Chico State braces for $21 million loss

By LARRY MITCHELL - Staff Writer
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LONG BEACH -- A budgetary storm looms over Chico State University and the other 22 campuses in the California State University system.

Chico State President Paul Zingg, like his counterparts at other CSU campuses, worries about how bad it will get.

Zingg said Tuesday he expects that for the 2011-12 school year, Chico State will receive $21 million less than it got from the state last year.

And if three temporary tax increases, which are set to expire, are not extended for another five years, the Chico campus' general-fund cut could be as much as $42 million.

"I will not speculate on how grave this situation may become, though, except to say that it will deeply affect our ability to sustain our current workforce, support our students and serve our region," he wrote in an email to the Enterprise-Record.

Zingg was in Long Beach Tuesday to attend a CSU Board of Trustees meeting, where Chancellor Charles Reed spoke about the fiscal threats to the CSU system.

A bill recently passed by the Legislature would cut CSU general-fund revenue by $500 million, Reed said, adding, "this is a real cut — an 18-percent reduction in our revenue."

Reed said when budget decreases had to be made for 2009-10, most of the cutting was directed by his office, but this year the job will be done on the campuses themselves.

Each campus president has been assigned an amount to be cut and the task of figuring out how that can be accomplished, he said.

That figure at Chico State is around $13 million, according to Zingg, who said he has been meeting with a committee of faculty, staff, students and administrators to discuss how the cuts should be made.

Across the system, campuses will be asked to reduce their budgets by a total of $281 million, according to a CSU news release. It said student enrollment for 2011-12 will drop by more than 10,000 students, representing a $60 million cost savings.
Reed said tuition hikes and furloughs (which amounted to 10-percent pay cut for faculty and staff) are not contemplated as solutions to the immediate budgetary problem.

However, he said, if the three tax increases aren't extended (in which case, the CSU could face a $1 billion cut), "everything will be back on the table."

It should be known soon whether the Legislature will put the tax extensions on the ballot in a special election.

Reed said the $500 million cut the Legislature has already approved will affect personnel.

"Eighty-four percent of our operating budget is in people," he said. "Sixteen percent is in travel, paper and equipment. If you're going to reduce, personnel is one of the only places you can go."

He said cuts in personnel are expected to amount to $250 million. He didn't speak of laying people off, but said retirees would not be replaced, vacant positions would not be filled, and in some cases two positions would be combined into one.

Professor Jennifer Meadows, who heads Chico State's Academic Senate, said she's on the committee that Zingg has been consulting with on the budget.

She's talked about the budget to her colleagues and to members of the statewide Academic Senate, she said. "We're fully aware. We hear about the budget situation, but I don't think many of us have a grasp of how desperate it is, how horrible it is."

At this point, it's impossible to predict what will happen, she said. "There's no way anything can grow at the university. We're so lean right now; the only place to cut is personnel, whether it be layoffs, furloughs, workload reductions. We don't even know if we can offer enough classes next year for students to graduate on time."