After massive cuts, higher ed funding rises in new California budget

lrosenhall@sacbee.com

Published Wednesday, Oct. 20, 2010

A wave of mass student protests, a new lobbying strategy by university leaders, and the governor's desire to leave a positive legacy in education during his final year in office led to a remarkable turnaround for California's public colleges in the budget he signed earlier this month.

In a state budget full of funding cuts – to social services, child care, prisons and state worker benefits – higher education was one of the few areas of government to receive more money this year than last. State funding for California State University went up by more than 11 percent over last year, while state funding for the University of California went up by more than 12 percent.

Compare that to the prior year, when both university systems saw state funding slashed by 20 percent. They responded by eliminating classes, reducing the number of students they served and jacking up tuition – prompting protests throughout the state and a new focus on advocacy.

The two university systems and the community colleges banded together in their lobbying efforts this year, creating what many people described as a more effective message. Campus and student leaders worked together to persuade lawmakers that investing in higher education would help California's economic recovery – and that continued cuts would ruin one of the state's strongest assets.

It was "in those thoughtful meetings, where very powerful arguments were made" that Gov. Arnold Schwarzenegger decided he should increase funding for higher education, said Bonnie Reiss, the governor's secretary of education.

So now that universities are receiving more money from the state, what can students expect?

A mixed bag.

The good news: At UC and CSU, it should be easier to get classes because universities will use some of the new money to expand course offerings. And many community college students who couldn't transfer to CSU last year because of the budget cuts will be able to get in this spring when California State campuses admit 30,000 new students.

The bad news: Tuition will probably continue to rise.
That's because even though universities fared well in this year's budget, they're still getting less money from the state than they did a few years ago and are looking for ways to fill the gap.

"If you look at it in a one-year context, it looks like we made out like bandits," said Robert Turnage, CSU's assistant vice chancellor for budget. "But if you look at it over the last several years, what's really going on is a partial restoration of massive cuts in the prior years."

With the state budget approved 100 days late, university officials are still working out the details of their budgets. They wouldn't say this week if they plan to raise student fees.

But there are indications that it's likely.

Each year, the higher education budget is built through a combination of state funding and student fees. The budget Schwarzenegger signed gives CSU $2.6 billion – but assumes that student fees will go up 10 percent this school year.

CSU's fees have gone up 5 percent so far this year. When trustees voted for the increase in June, they said they would consider raising fees again in November after state lawmakers reached a budget deal.

At UC, the state budget allocates $2.9 billion and assumes a 15 percent fee increase that went into effect this fall after being approved by regents last year.

But next year's fees could go up "anywhere from 0 to 20 percent," UC's vice president for budget told a group of student government leaders this month.

Patrick Lenz said he told the student leaders that UC is facing a $1 billion shortfall next year and university officials are working on many ways to close the gap.

UC is working on a plan to reduce retirement benefits for future employees. On the Davis campus, plans are in the works to eliminate between 136 and 194 employee positions. At Berkeley, 200 positions are being cut through attrition, retirement and layoffs. A few campuses are working on massive fundraising drives.

"A fee recommendation is not going to be the single largest driver of our needs," Lenz said.

UC's governing Board of Regents is likely to vote on next year's fee levels in November or January.

Given the bleak predictions for next year's state budget, it's unlikely universities will hold the line on fees, said Steve Boilard, director of higher education for the Legislative Analyst's Office.

"I would be shocked if there was not a fee increase," he said. "If I had to guess, I'd put it in the range of roughly 10 percent for each segment again."

© Copyright The Sacramento Bee. All rights reserved.