Governor’s Budget Proposal Includes Deep Cuts for the CSU

The California State University will receive a $500 million—or 18 percent—reduction in state support in the 2011-12 budget proposed by Gov. Jerry Brown today. Dealing with an estimated $26 billion budget deficit, Brown said, “The cuts will be painful, requiring sacrifice from every sector of the state.”

The proposed $500 million reduction in state support for the CSU is a "best case" scenario based on an extension of the personal income and state sales taxes, as well as the vehicle license fee, due to expire by June 30. The governor will seek a special election in June for voters to approve the tax extensions and other tax changes, which will provide over $10 billion in revenue. If voters reject the tax extensions, the CSU may face additional reductions.

The governor’s proposed budget would drop the CSU’s level of state support to $2.2 billion, the same level of support it received more than a decade ago, but the university is now serving nearly 70,000 more students.

"While we understand the administration has limited options, higher education is the state's main economic driver, and we cannot improve our economy without an educated workforce," said CSU Chancellor Charles B. Reed. "The magnitude of the budget reduction in one year will have serious impacts on the state's economy, limit access for students seeking entrance into the CSU, and restrict classes and services for current students."

The governor’s budget proposal also includes a 10 percent reduction in take-home pay for state employees not currently covered under collective bargaining agreements. This provision, however, does not apply to the CSU’s employees.

The CSU plans to redouble efforts already underway to identify operational efficiencies throughout the system, but officials emphasize that a cut this significant will have other impacts.

"As we have before, we will need to look at every option and develop a comprehensive plan to address a reduction of this magnitude," said Reed. "There will be difficult choices as we move forward, and no single solution will be enough to meet this challenge."

As part of an overall plan to address a two-year $625 million budget reduction in 2009-10, the CSU implemented enrollment cuts, employee furloughs, student tuition increases, workforce
reductions, cuts to administration, and other cost cutting measures. In 2010-2011, the CSU did receive a partial restoration of its budget, but the amount of support is still at approximately 2005-2006 levels, and the system faces cost increases for employee health care benefits and energy that the general fund increase does not cover.

The CSU has been in the process of ramping up enrollment for the spring after reducing enrollment by 40,000 students over the last two years. The budget proposal announced today means the system will likely have to restrict new enrollments again as campuses begin the student admissions process for fall 2011.

“We will work with the administration and the legislature to minimize, as much as possible, impacts to students. However, the reality is that we will not be able to admit as many students as we had been planning for this coming fall," added Reed. "Over the next few months, our 23 campuses will be faced with very difficult admissions decisions as they manage this reduction. For students and parents, the uncertainty is even harder."

Overall, the governor's budget reduces state support for all of California's public higher education institutions by $1.4 billion. The University of California is also facing a proposed $500 million budget reduction with a $400 million cut proposed for the California Community Colleges. Collectively, the three systems graduate 272,000 students each year, and educate more than 3.5 million statewide.