UP TO THE CHALLENGE
Cal Poly Maintains Quality Education Amid Budgetary Challenges

By Larry Kelley, vice president, Administration and Finance

The last five years have brought a watershed of change to state support of public higher education in California. As recently as the late 1980s, the state provided 90 percent of the funding for a college student. Today, that share is less than 40 percent—and could be headed to only 33 percent if the governor’s tax initiative fails in November.

While there has been a gradual shift in funding from the state to the students and their parents since the late 1980s, precipitous changes in the last five years have resulted in state support to Cal Poly decreasing from $150 million in 2007-08 to a possible $67 million in the current fiscal year.

These recent changes have been fast, painful and full of uncertainty. The current fiscal year began July 1, 2012, and we will not know the level of state support until after the November election—nearly halfway into the year.

This uncertainty clearly makes planning a challenge, but Cal Poly has been up to that challenge. We continue to enhance our focus on student success. We have increased graduation rates and worked to maintain predictable enrollment levels focused on our high-quality academic programs as they produce graduates who address the needs of California and the health of the economy.

Students believe in what Cal Poly provides them and have acted to make the future even stronger. Last Spring, the students voted to establish a new fee with a clear message that they wanted to be sure they would have class sections which allow them to progress to their degrees. That new fee will be phased in over a three-year period beginning this year and will generate $14 million when fully implemented. It is already helping to add sections as well as support to enhance student success.

The CSU and Cal Poly again face the possibility of a mid-year budget reduction. The CSU and Cal Poly again face the possibility of a mid-year budget reduction. Termed a "trigger cut," the reduction would be made in the event California voters do not pass the November tax initiative intended to be in place for seven years and increase state sales tax as well as personal income tax on high-income earners. Cal Poly's share of the trigger cut is estimated to be $14.5 million. While there has been a shift in funding to the student and their parents, revenue from fee increases is still approximately $44.7 million short of covering the cuts in state support.

Alternatively, with passage of the November tax initiative and no further reductions for 2012-13 fiscal year, Cal Poly's state support reduction over the five-year period would total $68.6 million, reducing the funding gap to $30.2 million after offsetting fee increase revenue.

Cal Poly will continue to provide quality education despite the budget challenges facing the university and the state of California. The quality of your degree, as well as the degrees of the current students, depends on that. As you might expect, the November tax initiative is extremely important to Cal Poly and the ability to continue to meet our mission and provide the education our students deserve.

Griads
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