

Ongoing Budget Crisis – A Primer

Background

State funding for the 2009-2010 Academic Year resulted in a \$584 million dollar deficit for the CSU. These cuts and mandatory cost increases created a deficit for San Francisco State of approximately \$47 million. The deficit was managed this year through three primary vehicles: 1) Student Fee Increases provided approximately \$18 million; 2) Furloughs of nearly all employees provided approximately \$17.7 million; and 3) we made reductions across the university including offering 339 fewer course sections this fall than last.

Additionally, the Chancellor cancelled admissions for the Spring 2010 semester and directed the campus to reduce enrollment by 10.8% for the Fall of 2010. While these actions will help ease classroom overcrowding and excess student demand, they will result in a loss of student fee revenue totaling approximately \$12 million.

Next year's State Budget does not look promising. State revenue is lagging behind predictions, and while there are some reasons for economic optimism, no one is predicting that the State's revenues will increase significantly in the short term.

If we assume that furloughs will not be approved for another year, that the Chancellor's enrollment directives remain firm, and that there is no significant augmentation to our general fund allocation from the State, San Francisco State still faces a deficit for 2010-2011 of approximately \$30-\$35 million.

Implications

Since the majority of our budget is spent on salary, benefits and other non-discretionary costs, under the worst case scenario we could face the necessity of layoffs. While we all hope that layoffs will be avoidable, it is prudent for us to confront these problems directly. Given the profound impact that layoffs could have on our curriculum and our academic programs (not to mention the direct personal impact on those being laid off), it is essential that we use the months ahead to consider the best ways to absorb the budget shortfall.

There are numerous conversations beginning around the campus to this end. President Corrigan, Provost Rosser, and the Academic Senate Executive Committee have had discussions about forming a *university planning group*; the Academic Affairs Council has formed a group to begin collecting data relevant to planning within Academic Affairs; the Academic Executive Committee has been considering an array of strategies to facilitate appropriate planning and to ensure that we fulfill our obligations to shared governance. I know that similar conversations are happening within colleges and within departments as well.

My hope is that Tuesday's Town Hall meeting can begin a collegial and productive dialogue so that the difficult decisions ahead can be informed by the collective wisdom of our campus community.

Shawn Whalen

Academic Senate, Chair