



Governor Proposes \$125.1 Million Budget Investment for California State University

Budget also reinstates \$125 million from cuts to last fiscal year

(January 10, 2013) – Governor Brown today released his 2013-2014 state budget proposal that signals a renewed investment in higher education with the addition of \$125.1 million in state funding for the California State University. The Governor’s budget also reinstates \$125 million that was cut from last year’s budget and was due to be reimbursed in this year’s budget following the successful passage of Proposition 30.

“We appreciate the Governor’s recognition that California will benefit from the investment of state funds into higher education,” said CSU Chancellor Timothy P. White. “The proposed budget heads us in the right direction,” continued White. “It will allow the CSU to address the unprecedented demand for high quality education at our institutions, as well as areas of critical need. We still face many fiscal challenges and will continue efforts to operate efficiently and effectively, and seek out additional innovative ways to control costs.”

Overall, the increase in state support for the CSU brings state funding levels to \$2.2 billion for the support of university programs and operations. As part of its 2013-2014 budget ask of the governor and legislature, CSU had requested a total of \$371.9 million over its current baseline budget that includes state funds, tuition and systemwide fees.

As part of the additional \$125.1 million in proposed state funds, \$10 million has been directed in the Governor’s budget for online strategies to get more students through so-called “bottleneck” courses. These are courses across the system that cause many students to slow their time to degree until they can find a “seat” in that particular course. They are either lower-division general education requirements, pre-requisites for majors or high demand classes. The directed funds would be used for a multi-pronged approach incorporating technology-enhanced learning, student advising and course redesign to ensure student success. Together, all of these efforts are expected to provide thousands of students more access to classes and help them progress to degree.

Over the past several years, state support of the CSU has been dramatically decreased with more than 30 percent of state funding cut for the system. The loss of state support forced the CSU Board of Trustees to approve sizable tuition fee increases. However, increases in available revenue from tuition hikes did not keep pace with state funding cuts. Consequently, to manage the massive budget reductions, CSU instituted a number of cost saving measures including

decreased enrollment, employee layoffs and furloughs, deferred maintenance, travel restrictions, better use of information technology, and other efficiency measures.

“The CSU has certainly been challenged over the past several years with the drop in state support due to the state’s lingering recession,” said White. “However, with finances more stable in the near term now that Proposition 30 has passed, we are cautiously optimistic that the CSU’s budget will begin to turn around. We look forward to working with the Governor and legislature during the upcoming budget hearings.”

State funding for higher education represents approximately seven percent of the overall state budget and is set at discretionary levels