CHICO — The picture isn't pretty for Chico when it comes to Chico State University enrollment and the money students spend in town.

Enrollment must be cut by 8 percent over the next school year, Paul Zingg, Chico State's president, told members of the Chico Chamber of Commerce Friday.

That will mean a substantial loss of income and local private-sector jobs, he said. Also ahead are increases in student fees and the possibility of more furloughs and perhaps laying off some full-time faculty.
Zingg presented the disturbing forecast in a forum Friday morning at the Chico Area Recreation District Center. The Chico Chamber of Commerce sponsored the event.

At present, about 16,500 students attend Chico State. That's somewhat more than the target enrollment set for the campus by the CSU Chancellor's Office.

Zingg said Chancellor Charles Reed has told the presidents of all 23 campuses that by the end of the 2010-11 school year, they must first reduce enrollment to the target level (if those are now exceeded) and then cut enrollment by another 9.5 percent.

Zingg said he felt 9.5 percent would have too harmful an effect on Chico's economy, so he appealed to Reed to allow a smaller reduction.

He said Reed told him he'd consider the request although all 23 campuses "wanted the same deal."

Just this week, Reed told him he'd allow Chico to make an enrollment cut of 8 percent instead of 9.5 percent, Zingg said.

Cutting by 8 percent will mean reducing enrollment by about 1,500 students.

Zingg indicated he'd hoped for a larger break from Reed, but considering Chico was the only campus to win such a concession, he was trying to look on the bright side.

The difference between 9.5 percent and 8 percent is about 150 students, he said. Considering each student spends about $20,000 in a year, that's a savings of about $3 million.

But the reduction in enrollment will hurt.

David Gallo, a retired Chico State economics professor who also spoke at the chamber's meeting, said the 8 percent cut would cost the community 486 full-time and part-time jobs, $46.6 million in business sales, and $37 million in lost income for workers.

"History is a marvelous teacher," Zingg said, as he traced the story of California higher education for his listeners.

For many decades, the state system of higher education enabled California to prosper, he said, adding that combination is now unraveling.

In 1960, the state developed a master plan for higher education involving the community colleges, the CSU and the UC, Zingg said, calling the concept "visionary."

In 1960, higher education in California was almost free, he said.

In 2005, Gov. Gray Davis and his successor, Arnold Schwarzenegger, affirmed what was known as the "governor's compact," Zingg said. That was an agreement in which the governors and
Legislature pledged to steadily increase funding for higher education, and, in return, the colleges and universities would boost enrollment by 2.5 percent each year.

That compact lasted less than three years, Zingg said. Although enrollment in the CSU has kept growing, state financial support has declined. Student fees have been increased to try to fill in the gap.

What California is seeing, he said, is "the erosion of the promise of the master plan."

Asked about long-range funding for higher education, Zingg said "a major reimagining of priorities in the state" is needed.

Commentators have blamed Proposition 13 for starting the higher-ed erosion, and government by ballot measures is also implicated, he said. For example, the Three Strikes proposition made it necessary to put much more money into prisons — money that could have gone to higher education.

Higher education in California faces "a dreadful situation," he said, with a projected series of state budget deficits lining up like storms on the horizon.

Staff writer Larry Mitchell can be reached at 896-7759 or lmitchell@chicoer.com.