Finger on the trigger

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Chico State braces for further cuts come January 2012

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As if the $650-million cut from the California State University system (up from a previously proposed cut of $500 million) outlined in California’s 2011-12 state budget wasn’t enough, the CSU system is looking down the barrel of a possible additional $100-million cut come mid-December.

That’s when the state Department of Finance is expected to certify whether the $4 billion in additional revenue expected over this fiscal year by those who balanced the budget is likely to be a reality or merely wishful thinking.

As agreed during budget negotiations, revenue shortfall of more than $1 billion of the anticipated $4 billion will result in austere “trigger cuts,” most of them effective Jan. 1, 2012. Among those to be hit: the state’s In-Home Supportive Services and Department of Developmental Services, each looking at a $100-million cut; the Department of Corrections and Rehabilitation, to be cut $20 million; and the UC and CSU systems, with a trigger cut of $100 million each.

Things are not looking hopeful. In early August, State Controller John Chiang released a report stating that California’s revenues were nearly $540 million—or 10.3 percent—below the state budget’s projections.

“While we hope for better news in the months ahead, every drop in revenues puts us closer to the drastic trigger cuts that could be imposed next year,” Chiang was quoted as saying.

This is not good news for Chico State, which has already absorbed years of budget cuts, resulting in hike after hike in tuition and fees. The cost for a full-time undergraduate student to attend Chico State this fall semester is $3,445.

Joe Wills, Chico State’s director of public affairs, attempted to shed some light on what might be ahead for the university resulting from decisions to be made at the CSU system level.

“The CSU system manages some budget matters for all 23 campuses, such as the tuition fee all students pay, which as you know went up for this fall,” said Wills, “and mandated enrollment targets, so that campuses enroll students at a level that fits with the level of state support dollars.
“Since approximately 74 percent of the campus budget is in salaries and benefits,” he added, “it is difficult to make these cuts, and many of these expenses have already been cut due to past years of state-support reductions.”

The cuts have meant the elimination of classes and sections, making it harder for students to satisfy graduation requirements.

“Our top priority over this budget-cutting period has been serving students with the instruction and programs they need to graduate,” Wills said. “But with cuts of this magnitude, it is extremely difficult, and all the California higher-education systems have been set back in unprecedented fashion.”

A mid-school-year cut, Wills said, would be especially disruptive, since the university already would have opened admissions for spring 2012 and started accepting applications for fall 2012. Changes in enrollment would be very hard to make.

“We have been aware that this could be taking place,” said Wills of the looming trigger cuts, “and, as in the past, Chico State leadership and directors across the campus will anticipate and prepare for this possible cut.”

He added that money earmarked for such campus projects as the renovation of First Street and the new parking structure on Second Street “cannot be [re]directed to academic uses such as added classes or faculty.”

Wills said that the CSU Chancellor’s Office is working closely with the Department of Finance to monitor the situation.

“Though the news coming out of the Controller’s Office regarding the July returns is disappointing,” he said, “there is still a lot of time left in the year, and the Department of Finance won’t be making a decision until mid-December. Until then, they will be monitoring the situation, and the potential of the additional cut, and strategies to respond to it will be addressed at an upcoming CSU trustees board meeting.”

Chico State President Paul Zingg summed up the situation succinctly in a recent e-mail: “First, of course, we hope that there will be no further cuts as threatened. Second, the chancellor and trustees have already said what would happen, though, if there are further cuts: possible additional fee increases, and possible enrollment reductions.”

The latter would occur in the spring, Zingg said, meaning that although applications are now being accepted, the university will not admit anyone until the budget situation is clarified in December.

“As for additional fee increases, that, also, would be determined after the budget picture becomes clearer in December,” the president added.