October 19, 1981

MEMO TO: All Campus Administrators
FROM: Gail Fullerton
President
SUBJECT: 1981-82 Budgetary Freeze

Governor Brown has announced his intention to effect reductions in State expenditures. His announced plan is to reduce California State University General Fund expenditures two percent for 1981-82.

Because San Jose campus enrollment, especially of nonresident students, is below the budgeted level this year, we face an additional substantial required reduction in General Fund expenditures. These enrollment-driven reductions coupled with the Governor's announced reductions could require cuts in our expenditures of between $2,000,000 and $2,500,000.

Executive Vice Chancellor Harmon has directed that an expenditure freeze be placed on personnel transactions, and purchasing and contracts from October 13, 1981 through November 18, 1981 or until a reduction plan is implemented. The specific requirements of the freeze are as follows and are in effect until further notice:

A. Personnel Transactions

1. A freeze of all personnel transactions was imposed effective October 13, 1981. This freeze includes the following:

   a. New appointments to positions supported by the General Fund.
   b. Any actions to increase the time base of employees.
   c. Appointments of current temporary employees to permanent or probation status.
   d. Appointments of current temporary employees to a new period of employment.
   e. Appointments of current employees to other positions in addition to their current position(s).
   f. Promotion of current employees from one position to another with a higher salary range.
g. Changes in the classification of a position which would result in current employees being moved to positions with a higher salary range.

(Reclassification studies will continue but will not be effected for the duration of the freeze, unless a written request for a study was on file in the Personnel Office on or before October 13, 1981; see 2.c. below.)

h. Transfers of State employees from reimbursed State positions to General Fund State positions.

i. Any student now on the student assistant payroll can continue. No new students will be added to the payroll.

j. Disencumbrances of vacant positions.

2. There will be no exceptions during the freeze other than in the following instances:

a. Written offers of employment made by the appropriate appointing authority on or before October 13, 1981.

b. Promotion actions in which the documentation clearly indicates approval by the appropriate responsible official on or before October 13, 1981.

c. Reclassification action in which the documentation clearly indicates that on or before October 13, 1981 a written request that a study be initiated had been received by the Personnel Office.

d. Merit salary adjustments which become effective during period of the freeze.

e. Work Study student employment is excluded from the freeze.

B. Contracts and Purchases

1. No contracts or purchases will be allowed for amounts over $500, except for emergency needs affecting health and safety. Emergency situations must be approved in advance by Interim Executive Vice President Evans. Splitting requisitions will not be practiced.

2. No office equipment or furniture is to be ordered.

3. Contractual commitments dated prior to October 13, 1981 on which final approvals by the appropriate agency have been received may be completed. However, within the spirit of the current restrictions, even these documents should be reviewed for possible delay or cancellation.
C. General

1. All non-General Fund programs (University Trust, Continuing Education, Dormitory Revenue Fund, Parking, Special Projects, Independent Operations/Reimbursed Activities, and all auxiliary organizations) are exempt from these limitations.

2. Instructionally-Related Activities funds have two components for several programs: that portion derived from student fees and General Fund Support. The fee portion of the IRA is exempt from the freeze. The General Fund portion is subject to all of the terms and conditions of the freeze.

3. Campus activities budgeted in Independent Operations are directed not to fill vacant positions until possible General Fund layoffs and cutbacks are better understood.

4. Although auxiliary organizations are legally separate from the State, and the expenditure freeze does not apply, their respective Boards of Directors and Managers are requested to exercise caution in filling positions during the period of the expenditure freeze, so that General Fund employees who might be subject to layoff could be considered for vacancies.