

**Press Release for April 16, 2008**

**CONTACT:** Blake Ulveling, (510) 645-1362, [blake@collegecampaign.org](mailto:blake@collegecampaign.org)

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**PROPOSED BUDGET CUTS HIT HIGHER EDUCATION HARD**  
*Cumulative impact of past and present cuts imperils the state's economic future*

Sacramento, Calif. – Higher education in California would suffer a second major blow in less than six years if the state adopts the sweeping cuts proposed in this year's budget. The University of California, the California State University, and the state's Community College system have not yet recovered from cuts that stemmed from the dot.com crash earlier this decade, according to a revealing new study meant to aid lawmakers and the public as they grapple with balancing the state's budget.

“The state simply can't afford to make these cuts to higher education,” according to Michele Siqueiros, Executive Director of the Campaign for College Opportunity. “Higher education is the key to our ability to create the robust economy that would prevent the need for future budget cuts.”

If these newest proposed cuts are adopted, there will be a compounding effect over the next years as enrollment funding could force UC and CSU to halt their existing student enrollment at current levels – turning away thousands of 10<sup>th</sup> through 12<sup>th</sup> graders who have worked hard to meet requirements.

The study estimates that 27,000 students would be turned away from UC and CSU – the size of an entire campus.

For the state's Community Colleges, who have a mandate of open enrollment and already operate with lean budgets, these cuts could significantly increase class size and reduce services that support student success.

The Community College system anticipates roughly 3 percent enrollment growth each year. The budget proposed to fund on 1 percent enrollment growth, which will result in the loss of funding for the equivalent of 23,000 full-time students.

It is possible that enrollment will exceed 3 percent growth in the coming years because increases in enrollment often come when the economy slows down and because many students turned away from the UCs and CSUs will begin their education at a community college.

In real numbers, this means 100,000 fewer community college students being assessed for proper course placement, 46,000 fewer students meeting with counselors, and 43,000 fewer students in academic trouble receiving follow-up counseling to help them complete their programs.

Moreover, budget cuts like these force California's higher education institutions to rely on unpredicted hikes in student tuition and fees - stop gap budgetary measures that take students and parents by surprise. Since 1998, student fees have risen over 35%, after adjusting for inflation in the UC, CSU, and Community College systems.

News of large, unplanned fee increases can significantly disrupt families' financial plans and send a discouraging message. Moreover, students are disproportionately being asked to bear a greater share of their higher education costs.

All of these changes, according to the study, come at precisely the time when the state needs to be enrolling and graduating many more students to meet the demand for a more educated workforce.

"It is easy to look at each budget year as a snapshot," according to Siqueiros. "But if we look at state funding for our public colleges and universities over time, it paints a portrait of a state that isn't taking advantage of the opportunity to invest in our growing young adult population to meet workforce demands in the next decade, and to reap the benefits of increased revenues for our state."

From 2002 to 2005, the UC and CSU each experienced well over \$500 million (half a billion) in funding shortfalls. Community Colleges also experienced significant reductions in both General Fund and property tax revenue during this period.

In order to recover from the cuts earlier this decade, the state's higher education institutions were forced to implement measure such as cutting courses, increasing class size, and hiring lecturers rather than tenured faculty. If forced to continue due to new cuts, these measures will result in long-term impacts.

The study notes that legislators can mitigate these potentially devastating consequences by balancing the budget in a way that does not endanger higher education funding and imperil the state's future economy.

The study, titled "Cumulative Impact: How cuts to higher education and the Cal Grant program in the recent past, today, and in the near future will affect access and opportunity for California's students," estimates the likely cost of higher education in California over the next decade and explores the capacity of the General Fund to pay these costs. It uses a projection model based on the same methodology used by the Legislative Analyst's Office and sets up a set of scenarios using a "current law" baseline, the 2008-09 proposed budget, as well as looking at how budget cuts earlier this decade impact the results.

The Campaign for College Opportunity recommends:

1. The budget process should account for the long-term future and the Governor and Legislature should work together to ensure access and opportunity in higher education.
2. This is the decade we need to invest in Higher education and meet the future workforce demands.
3. The state's higher education institutions have been supplementing decreasing General Fund money with increased student fees. It is time look for other resources, besides students, to supplement this decrease in General Fund support for our colleges and universities.

Media interested in getting a copy of the Executive Summary or full Report should contact Blake Ulveling at: (510) 645-1362 or [blake@collegecampaign.org](mailto:blake@collegecampaign.org) or go to [www.collegecampaign.org/budget](http://www.collegecampaign.org/budget).

**About the Campaign for College Opportunity:** The Campaign for College Opportunity is a broad-based, bipartisan coalition, including business, education and labor leaders, and is dedicated to ensuring the next generation of Californians has the opportunity to go to college. For more information, visit: [www.collegecampaign.org](http://www.collegecampaign.org).

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**WHO:** **Charles Reed**, *Chancellor of the California State University (CSU) system*

**Diane Woodruff**, *Chancellor of the California Community College system*

**Wyatt R. Hume**, *Provost and Executive Vice President for Academic and Health Affairs for the University of California (UC) system*

**Michele Siqueiros**, *Executive Director, Campaign for College Opportunity*

**Tim Gage**, *Former Director, California Department of Finance & Report Author, Blue Sky Consulting Group*

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