

State Budget Cuts to California State University Continue to Impact System's Ability to Serve Students

(February 20, 2009) – The California State University will face an increasingly challenging fiscal situation over the next 17 months and beyond as a result of the budget package passed by the Legislature and signed by Gov. Arnold Schwarzenegger today. The budget reduces state general fund support to the CSU for the current fiscal year, 2008-09, by \$97.6 million, and calls for an additional \$66.3 million cut for 2009-10. Overall, the reduction places CSU \$283 million below its operational needs, or approximately 10 percent.

Also, the 2009-10 budget includes an additional \$50 million cut to the CSU, depending on the size and scope of the federal stimulus package.

“While we recognize the severity of the state’s fiscal crisis, the budget does not provide the resources the system needs to meet the needs of our students and fund our operations,” said CSU Chancellor Charles B. Reed. “This will impact our ability to maintain quality and services for our 450,000 current students, and we have already been forced to reduce incoming student enrollment levels for this fall.”

This is the second year in a row the CSU has received no funding for enrollment growth or increased operational costs such as energy and health benefits. CSU is already serving 10,000 students for whom the state provides no funding. As a result, the system has been forced to reduce enrollment levels by 10,000 this fall to align with student funding provided by the state.

As the CSU prepares the majority of California’s workforce in key industries including nursing, agriculture, business, public administration and technology, the budget cuts will have a direct impact on the state’s economy and limit CSU’s ability to provide graduates for these key areas.