

Talking Points: Governor's Proposed 2008-09 Mid-Year Cuts

- **Gov. Schwarzenegger's proposed mid-year cut to the California State University of \$66.3 million would negatively impact instruction and student access.**
 - This reduction would be in addition to the 2008-09 budget that was already \$215 million below CSU's operational needs.
 - In response to a previous one-time reduction of \$31.3 million, the Chancellor informed the Administration that further mid-year budget cuts could not be made without negatively impacting instruction and student access.
 - The additional cut will result in fewer qualified students being admitted to our universities.
- **CSU prepares the majority of California's workforce. These budget cuts will have direct impact on the state's economy if we are unable to provide graduates for California's key industries**
 - At a time when there is no funding for enrollment growth, demand to attend the CSU is dramatically increasing
 - Applications for fall 2009 are up by almost 20 percent from this time last year, with even greater demand by community college transfer students (36 percent).
 - CSU is already serving 10,000 students for whom it receives no funding. With decreasing revenues, this will no longer be possible.
 - The CSU will need to decrease enrollment back to 2007-08 levels in order to balance funding with actual enrollment.
- **Chancellor Reed has publicly advocated that the state needs to increase revenues in order to avoid deeper cuts in higher education**

Possible Follow-Up Issues

Furloughs and Holidays

- CSU employees will not be required to take furlough days, as proposed by the Governor, and any changes to state holidays would need to be renegotiated with our labor units.

Student Fee Increase

- It would be a very difficult decision to increase student fees mid-year, but any final action will need to wait until the Legislature's action on the Governor's proposal.