

Subject: Fall 2024 University Update
Date: Tuesday, August 20, 2024 at 4:23:10 PM Pacific Daylight Time
From: President of CSU Maritime Academy
To: President of CSU Maritime Academy
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Campus Colleagues,

I want to take this moment to acknowledge each of you as we start the 2024 fall semester. For those who had some time away from campus, I hope you had a restful and restorative break. For our colleagues who were here through the summer, thank you for all the hard work during what was a jam-packed summer.

New cadet / student Orientation has been hugely successful. Thank you to our colleagues and student leaders who ensured our new students were welcomed and familiarized with the campus and their academic programs over the last few days. By all accounts, they are ready for their first day of classes tomorrow.

With respect to the pending Cal Maritime and Cal Poly integration recommendation, we will be presenting at the September Board of Trustees meeting and describing the path forward, if approved. We anticipate a decision on the recommendation at the board meeting in November. Thank you to those who have begun participating in the initial workgroups to identify issues and shape the road ahead should the recommendation be approved. As additional groups are identified, we appreciate the efforts of all involved in engaging in this critical planning. I will continue to inform our university community about the process and future steps.

Following an extensive nationwide search, I am very pleased that Dr. Dinesh Pinisetty has agreed to serve as our Executive Dean of Academic Affairs & Chief Academic Officer. Dr. Carol Branch has also agreed to continue serving as the acting Dean of Students. Jay Harcum has joined us as the Director of Cadet Leadership and Development. Angie Kraetsch recently joined us as acting Chief Financial Officer, and just this week Dr. Ricardo Young started as our new Chief Medical Officer. Both are assisting us through a shared services agreement with Cal Poly. Additionally, we are continuing to explore additional areas for shared services to increase services and reduce costs.

As you know, Cal Maritime continues to be impacted by enrollment challenges, state budget cuts, increased utility and insurance costs, and unfunded compensation costs. As a result, the campus currently has a structural budget deficit of \$2.1M in the General Operating Fund. In addition, we anticipate the campus Housing fund to end the Academic Year-with a deficit of approximately \$1M. This will result in the campus incurring a combined budget deficit of \$3.1M in 2024-25 which is anticipated to deplete our campus reserves if not addressed.

While we have made substantial cuts over the past year towards reducing expenses, there are more cost savings required to meet our 2024-25 budget. To that end, today I have unfortunately directed difficult though necessary workforce reductions due to a lack of funds. This decision was not made lightly, and I fully understand the impact this news has on Cal Maritime and the impacted employees and their families. Unfortunately, our financial situation allowed us no other options.

During this challenging time, we must remember to treat each other with compassion and support one another to build strength as a community. I ask that each member of our community remember that we are being forced to do less with

less, and we will need to exhibit grace and practice patience with one another as we continue assessing our operations and as we approach the integration recommendation decision. We need to be clear eyed and realize that what we have been able to support or accommodate in the past may not be able to occur this year. We need to work closely together as a team while supporting the needs of the students we serve. I have tremendous faith the future holds great promise for our university.

Again, thank you for all you do to support one another, our students, and Cal Maritime. It is greatly appreciated.

Respectfully,
Mike

Michael J. Dumont, J.D.
Interim President



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