RE: California State University Transfers from Continuing Education

Provision 11 of Item 6610-001-0001 of the 2012 Budget Act, as amended by AB 1477 (Chapter 630, Statutes of 2012), authorizes the Chancellor of the California State University (CSU) to transfer such balances as he deems necessary from CSU continuing education programs to the CSU Trust Fund in order to mitigate impacts to state-supported instructional programs that would result from reductions in tuition fee revenues during the 2012-13 fiscal year. The budget act language requires a report to the Joint Legislative Budget Committee and the Department of Finance within ten days of the transfer of funds.

At its meeting of September 18-19, 2012, the CSU Board of Trustees rescinded tuition fee increases that had been implemented for the 2012-13 academic year, contingent on voter approval of Proposition 30, pursuant to legislative intent contained in AB 1502 (Chapter 31, Statutes of 2012). With the recent approval of Proposition 30, the rescission of the tuition fee increases is in effect, and appropriate refunds and credits are being processed for students.
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We estimate that these actions will reduce CSU revenues by almost $132 million in the 2012-13 fiscal year. In order to help mitigate the impact of this one-time revenue loss, the chancellor has authorized a total of $63,212,000 to be transferred from campus continuing education funds to the respective campus accounts of the Trust Fund. These transfers were completed on November 11th.

The AB 1477 language requires a final report by June 30, 2013, on the use of the transferred funds and any impacts on continuing education programs and fees. Should you have any questions about this report please contact Robert Turnage, Assistant Vice Chancellor for Budget, at (916) 449-3542.

Sincerely,

Benjamin F. Quillian
Executive Vice Chancellor and
Chief Financial Officer

BFQ: RT

c: Members, Joint Legislative Budget Committee
Charles B. Reed, CSU Chancellor
Ephraim Smith, Executive Vice Chancellor and Chief Academic Officer
Garrett Ashley, Vice Chancellor, University Relations and Advancement
Karen Y. Zamarripa, Assistant Vice Chancellor, Advocacy and State Relations
Robert Turnage, Assistant Vice Chancellor for Budget