

Budget Update, 10/12/10

To: Campus Community
From: Paul J. Zingg, President
Subject: Budget Message

After a record-breaking delay, the Legislature has finally passed a state budget bill, and at last the CSU knows what its state support will be for 2010-11.

As hoped, the Legislature and Governor restored \$199 million of base funding to the CSU that was part of a \$305 million one-time cut incurred last year. In addition, the budget bill includes \$60.6 million for new enrollment growth in the CSU. These increases put the CSU at a funding level approximately equivalent to 2005-06, and do not compensate for increased costs in such areas as benefits and utilities. However, we know all too well that this has been a time of multi-billion dollar state deficits and economic crises affecting citizens, businesses and programs across the state. This budget seems to reflect some awareness by state leaders of the importance of higher education not only to the state's economic recovery but to the state's young people, who have seen their educational dreams diminished by reductions in state spending. The Governor and Legislature deserve our thanks for making higher education a priority in this budget. I have mentioned in past messages about how critical it is to let legislators and decision-makers know about higher education's value. From individual calls and letters to the student-led Action Rally on our campus last March, that message was sent and received this year. We should be pleased that our efforts are working, and be prepared to continue our higher ed advocacy for the foreseeable future. Make no mistake about it, we will continue to need to do so in order to ensure that the budget increase this year is the start of reinvestment in higher education, not just a blip on the screen.

With the additional \$60.6 million mentioned above, plus a final \$106 million disbursement to the CSU last month of one-time federal funds, the CSU has moved from system-wide reductions in enrollment to plans to increase enrollment. While such changes are extremely hard to implement in the short-term, this development was not unexpected on our campus. Our Admissions staff has already sent letters of acceptance to many of the approximately 1,100 students – upper division transfers from service-area community colleges – who applied this fall to enroll in spring 2011. We have an abiding commitment to increase college-going in the North State, which is why we were open for spring for these students, and why we were granted an exception by the CSU last spring to be open for North State transfer students. Going forward, our new enrollment target for 2010-11 will increase from 13,752 Full-time Equivalent Students (FTES) to 14,397 FTES, and the target will likely be at least that high for 2011-12. Given the steady rise in the number of

applications to our campus in recent years, and the hard work of so many faculty, staff and students in recruitment efforts, I have no doubt we will increase enrollment at a steady, and successful, pace.

One of the most positive developments to come out of the recent legislative session is the passage of Senate Bill 1440, the Student Transfer Achievement Act. This statute will simplify the process of community college students transferring to the CSU and obtaining a bachelor's degree. Since it will go into effect in fall 2011, an implementation team, including Chico State chemistry Professor Jim Postma, chair of the CSU Academic Senate, has already been formed. One of the long-standing disappointments of the state's Master Plan for higher education has been the rate of transfers to the UC and CSU coming from the community colleges. This legislation could have a major impact on our state by producing thousands of new college graduates in the years to come. It's exciting and reassuring that Professor Postma, one of our own, will be involved in this historic process.

Another piece of good news is that the state budget includes \$2.8 million in capital project funding for the planning and design of the new Humanities and Fine Arts building. A replacement for Taylor Hall is our next state capital project priority, and this funding means we will be proceeding with working drawings and environmental studies in the coming months. The new planned facility should double the square footage available for offices, classrooms, galleries, studios and performance venues in the arts and humanities. A challenge ahead will be the passage of a state bond measure to secure funding for the new building's construction.

The newly passed state budget, then, is a positive step in supporting our mission to serve students and the region. It does not provide all the funding we need, but no important state-supported programs – not K-12, not social services, not even corrections – have what is needed right now. The \$19 billion deficit, coupled with a deeply flawed legislative budgetary process, has brought pain and privation to many Californians. I know many of you have had tough times, and had to make tough choices, as our budgets were cut. I cannot say strongly enough how much I appreciate the sacrifices made by faculty, staff and students during this extraordinarily difficult period. This is a special place, and a remarkable community. You do more than I will ever know to ensure that students receive the best educational opportunities inside and outside the classroom. Thank you for everything you do. We will build on this renewed show of support from the state's leaders, serving more students and doing good and vital work as a university of great distinction.