

Gov. Schwarzenegger Proposes Deep Cuts to California State University Budget

May Revision Slashes Potential \$410 Million from 2009-10 Budget

(May 14, 2009) – Facing a rapidly deteriorating state economy, Gov. Schwarzenegger has proposed two May Revision Budget scenarios that potentially could cut \$410 million from the 2009-10 CSU budget. That is the equivalent of a 10 percent overall budget reduction, and a 15 percent reduction in the state’s General Fund support of the university system.

The overall amount of the reduction will depend on the outcome of the May 19 Special Election, with the measures representing approximately \$5.8 billion in General Fund revenue. If the measures on the ballot fail, California’s budget deficit will grow to \$21.3 billion, and the Governor has proposed a \$410 million reduction to the CSU budget. If the ballot measures are successful, the net reduction to the CSU budget would be \$292 million for 2009-10.

If CSU had to reduce spending for 2009-10 by \$410 million, it would be the equivalent of reducing enrollment by 50,000 students and laying off 4,000 to 5,000 employees; or the equivalent of closing two large California State University campuses, or a combination of large fee increases and enrollment reductions of tens of thousands of students.

“We are facing an unprecedented financial crisis, which will severely impact our ability to provide student access to our universities, maintain our workforce, preserve services, and protect the quality of our campuses,” said CSU Chancellor Charles B. Reed. “These are all very difficult decisions and there are no good options.”

Reed has announced that he plans to provide an action plan in consultation with the presidents and trustees by the middle of June.

CSU has already taken a number of cost cutting measures including a salary freeze for vice president/chancellor level positions; a hiring freeze on non-essential positions; cancellation of all non-critical equipment and supplies purchases and travel restrictions for employees. In addition, for the first time in its history, CSU declared systemwide impaction to limit the number of new students entering in fall 2009, due to the state’s inability to fully fund enrollment growth and operational needs.

Overall, the CSU's budget includes almost \$2.7 billion in state General Fund and \$1.5 billion in student fee revenue. The proposed reduction of \$410 million represents a 15 percent reduction in General Fund support.

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About the California State University

The [California State University](#) is the largest system of senior higher education in the country, with 23 campuses, approximately 450,000 students and 46,000 faculty and staff. Since the system was created in 1961, it has awarded nearly 2.5 million degrees, about 90,000 annually. Its mission 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.