

California universities and public schools face massive budget cuts

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15 January 2003

Nearly 600,000 students are immediately confronting 10-15 percent fee increases at all University of California (UC) and California State University (Cal State) campuses as they return from winter break. The unprecedented midyear action came as the result of emergency meetings held last month by higher education officials responding to Governor Gray Davis's initial announcements about the state's projected \$34.8 billion deficit over the next 18 months.

Just how big is the state's deficit? As Herb Wesson, speaker of the State Assembly, remarked, "That's a hole so deep and so vast that even if we fired every single person on the state payroll—every park ranger, every college professor and every Highway Patrol officer—we would still be more than \$6 billion short."

The increases took effect January 3, 2003 at all Cal State University campuses and UC Berkeley, which is on semester system. Fees will go up at all other UC campuses, which operate on a quarterly system, in March 2003. The last time fees were raised was in 1994.

On December 6, Governor Davis issued proposals for midyear revisions to the 2002-03 state budget to coincide with the opening of a Special Session that he called to address the fiscal crisis. Twelve days later Davis adjusted his shortfall estimate to almost \$35 billion, almost 45 percent of the total level of \$77 billion in the General Fund spending on all programs approved in the 2002-03 Budget Act. He then proposed an emergency \$1.734 billion midyear spending reduction in Proposition 98 programs, affecting education.

If California were a country, it would be the fifth-largest economy in the world, surpassing France and Italy. Included among its 35 million residents, making it the most populous state, are some of the nation's richest and poorest. During the dot.com boom, the number of overnight millionaires and multimillionaires exploded. As a result, the state also grew suddenly wealthier from corporate taxes and revenues from employee stock options from all the high-tech companies based in Silicon Valley and the greater San Francisco area.

Over the recent period, several new campuses were built by Cal State and UC; new public schools went up; class sizes were reduced; teacher pay increased; public health facilities expanded; new roads were approved; and about 40,000 public service employees were added to the state payroll.

However, with the convergence now of a collapsing stock market, the energy crisis and the high-tech bubble bursting, state revenues from capital gains and stock option taxes fell over the past two years from \$17 billion to \$5 billion, accounting for roughly half of the current deficit. But deficit spending is prohibited under the state's constitution.

During her address to the State Assembly, legislative analyst Elizabeth Hill said the problem goes beyond the immediate deficit of

the next year and a half. A recent report says the state faces deficits of between \$12 billion and \$15 billion annually for at least the next five years. Hill called the governor's cuts "credible" but also noted that they contain "virtually no meaningful reductions" in law enforcement, including prisons.

California used to be the national model for accessibility and affordability to higher education for working class and middle class students. But today—with soaring enrollment, impacted classes and now substantially higher fees—a college diploma is becoming out of reach for hundreds of thousands of young people.

On December 16, the board of California State University—the nation's largest public university system, dubbed "the people's university"—voted to raise fees. Protesting students outside the meeting where the decision was made held up signs reading, "Adding fees is not the answer" and "CSU students are the working class of California."

The state universities are mandated to admit the top third of all high school graduates. Its more prestigious counterpart, the UC, is required by the state to accept the top 12 percent. The Policy Analysis for California Education, a Stanford-based education policy research group, projects an additional 100,000 students will enter the CSU by 2010, while the UC faces a 40 percent jump in students by the end of the decade.

CSU Chancellor Charles Reed said the system faces losing \$60 million from its annual \$3 billion budget and may be forced to consider salary reductions, hiring freezes, layoffs and even more fee increases. This year enrollment hit a record 406,896 students at its 23 campuses. For state residents, the increase raises fees \$72 per semester for undergraduates, from \$1,428 to \$1,572 per year, and for graduate students, from \$1,506 to \$1,734 per year.

University of California will increase its fees by \$135 for its 180,000 students. That amounts to an 11.2 percent annual increase for undergraduates and 11.8 percent for graduates. Graduate students will be charged even more—from \$150 to \$400 a quarter—in addition to the system-wide increase. These fees affect students in a range of professional programs, including business, law, veterinary medicine, optometry, pharmacy and nursing.

"This year is a problem, but next year could be a catastrophe," CSU Chancellor Charles Reed told the *San Jose Mercury News*. To help the neediest students stay in school, both systems will put one-third of the money raised by fee increases directly into university financial aid. The state-funded scholarship program, Cal Grants, is expected to cover fee increases for needy students receiving those grants.

California's community college system of two-year public institutions is composed of 108 colleges statewide and serves more

than 2.9 million students, representing the largest system of higher education in the world. Because tuition and fees are inexpensive, hundreds of thousands of working class students go to community colleges and later transfer to the CSU and UC systems.

Governor Davis's December 6 proposal for midyear cuts included \$215 million from the state's community colleges. He proposed a 3.66 percent across-the-board reduction to all line items in the Budget Act, including general apportionments affecting K-12 and community colleges. These total \$97,457,000. Additional loss of resources for general purposes would occur due to an estimated shortfall in property tax revenues of \$37 million, for which there will be no "backfill" from state funds.

Finally, Davis proposed cutting general apportionments by \$80 million for what the Department of Finance calls "estimated non-compliant credit instruction claimed in 2001-02 by community college districts for concurrently enrolled K-12 students." In other words, city college classes enrolling public school students, usually high school level, will not receive funding.

Although City College Chancellor Nussbaum has decided not to immediately follow the CSU and UC plan to hike fees, emergency committees have been set up to prepare for future cuts by Governor Davis in his full spending plan for the 2003-04 fiscal year. All campus administrators have been instructed to identify areas that will have to be cut.

When all other cuts are included, a total of \$1.9 billion could be slashed from public schools and colleges just this school year—or about \$300 per student.

All of this money is taken from the minimum-funding base guaranteed by Proposition 98, which sets formulas to calculate this amount. Education accounts for about half of the budgetary general fund, where the most painful cuts will be. Other cuts would affect programs including principal training, high-risk youth projects, college preparation tests, dropout prevention and education technology.

Compounding the impact of the dot.com collapse, the state's financial structure was significantly altered by an event 25 years ago: the anti-tax movement that saw the passage of Proposition 13, a ballot measure that permanently capped property taxes.

The long-term effect of the measure has been the continuous erosion of what was once one of the country's model educational systems as well as the destruction of social programs. The disparity between rich and poor schools has widened. The state has been relying on income tax for most of its revenue: in 1970, it was 18.5 percent; today, it is 50 percent.

California's schools, which now rank 38th in the nation in per capita spending, will be utterly devastated. There are six million public school pupils and 268,000 teachers, represented by the California Teachers Association, throughout the state.

Under-resourced inner-city areas like South Central LA will feel the biggest impact. According to independent.co.uk, even schools in wealthier middle class areas have been asked to lay off 25 percent of their teaching staff, as well as janitors, gardeners, nursing staff and counselors. There is also talk of firing up to 35,000 teachers.

Becky Zogelman, a spokeswoman for the California Teachers Association, told the *Sacramento Bee*, "These cuts are going to directly impact students in every classroom in California. It will be devastating, and coming midyear, it's going to be impossible for schools to do."

Asked if schools, community colleges and universities might reopen

negotiations with employee unions to reduce salaries, Education Secretary Kerry Mazzoni said she "wouldn't rule it out." She said, "The Governor has indicated everything is on the table."

Officials say that class size reduction (CSR), which limits K-3rd grade classrooms to 20 students, could be the next victim of the budget crisis. The *Desert Sun* spoke to the superintendent of Palm Springs Unified School District William Diedrich, who said, "It's unpopular, but class-size reduction is something that has to be on the table." His district could face cutting as much as \$5 million. The last time there was a budget crunch, cuts were made in supplies, maintenance, secretarial time and after-school programs. "Since 85 percent of our budget is people, we know it's going to be in that area."

Delaine Eastin, the state Superintendent of Education, said, "You'll see class sizes move up. You'll see a shortage of materials. You'll see an absence of after-school programs.... They won't be buying any more library books. They won't be buying textbooks, and they'll either discontinue busing or charge parents for busing."

Already, the Long Beach and Pasadena school districts have imposed a freeze on hiring new teachers. Projected current-year cuts in Long Beach of \$28 million will coincide with contract negotiations for the district's 4,000 teachers. The district is calling for \$4 million in cuts in medical benefits and a mandatory weekly one-hour tutoring session without compensation.

Irvine World News reported that at a recent meeting of the Irvine school board Superintendent Dean Waldfogel characterized the proposed state cuts as "stunning in scope and magnitude" and a "fiscal calamity" for the district. About \$4.3 million will have to be cut between now and July from the district's \$173.4 million budget. That \$4.3 million is equivalent to 100 annual salaries of \$43,000 each, about one-fifth of all classified salaries for the year and equals the cost of about half of all books and supplies for the year.

Vacant nonessential staff positions will not be filled; stipends and consultant expenditures will cease; travel at district expense and equipment purchases will be postponed or cancelled; staff overtime will cease; and every purchase and expenditure will be scrutinized.



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