A difficult and contentious CSU Board of Trustees meeting took place Nov. 14-15 that resulted in votes on the proposed budget for the CSU and the Student University Fee for 2012-2013. Hopefully many of you who are faculty and staff have had a chance to read Chancellor Reed’s Nov. 22 email on the meeting. I have posted the email on our Budget Central website http://www.csuchico.edu/budget-central/index.shtml so that students can read it as well. In brief, the actions request the state to restore $333 million in funding to the CSU for fiscal year 2012-13 and increase CSU-wide undergraduate tuition by $498 for the academic year starting fall 2012. As in prior fee increases, approximately one-third of the tuition increase will be set aside for financial aid. Across the CSU, about 185,000 students, who come from households making $70,000 or less, pay no tuition fee. The CSU budget request would allow 20,000 additional students to attend the CSU, and fund a 3 percent increase in compensation for employees, who have not seen an across the board raise since 2008.

While the Trustees’ votes were not unanimous and were preceded by vigorous debate, all agreed on one thing: the need to ensure access for eligible students who seek a university degree. But it’s more than this as those of us in leadership positions have a moral responsibility to provide all prospective students – whose numbers are increasing, and who more and more are students of color – an opportunity to reap the personal and professional benefits of a top-flight college education.

The $333 million request to the state doesn’t come close to undoing the cuts the CSU has incurred the past few years. Just this year, the state cut funding to the CSU by $650 million, and on top of this, we are preparing for an additional $100 million cut to this year’s budget. The 2011-12 state budget had a provision that, if state revenues were insufficient, a “trigger cut” would take effect mid-year. The state Legislative Analyst’s Office predicts revenues will be down, and the trigger cut will occur. The CSU has said tuition will not be raised for spring 2012 if this occurs. On our campus, the trigger cut will amount to an additional $4.1 million budget
reduction. We have been anticipating this unfortunate prospect, and will cut our campus budget by reducing expenditures, saving on energy costs and making other cost-cutting decisions. The state has not indicated if the trigger cut will be one-time or permanent.

The Trustees’ proposed budget is one step in a familiar process: In January the Governor proposes a state budget; it is revised in May based on updated revenue projections; the Legislature takes up the proposal with a constitutional mandate to return a budget to the Governor by June 30, but typically can’t reach agreement until late summer or fall. The timing of this puts the CSU, and the other higher education systems, in a terrible bind. Do nothing on tuition levels until a state budget is signed, but then, if the CSU’s funding is cut, it is too late to institute a fee increase, so enrollment gets reduced to cut costs. Or raise tuition ahead of time, giving students fair notice of an increase, but allowing the Legislature to use the tuition hike as an excuse to cut the CSU’s budget again. It is decision-making with no good options. One of the myths regarding CSU funding is that student tuition increases compensate for state budget cuts. In fact, since 2007-08, state budget cuts total $868 million while student fee revenue over that period totals $592 million. That is a $276 million shortfall, not counting the anticipated $100 million trigger cut later this year.

On our campus, since 2008-09, the state budget cuts have resulted in budget reductions to our divisions of $13.67 million. We have managed these major reductions through sacrifices that everyone on campus has felt. Staffing positions have been frozen, travel cut, purchases postponed or not made, maintenance deferred, and responsibilities increased, whether it’s been a faculty member taking on more students in a class or a staff member doing extra work due to a vacancy. We have avoided technical personnel lay-offs only because of the incredibly hard-working and dedicated people we have at Chico State. I have asked all our deans and directors to keep examining how we can function more efficiently and effectively. The current proposal in Academic Affairs to explore reorganizing our colleges [http://www.csuchico.edu/academicreorg/index.shtml](http://www.csuchico.edu/academicreorg/index.shtml) is one major effort in this regard. But it is one among many and every division can point to substantive and strategic steps to reduce costs permanently.

The sad truth is that state-based funding for higher education, in California and other states, is steadily declining. Yet polls show widespread public support for higher education, a message apparently lost on our political leaders who lack the courage and foresight to provide necessary funding for current students and future generations. I have discussed this in other settings, but it bears repeating: California’s greatness is due in no small part to having created the finest public university system in the world. Our Legislature and Governor continue to ignore this fact, and it damages not only our students’ futures but the future health and well-being of our state.

The anger and frustration that many students, faculty, staff, parents, community partners and alumni feel about higher education funding is completely understandable. They believe in and depend on the value of a high quality university education, and they don’t want anything less. They want their wishes known, and don’t want to be victims of short-sighted decisions and political maneuverings in Sacramento.
Would that California’s legislators and governor look to our students for inspiration: In the spring of 2010, a group of Chico State students organized an unprecedented event in the CSU—a campus wide Action Rally to advocate for higher education funding that included every faction of our community. Speakers from the city, Butte College, our campus and elsewhere spoke, leading to a downtown march that concluded in City Park. (For those of you new to campus, a banner hanging inside the BMU was signed by many in attendance at the event.) No other campus had student leaders step up to organize such an event. On several occasions after the rally, I heard North State legislators and community leaders comment on the skill and conviction of the students at Chico State. Their actions were noticed, and had impact.

In the most difficult of times, the true measure of an institution is taken. Chico State is a place and a community that shows its colors at times like these. I have spent my entire professional life working on college campuses, and nowhere do students, faculty, staff and others care more for their school than they do here. We love our beautiful campus, we are grateful for our faculty and staff colleagues who go the extra mile for students, we take pride in the successes of our students that have helped us become one of the highest ranked master’s level public universities in the West. In my column for Inside Chico State, our faculty and staff newsletter to come out later this week, I talk about how well our campus has managed over the past few years despite tremendous challenges, and how much more can be achieved in the future. I welcome you to read the column prior to publication: http://www.csuchico.edu/budget-central/index.shtml. Together, we must advocate for greater state support while serving the noble cause of teaching and learning to benefit our students. This is the Chico way, to move forward as a community, as one university, believing in the value of education. Thank you for everything you do to make Chico State the strong and impactful university it is.