend upon our ability to diversify our funding resources. Private support is crucial as we suffer a continuing decline in state support. With less than 50% of our budget coming from the state of California, we must continue a robust program of raising private funds.

In 2010-11, our Campaign for Fresno State raised more than \$17 million. The campaign has now reached, or raised \$168.7 million toward our \$200 million goal. And, our grant and contract awards totaled \$36 million, which was a 5% increase over the previous year. Over the past 5 years we've now achieved grants and contracts of \$177 million. In addition to these "*direct dollars*" needed to carry out grant activities, it's worth noting that in the past year the university attracted more "*indirect dollars*" than in any of the previous five years. "*Indirect dollars*" are important because they provide the funds necessary to pay for administrative costs of managing grants and also bring discretionary funding to stimulate further research. This is good news at a time that we must continue to diversify our resources.

I'm pleased that our community has been able to move ahead with several other important projects this past year. We have completed our new strategic plan and the Academic Senate has endorsed that plan. That plan calls for us to aggressively pursue innovation in our academic programs, to improve student success, and to close the achievement gap between all groups. It recognizes the critical importance of providing support for faculty to stimulate the learning environment, and the need for faculty to engage in transformational scholarship.

As we enter a new era of our university we also must focus in every area in innovation. We must always be considering innovative ways to address our concerns and develop solutions. One area in which we've been working and having success, is the Lean University, which involves streamlining processes that exist in our everyday work life. Some of you have participated in project groups to examine processes and creatively determined how to streamline the processes in an efficient, workable manner. I not only want to thank all of you that have participated in those efforts but I also ask that we continue to identify new areas, and, that you get involved, because we need this kind of creative and innovative thinking to save time and reduce the frustration that we often experience in administrative processes.



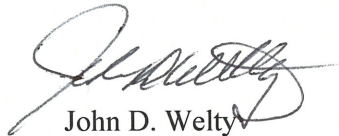
As we look to our new academic year, we will address a number of priorities. We will:

- Implement and begin implementation of the Strategic Plan.
- Continue to work hard to complete and achieve our comprehensive campaign goal.
- Begin accepting students for the fall 2012 inaugural year of our two new doctoral programs in Physical Therapy and Nursing Practice.
- Look for additional innovative ways to streamline operations.
- Focus our efforts to increase the number of international students enrolled, as addressed in the strategic plan.
- Review recommendations from the Provost's task force on budget and take the appropriate action on those recommendations.

As we face this historic set of challenges, I think it's important that we remember that we have a number of strengths that will keep us strong. Our campus has a rich history of serving this region, and will certainly continue that effort. I want to thank all of you and our campus community for the way that all of you have worked together, providing suggestions and advice as we've attempted to deal with these extraordinary reductions. It has required incredible sacrifice on the part of many, many people and I wish I could say that that sacrifice is over. We are going to need to continue to work together, if we are going to serve the students that we've been able to admit for the future. And, I hope that that will continue to be everyone's priority as we enter what is going to be a very difficult year in 2011-12, and possibly even more difficult in coming years.

Thank you for the sacrifices that you've made to date, and continue to make. Again, I ask that we work together as you are all part of the Fresno State team that can make a difference

Sincerely,



John D. Welty  
President

*A complete copy of this report and the campus' allocation from the Chancellor can be found on the Web at [www.csufresno.edu/budget](http://www.csufresno.edu/budget). We would appreciate any suggestions or comments regarding the presentation or content of the information in this document. Please direct them to the Office of Budget and Treasury Management at (559) 278-3902 or mail stop ML53.*