Budget Contingencies Hinge on Outcome of Tax Initiative
The CSU Board of Trustees this week adopted budget contingency measures that include increasing tuition fees by $150 a semester (5 percent) if Proposition 30, Gov. Brown's tax initiative, fails and triggers a $250 million budget cut to the CSU.

Alternatively, the board also voted to roll back the 9.1 percent tuition fee increase already in effect for the current semester if voters approve the tax measure.

If enacted, the $250 million cut would bring the CSU’s total loss in state funds over the past several years to $1.2 billion.

Over the past six months, the CSU has been meeting with stakeholders on how to manage the potential reduction. The university system has already implemented enrollment cuts, workforce reductions, employee furloughs, deferred maintenance and other measures to address its severe funding loss.

Tuition Strategies
If voters approve Proposition 30, the board will rescind the 9.1 percent--or $249 per semester--tuition fee increase that is already in place in response to legislation passed as part of the state budget. The payout would mean a reduction of $132 million in revenue for the CSU this year, and would require the university to reprocess financial aid packages, grant tuition credit or issue refund checks.

Approximately $50 million of the one-time revenue loss would be made up through the use of one-time balances under the Continuing Education Revenue Fund using authority granted to the CSU by recent legislation. In addition, if the tuition fee is rescinded, the CSU will receive a $125 million state appropriation in next year's budget.

"Trigger on the Trigger"
If Proposition 30 fails and the CSU's budget is cut, tuition fees will increase by $150 a semester effective January 2013. The increase would bring undergraduate tuition for one semester to $3,135 and provide approximately $58 million in revenue for 2012-13.

In addition, the board approved an increase in the additional per-unit tuition for nonresident students who account for approximately 4 percent of the CSU's total enrollment. The budget contingency plan recommended a 7 percent increase, or $810 per year, to the tuition supplement students pay.

University officials estimate that the outcome of Proposition 30 will determine whether or not 20,000 additional students will be admitted next fall, translating into 165,000 course "seats," 5,500 course sections and 1,500 faculty and staff jobs.

More information on how Proposition 30 would impact tuition fee rates can be found here.

The finance committee voted to postpone a decision until November on several additional fee policy changes intended to improve access to classes and reduce time to graduation.

The board also approved a number of cost reduction strategies as part of the overall budget plan including targeted changes to employee health care premium costs (subject to negotiation with employee bargaining units), continued administrative efficiencies, and ongoing campus cutbacks.
Students’ Math and English Proficiency Increase

The number of eleventh graders ready for college level English and math continues to increase since the CSU’s voluntary Early Assessment Program (EAP) was launched in 2006.

Nearly 39,000 more students are demonstrating proficiency in English than when EAP testing was first instituted, while the number of high school juniors who are ready for college level math has nearly doubled.

The EAP is a voluntary assessment of college readiness administered as part of the California Standards Test (CST) to help high school students determine if they are on track for college level math and English. By receiving results prior to their senior year, students can prepare for college before they arrive at the CSU, reducing the need for remediation.

Key findings from the seven years of data include:

- Almost two-thirds of public high school juniors completed Algebra II (needed to be eligible for CSU in 2012), and the number of students proficient in math has increased by 88 percent since 2006.
- The EAP participation rate has increased by 10 percentage points with 82 percent of high school juniors taking the voluntary test. The number of students participating has increased by 70,000 to more than 386,000 students statewide.

Overall, the number of students participating in the math portion increased from just over 137,000 to surpassing 200,000 for the first time. Although the math proficiency rate remains at 15 percent, the number of students ready for college level math topped 30,000 for the first time.

In English, the number of students participating rose from 312,167 to over 383,000 (a participation rate of 87 percent of all juniors), while the number of students gauged as college ready increased from 48,072 (15 percent) to 86,939 (23 percent). More information.

Students’ Perseverance Rewarded with Scholarships

Twenty-three students who have overcome profound personal hardships received a 2012 William Randolph Hearst/CSU Trustees’ Award for Outstanding Achievement this week at a ceremony during the CSU Board of Trustees’ meeting.

Representing each of the CSU’s 23 campuses, the students, who have prevailed through poverty, physical and mental illness, disability, language and cultural barriers, addiction, homelessness and other adversities, have found a path forward through the CSU.

The awards are funded by personal contributions from the CSU trustees, staff, donors and endowments. The William Randolph Hearst Foundation, Trustee Emeritus Ali C. Razi, Trustee Emeritus Murray L. Galinson, Trustee William Hauck, Chancellor Charles B. Reed, the Stauffer Foundation and the Haworth Family Trust have established endowments. Southwest Airlines and CSU Foundation board member Ronald Barhorst have funded additional named scholarships. The scholarship awards range from $3,000 to $10,000.

In recognition of Chancellor Charles B. Reed's distinguished career and service to the CSU, the CSU Foundation Board of Governors created the first Chancellor Charles B. Reed Scholar. An endowment was established when Chancellor Reed donated the $20,000 TIAA-CREF Hesburgh Award for Leadership Excellence he received earlier this year, and the CSU Foundation added to the endowment to create the scholarship. The chancellor has given $95,500 in personal financial support to the Hearst award and other CSU Foundation programs since 1999.
Foundation board member and Southwest Airlines Community Affairs and Grassroots Manager Lidia S. Martinez also committed support from Southwest Airlines for the first Southwest Airlines Scholar, which recognizes an outstanding first generation student.

Each student also received a technology package worth $1,200 as part of Sony’s education scholarship program with the CSU. This is the fourth year that Sony has made the donation to the Hearst Scholars. More information.