Governor's May Revision Avoids Direct Cuts to California State University

System faces $250 million reduction unless November tax measure is approved by voters

(May 14, 2012) – Governor Brown's May Revision of the 2012-13 state budget proposes a $250 million trigger cut for the California State University if his tax measure is rejected by voters this November. With voter approval of the tax measure, the CSU would receive an essentially flat budget with $2.06 billion in state funding. Last year state support for the CSU was reduced by $750 million. If the tax measure is defeated, CSU's state funding would fall to $1.8 billion, the lowest amount of state funding the university has received in 17 years.

"We very much appreciate the Governor's hard work to avoid further direct cuts to higher education despite the steep growth in the size of the state deficit. Nevertheless, all Californians should be concerned about the serious long-term damage to student access to the California State University that is posed by the $250 million trigger cut," said CSU Chancellor Charles B. Reed. "Combined with last year’s $750 million cut, no easy options remain. It will be extremely difficult to avoid impacts to program quality at our 23 campuses or impacts to access for students and the ability to serve them, with long-term consequences for workforce development and job growth in the state. The November election will be critical to preventing this."

The governor's January budget proposed flat funding for the CSU and a $200 million trigger cut if the tax measure was not approved by voters. The May Revision increases the possible reduction to $250 million which would reduce CSU's state funding to $1.8 billion, the lowest level of state support allocated to the university since 1996, when the CSU was serving 90,000 fewer students. If the additional cut is triggered, it will represent an approximate 39 percent reduction in state funding since state support peaked in the 2007-08 fiscal year.

At the May Board of Trustees meeting, CSU officials presented trustees with a wide variety of revenue enhancement and cost cutting strategies to manage upcoming budget cuts. A more focused list of these strategies is expected to be presented to the board in future meetings. Additionally, to deal with cuts from previous years, the CSU has already engaged in cost saving measures including decreasing enrollment,
employee layoffs and furloughs, deferred maintenance, travel restrictions, better use of information technology and other efforts. For the spring 2013 term, CSU will reduce enrollment to match available funding, and the admission of new students for that term will be limited only to those who have received an associate degree for transfer from a California Community College. For the fall 2013 term, the CSU will waitlist all students applying for admission pending the approval or rejection of the tax measure with a rejection and the subsequent $250 million budget cut leading to the possibility of further reductions in enrollment.

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About California State University
The California State University is the largest system of senior higher education in the country, with 23 campuses, approximately 412,000 students and 43,000 faculty and staff. The CSU awards about 90,000 degrees annually and since its creation in 1961 has conferred nearly 2.6 million. The CSU is renowned for the quality of its teaching and for the job-ready graduates it produces. The mission of the CSU is to provide high-quality, affordable education to meet the ever changing needs of the people of California. With its commitment to excellence, diversity and innovation, the CSU is the university system that is working for California. Connect with and learn more about the CSU at CSU Social Media.