
Economic impact of COVID-19 on CSUMB

1 message

CSUMB President <president@csumb.edu>
To: CSUMB President <president@csumb.edu>
Bcc: staff@csumb.edu

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Dear faculty and staff,

As outlined by Chancellor White in his July 20 message, the economic impact of the coronavirus pandemic is having a profound effect on State revenues, which are likely to worsen in the next few years. As a result, the CSU and our campus have had their FY20-21 base budget cut and are likely facing up to two additional years of consecutive budget reductions and possibly lower enrollments.

A relatively well-funded FY19-20 has provided our campus with healthy one-time reserves, which will be used over the course of the next three years to soften the transition to a permanently reduced budget. This mirrors the approach the State is taking with its rainy-day fund.

In adjusting to this new fiscal reality, the CSU and our campus will need to rely on the full array of measures available to us. The sequential steps involved in reducing our campus budget to close its deficit will be as follows:

1. A voluntary Early Exit program with financial incentives aimed at reducing the number of full-time campus employees
2. Identifying and eliminating positions with lack of work due to the shift to virtual operation for FY20-21, and performing the required and feasible reassignments
3. Applying 25% of available reserves toward the remaining budget deficit
4. Calculating the remaining gap to be closed after steps 1-3
5. Developing proposed cuts by division for review by Cabinet and faculty consultation.

A separate communication laying out the details of the voluntary Early Exit program will follow shortly. It is our hope that the program will help reduce the adverse impact of the additional measures that will be needed to close the remaining budget gap.

The coronavirus is having a calamitous impact on our nation and the world. In addition to the tragic loss of so many fellow human beings, the economic impact has been enormous, and it is now starting to be felt by our university community. I am very sorry to be the bearer of such bad news. My pledge to you is that consistent with our institutional mission; we will do everything possible to minimize pain and disruption to our faculty and staff who are the heart of our university.

Eduardo M. Ochoa

President

California State University, Monterey Bay
