

SF State

Budget Update

2011-12 and 2012-13

Budget Administration and Operations
Administration and Finance
January 2012



Governor's Trigger Cut

- On December 13, 2011, the Trigger further reduced state support funding for the CSU by \$100 million for the 2011-12 fiscal year.
- On top of a \$650 million reduction at the beginning of the fiscal year, the *total cut* to CSU in 2011-12 is \$750 million or representing a 27% percent year-to-year reduction in state support funding.
- State support funding to the CSU is now about \$2 billion.



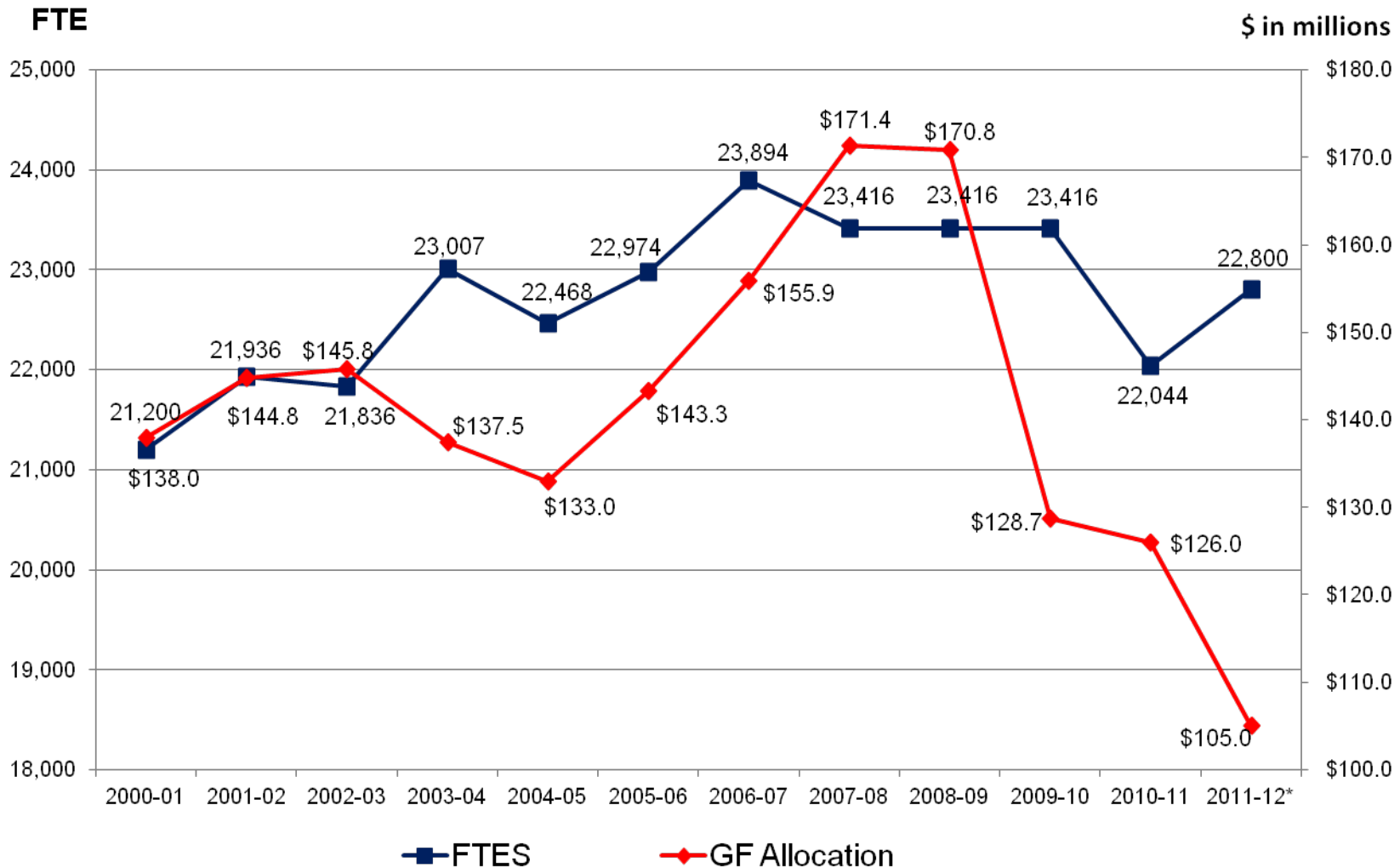
Governor's Budget Impact

GOVERNOR'S CUT TO CSU	IMPACT TO SF STATE
\$650 MILLION REDUCTION IN 2011-12	\$40.7 MILLION REDUCTION
\$100 MILLION TRIGGER REDUCTION IN 2011-12	\$6.8 MILLION REDUCTION



SF State

General Fund Allocation well below 2000-01 levels

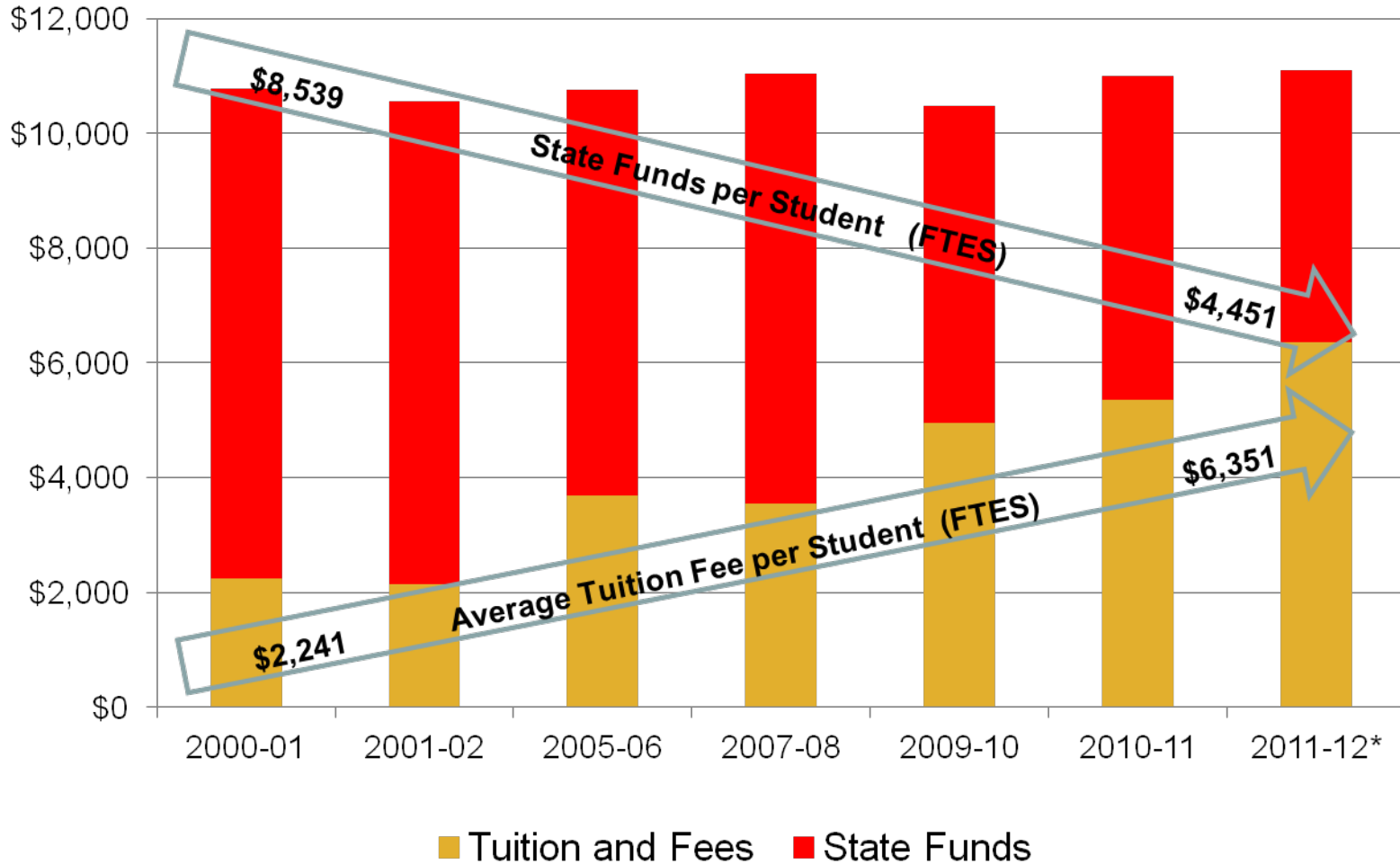


* Includes "Trigger Cut" of \$6.8M



SF State

Declining State Support Forces More Reliance on Student Fees (in 2011 Constant Dollars)

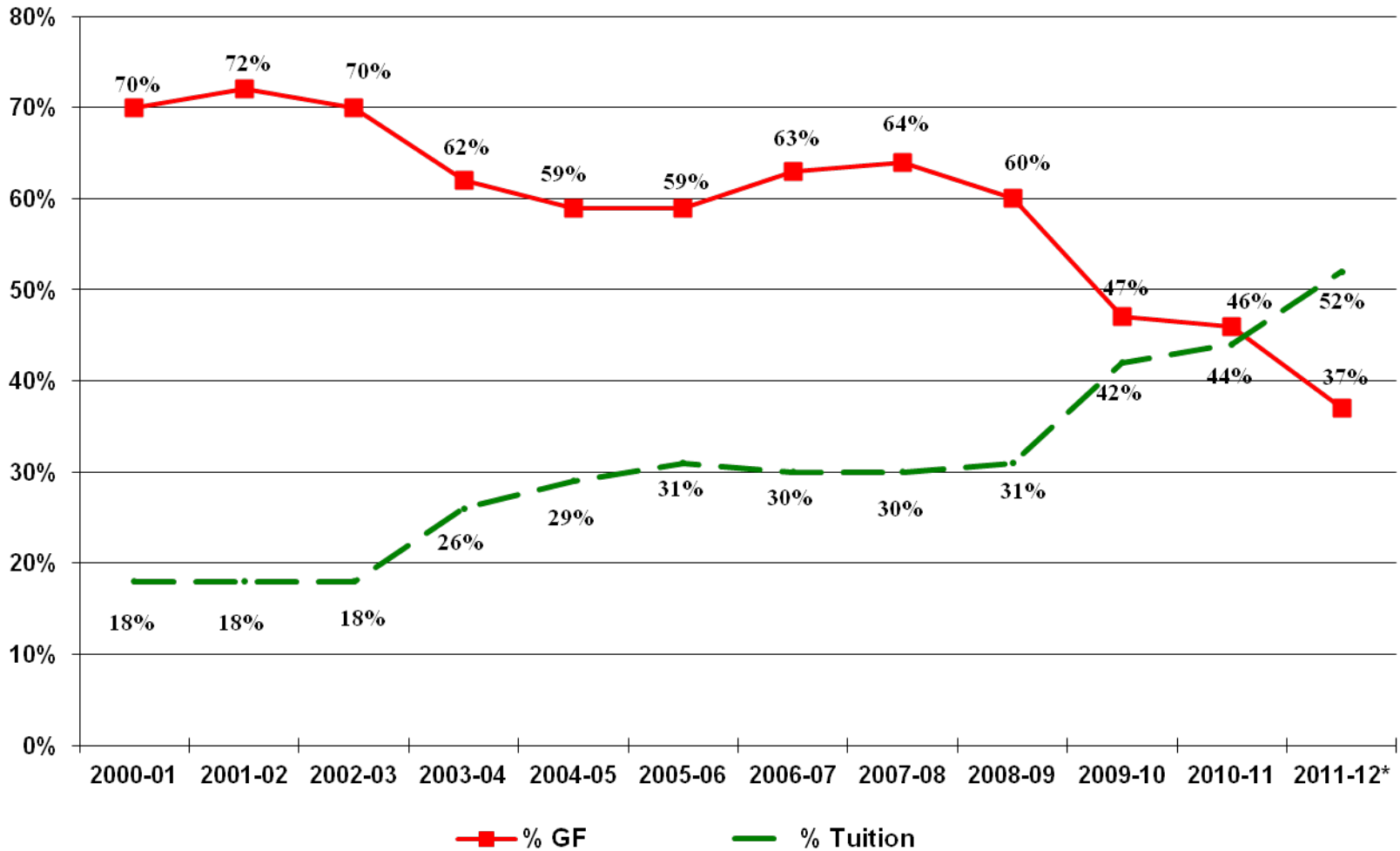


* Includes "Trigger Cut" of \$6.8M



SF State

State Appropriation & Tuition Fee as a percent of Operating Budget



* Includes "Trigger Cut" of \$6.8M



Governor's Proposed 2012-13 State Budget

- State faces a \$9.2 billion budget problem
 - projected \$4.1 billion from FY11/12, plus \$5.1 billion for FY12/13
- Budget solutions include \$10.3 billion in expenditure cuts and revenues, with a \$1.1 billion reserve
 - projected \$4.2 billion in Expenditure Cuts, plus \$6.1 billion in Revenues
- Temporary Tax Initiative
 - budget assumes the passage of the Governor's November 2012 tax ballot initiative; expected to generate \$7 billion, the general fund to benefit by \$4.4 billion (Note: On 1/10/12, the Legislative Analyst Office issued their opinion and indicated that the Governor's tax proposal would only generate \$4.8 billion)
 - if it does not pass, Governor proposes \$5.4 billion "Ballot Trigger Reductions", to take effect January 2013
- Uncertainty and Significant Risks Remain
 - <http://www.ebudget.ca.gov/pdf/BudgetSummary/FullBudgetSummary.pdf>



Governor's Proposed 2012-13 CSU Budget

- Flat budget and NO change, \$2.0 billion funding
 - same budget as 2011-12, after Trigger Cut of \$100M
 - no cuts to the CSU at this time
- Governor's proposal refers to a long-term plan for Higher Education and refers to *Fiscal Incentives* to improve management of costs
- Ballot Trigger Reduction: CSU budget dependent on the positive outcome of the Governor's November 2012 Tax Ballot Initiative
 - if tax ballot **DOES NOT** pass, the CSU will take a **mid-year reduction of \$200 million**

Governor's Proposed 2012-13 Budget Impact to SF State

- If the Governor's November 2012 Tax Ballot Initiative does not pass, state support funding will be reduced significantly. Estimated* financial impact:

GOVERNOR'S CUT TO CSU	IMPACT TO SF STATE
PROPOSED \$200 MILLION TRIGGER REDUCTION IN 2012-13	\$14 MILLION REDUCTION*

