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Trustees Assess Grim Budget Outlook; Vote to Raise Fees

LONG BEACH -- Faced with the likelihood of at least $330 million in cuts to the California State University's budget, the CSU's Board of Trustees yesterday voted to increase graduate and undergraduate systemwide student fees by 30 percent for 2003/04.

The increase would amount to $474 more for undergraduates, for a total annual systemwide fee of $2,046; and $522 more for graduates, for a total annual systemwide fee of $2,256. As is CSU practice, one-third of the additional fee revenue would be automatically directed to financial aid for the neediest students.

"We have worked through every imaginable scenario to implement these cuts with the least possible disruption to our students and our employees. But we have reached a point where the cuts are so deep that we have no choice but to take more dramatic action," said Board of Trustees Chair Debra S. Farar. "This choice in no way reflects our commitment to the university's promise of affordability and accessibility. In fact, the current budget crisis has made us even more determined to continue to fulfill the mission of the CSU."

The fee increase was approved on an 11-2 vote, with Trustee Ricardo F. Icaza and Student Trustee M. Alexander Lopez casting the "no" votes. Approximately 200 students and faculty members attended the meeting to protest the fee increases.

CSU officials had recommended the fee increase as a way to minimize the need for severe enrollment reductions. The CSU is currently asking campus presidents to prepare plans for implementing a 2 percent reduction in enrollment growth during the winter and spring terms. In addition to the fee increase and enrollment growth reductions, administrative budgets have been cut back, especially at the Chancellor's Office, and an additional 2,300 vacant positions across the system are being frozen or eliminated.

The revenue from the proposed fee increases will fund CSU financial aid for 107,000 students, and a total of 39,000 students will now benefit from Cal Grants. Even with the fee increase, the CSU will continue to have the lowest fees among its comparison public institutions across the country.

Budget Update: For planning purposes as the CSU waits for a final state budget, the university is working from the Senate and Assembly Democratic plan, which calls for a $69.5 million cut above and beyond the net $260.7 million reduction called for in the governor's January budget and the May Revise.

However, as the CSU braces for what will be the largest single reduction in the university's history, it remains...
vulnerable to even deeper cuts. CSU Chancellor Charles B. Reed told the board that only about 14 percent of the state's budget involves discretionary spending, and given that state universities account for a significant portion of that discretionary category, the CSU will be a likely target if legislators seek to make additional budget cuts.

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