CSU Faces Unprecedented Budget Cuts
The California State University received a $650 million cut to its 2011-12 budget Thursday and could face an additional $100 million reduction if state revenue forecasts are not met.

The cut brings the CSU’s new budget to a total $2.1 billion and represents a 23 percent decrease in state support (year over year).

"What was once unprecedented has unfortunately become normal as the CSU will be cut by well over $500 million for the second time in three years," said CSU Chancellor Charles B. Reed. "The magnitude of this cut, compounded with the uncertainty of the final amount of the reduction, will have negative impacts on the CSU long after this upcoming fiscal year has come and gone."

The governor and legislature in March had already approved a budget that reduced the CSU’s funding by $500 million. The CSU received an additional $150 million cut when the governor signed the 2011-12 budget this week which includes deep reductions to higher education and relies heavily on revenue projections to close an estimated $26.2 billion state budget gap.

The governor for months warned of further cuts to higher education if his proposal to extend several taxes was not supported by the legislature and ultimately the state’s voters. Lacking the necessary support, Brown has vowed to try and reinstate the taxes in a Nov. 2012 ballot initiative.

To address the “first” $500 million budget reduction, the legislature and governor agreed that the CSU would enroll 10,000 fewer students this fall, apply an estimated $146 million in revenue from a tuition fee increase already approved, and reduce the 23 campus budgets by a combined $281 million and the Chancellor’s Office budget by nearly $11 million. These cuts will be made through administrative and instructional efficiencies, as well as expenditure reductions in travel, information technology, equipment, and book and journal purchases by libraries.

The CSU plans to address the additional $150 million to potentially $250 million budget reduction at its Board of Trustees meeting July 12. Chancellor Reed will recommend an additional tuition fee increase of 12 percent or $294 per semester effective fall 2011 to avert devastating and lasting damage to student access, student services and program quality.

The $2.1 billion in state funding allocated to the CSU in the 2011-12 budget will be the lowest level of state support the system has received since the 1998-99 fiscal year ($2.16 billion), yet the university currently serves an additional 90,000 students. If the system is cut by an additional $100 million, state support would be at its lowest level since 1997-98. More information.