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CSU chancellor bemoans proposed budget cuts

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Tanya Schevitz

The chancellor of the California State University system spoke out Wednesday against budget cuts proposed by the governor, saying the state is headed toward building "world-class prisons" instead of quality universities.

"What kind of California do we want? I do think we are heading down the road to funding and building world-class prisons and second-class universities," Chancellor Charles Reed told the CSU Board of Trustees in Long Beach. "All of higher education is at risk in California."

In Reed's view, California is at risk because of Gov. Arnold Schwarzenegger's failure to provide the funding he promised earlier for added faculty and facilities so more students could enroll.

For the first time since Schwarzenegger reached a six-year compact with the leaders of the CSU and University of California in 2004, he has failed to meet his promise of guaranteeing a minimum funding level to accommodate additional students, as well as faculty and staff salaries.

Facing a state budget deficit of \$14.5 billion, Schwarzenegger this month proposed a budget with a 10 percent cut to the two university systems, as part of an across-the-board cut to all state agencies, leaving CSU \$312.9 million short of its projected need and UC \$417 million short.

"That represents one of the difficult but necessary decisions to spread the responsibility of this budget gap across government, and that means cutting the compact that he (Schwarzenegger) himself initiated," said H.D. Palmer, a spokesman for the governor.

That has left both the 23-campus CSU system and 10-campus UC system reeling. The deal was supposed to provide funding for an annual enrollment growth of 2.5 percent - 5,000 students at UC and about 8,500 students at CSU. It also was to finance salary and other cost increases of at least 4 percent a year. Without that money, the universities will have to maintain current enrollment levels and won't be able to accept students who have worked to be eligible for admission based on a promise that they would get a seat, leaders of both systems say.

Speaking after the trustees heard a bleak report detailing possible cuts to the university's budget, Reed said not accepting additional students will mean some minority students will be turned away, undermining efforts to increase student diversity on campuses.

In addition, both the CSU and UC systems may have to raise student fees as much as 10 percent next fall.

But for now, Reed told the trustees, he is not proposing a fee increase. He urged students, faculty and parents to put pressure on the governor and Legislature to provide adequate funding next year.

"We have to move back to the top ... in funding the future of California," he said. "We are going to go and see what they are made of."

Steve Boilard, director of higher education for the state legislative analyst's office, said the 2004 compact between the governor and the universities is not legally binding. Similar agreements between governors and university leaders have been abrogated before, he said.

In 2003-04, then-Gov. Gray Davis breached the partnership agreement he had made with the UC and CSU systems, Boilard said.

"It is not unusual and it is predictable that when you set out a prearranged level of funding over multiple years, you are going to run into a time when you are unable to meet the terms," Boilard said.