

California State Budget CSU Support Budget

Robert Turnage, AVC for Budget
January 26, 2010
Board of Trustees

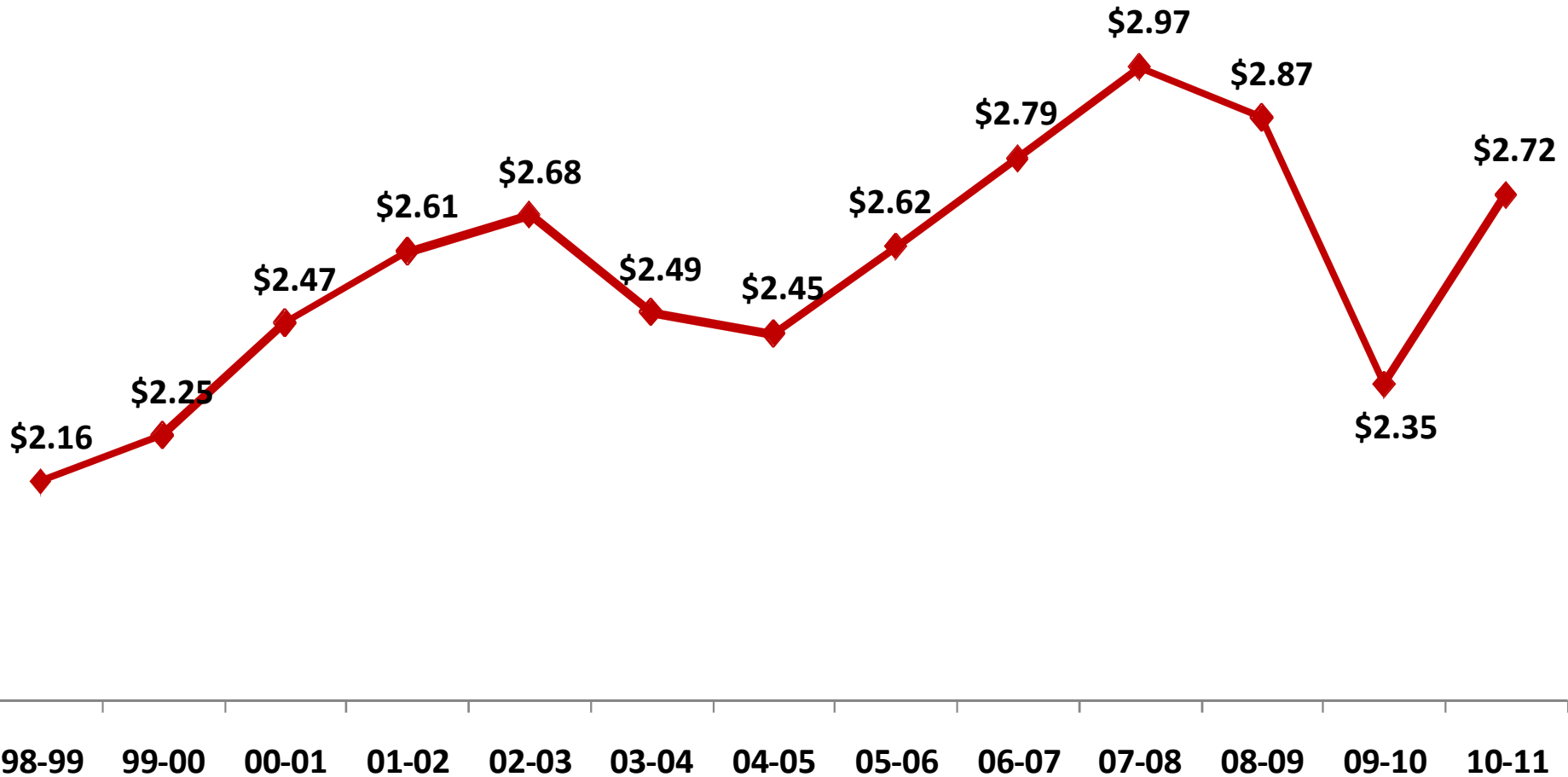
State Faces New Budget Gap

- Governor's Budget addresses \$19.9 billion gap.
 - \$8.5 billion spending cuts.
 - \$6.9 billion new federal funds.
 - \$4.5 billion “alternative funding,” fund shifts and other revenues.
- Fiscal environment extremely challenging
 - Easy choices are gone; most one-time tricks exhausted.

Governor Gives Strong Priority to Higher Education

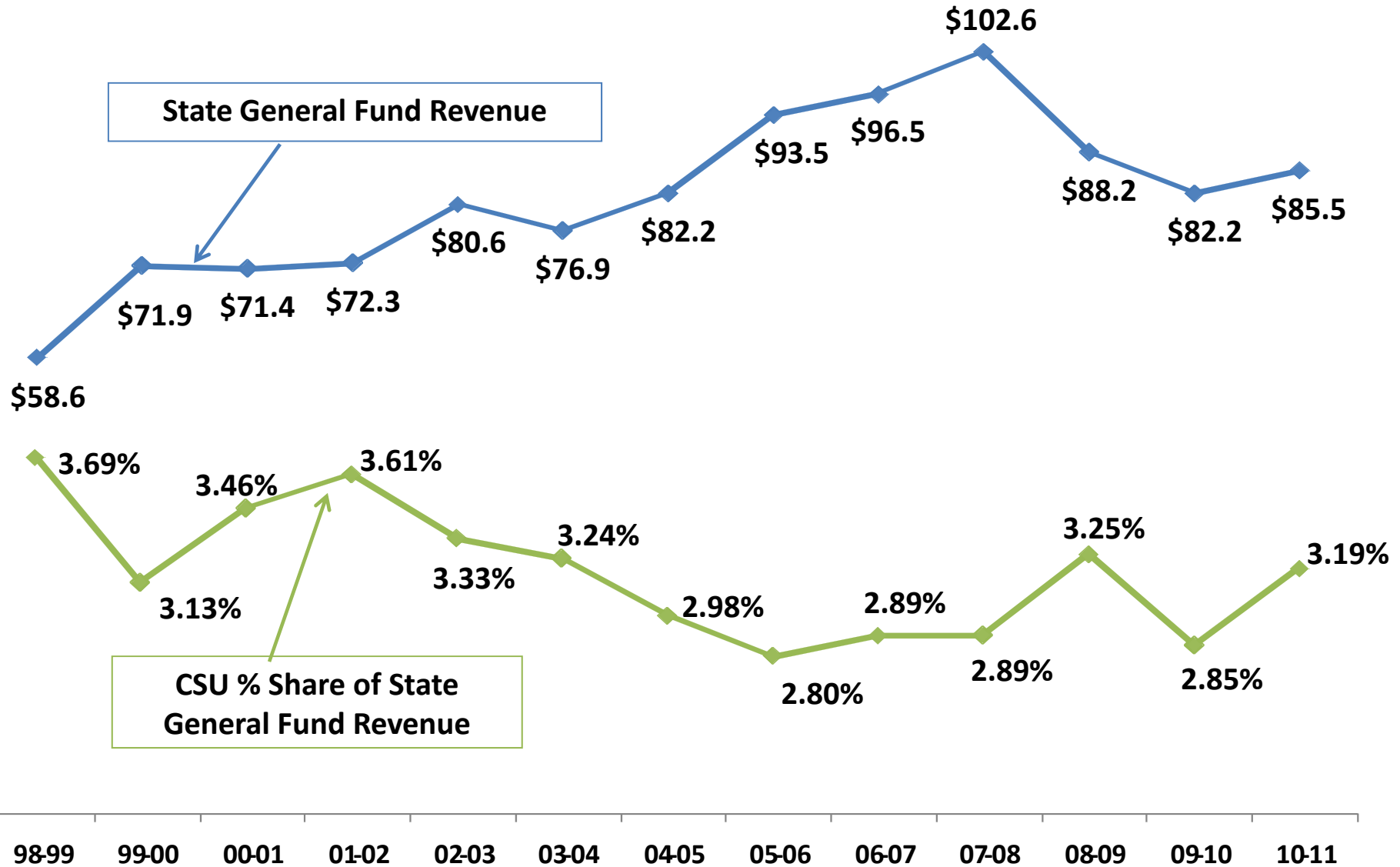
- Despite fiscal challenges, Governor proposes major restoration to the CSU. Total General Fund increase of \$377 million.
 - \$305 million to restore one-time 2009-10 cuts.
 - \$60.6 million for 2.5% enrollment growth (contingent on federal trigger).
 - \$11.9 million for technical adjustments.

CSU General Fund Allocation In Billions



2008-09 and 2009-10 amounts do not include \$717.5 million “retroactive” cut to 2008-09 appropriation, since this is offset by one-time federal funds.

State General Fund Revenue and CSU Percentage Share In Billions



Triggered Cuts if Federal Funds Fall Short

- If federal funds fall short, budget proposes list of \$4.6 billion of “triggered” cuts, including:
 - CSU and UC enrollment growth.
 - Elimination of state’s welfare program--CalWORKS.
 - Elimination of In-home Supportive Services (IHSS) program providing in-home care to 430,000 low-income elderly and disabled Californians.
 - Elimination of Healthy Families program providing health insurance for 900,000 low-income children.

LAO: Governor's Plan Falls Below Federal K-12 MOE Level in 2010-11

Comparing Funding to Federally Required Maintenance-of-Effort (MOE) Level				
<i>(Dollars in Millions)</i>				
	MOE Level: 2005-06	2008-09	2009-10	2010-11
K-12 Education				
Proposition 98 General Fund	\$32,961	\$30,260	\$30,844	\$32,023
Settle-up	7	1,101	—	—
Quality Education Investment (QEIA)	—	402	250	152
Deferrals	—	2,904	1,679	—
K-12 Totals	\$32,968	\$34,667	\$32,773	\$32,175
Average Daily Attendance (ADA)	5,965,268	5,957,111	5,921,510	5,927,728
Total Per ADA (In Dollars)	\$5,527	\$5,819	\$5,535	\$5,428
Amount Above/Below MOE	—	\$1,744	\$47	-\$585
Institutions of Higher Education (IHEs)				
UC General Fund	\$2,839	\$2,451	\$2,596	\$3,019
CSU General Fund	2,596	2,186	2,350	2,723
Subtotals—UC/CSU	(\$5,435)	(\$4,636)	(\$4,946)	(\$5,742)
CCC	\$3,422	\$4,306	\$3,915	\$3,999
Proposition 98 General Fund	3,422	3,918	3,721	3,981
QEIA	—	48	30	18
Deferrals	—	340	163	—
Subtotals—CCC	(\$3,422)	(\$4,306)	(\$3,915)	(\$3,999)
IHE Totals	\$8,857	\$8,942	\$8,861	\$9,741
Amount Above MOE	—	\$85	\$4	\$885

*From the "Overview of the Education Budget" by the Legislative Analyst's Office (LAO) 1/19/10

Budget Gives CSU Great Starting Point

- The Governor's proposal gives the CSU a great starting point in January.
- Overall budget context, however, presents real challenges for securing ultimate legislative approval.
- Budget season will be long and filled with contingency.
- Advocacy for the CSU and higher education will need to be sustained and focused.