Big cuts coming to CSU system -- and that's if tax extensions come to pass

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California State University campuses could cut their enrollment projections by 10,000 students for the 2011-12 school year as part of a larger plan for dealing with budget cuts, officials told trustees during a board meeting Tuesday in Long Beach.

Gov. Jerry Brown has proposed cutting the CSU budget by $500 million, or 18 percent, if legislators and voters approve a series of tax extensions.

Without the extensions, larger cuts loom.

At the board meeting, CSU officials presented some strategies for handling the funding reductions.

In addition to cutting enrollment – currently at 412,000 students – they said they'll ask CSU’s 23 campuses to collectively cut $281 million and the chancellor’s office to reduce its budget by $10.8 million. Staff reductions appear likely, though few specifics were given.

"Because 84 percent of CSU’s operating cost is for personnel, the CSU will need to reduce expenses in that area by at least $250 million," a statement from the university system said.

CSU enrollment has fluctuated over the past few years depending on state funding. Last school year, CSU cut enrollment by the equivalent of 30,000 full-time students, then bumped it up by 15,000 this year.

CSU will not consider employee furloughs unless the budget cuts are deeper than $500 million, said Chancellor Charles Reed. That could happen if Brown’s proposed tax extensions don't get on the ballot or are rejected by voters. In that case, Reed said, the CSU could see cuts of $1 billion.

"A reduction of that level would force us to re-examine potentially drastic measures, including much-larger cuts to enrollment and increased tuition fees, among other strategies," Reed said.

The current round of cuts mean California State University, Sacramento, will have to trim its budget by $12.9 million, said spokeswoman Kim Nava. All departments have been told to reduce
their budgets by 9.7 percent, she said. Enrollment cuts aren't anticipated in the fall, but could take place in spring.

Trustees also heard a report from a consultant who compared compensation for CSU presidents and faculty with compensation at comparable universities across the country.

The consultant found that CSU pays lower salaries than its comparison schools but gives more generous benefits and retirement plans.

The average salary for CSU campus presidents is $292,830, compared with $444,556 for presidents of comparable schools. The average salary for CSU faculty members is $85,083, compared with $99,882 at comparable schools. But benefits for CSU presidents were 25 percent higher than in the comparison group and benefits for the faculty were 21 percent higher.

On balance, the consultant concluded, when salary, benefits and retirement are combined, CSU presidents come out behind comparable schools by 26 percent, while faculty members are 1 percent behind, making them pretty much on par with their peers.

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