

Talking Points

One-Time Reduction for CSU's 2008-09 Budget

- **Revenues to the state are in a freefall, with a deficit in the current year budget predicted by legislative leaders to be as much as \$10 billion. The Governor's Executive Order requested cost reduction measures for CSU, the University of California (UC) and other entities to "help preserve the State's cash supply."**
 - The Governor was within his authority under the enacted state budget to allocate \$390 million in mid-year reductions to all General Fund-supported entities, including CSU and UC.
 - CSU is meeting its obligation – as calculated by the Department of Finance – to help the State meet its goal without jeopardizing mission-critical programs. For CSU, this means a one-time mid-year budget reduction of \$31.3 million, which we believe can be made without disrupting campus operations or impacting instruction. Cost-saving measures will include curtailing travel, deferring purchases and delaying filling vacant positions.
 - The University of California has taken a \$33 million mid-year budget reduction.
- **The legislature is anticipated to return on November 5th to address the widening gap in the current year's budget. It is likely that the legislature will address at least part of this gap by approving additional reductions to entities that rely on the General Fund.**
 - CSU campuses are reviewing the impact of additional cuts as a precautionary measure.
- **The Chancellor has made it clear to the Administration that the reduction should not continue in future years as a reduction to the CSU's 2008-09 base budget, which was already underfunded by \$215 million, and that additional mid-year cuts could not be made without negatively impacting instruction and student access.**
 - CSU is already serving 10,000 students for whom it receives no state funding.
 - Many CSU campuses will not be able to extend the deadline for freshman applications, as has been done in years past, due to over-enrollment and a 21 percent increase in applications over last year received through October 13, 2008.
- **As we did this year, we plan to continue working with the extended CSU family to convince lawmakers to protect CSU's funding base, understanding that fully funding CSU is one of the best investments the State can make in providing for our economic future.**

- The CSU returns \$4.41 to California economy for every dollar invested.
- The CSU provides over 90,000 graduates into the workforce every year.