

Board of Trustees

Presentation to the Board of Trustees

Committee on Finance
2005/06 Budget

March 15, 2005



Board of Trustees

Maintaining CSU's High Quality of Instruction

Recent CSU Budget History



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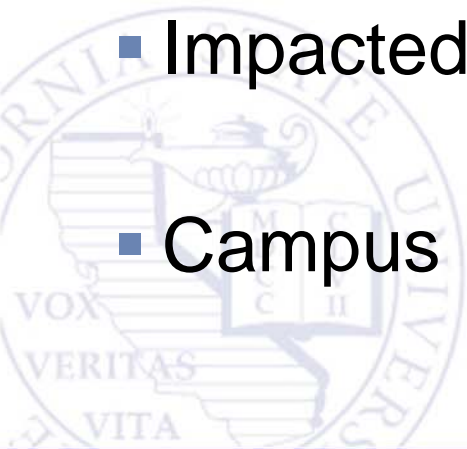
CSU Budget Adjustments, Fiscal Years 2002 - 2005

	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>	<u>3 Year Total</u>
General Funds Budget Reduction	(102.60)	(373.70)	(178.10)	(654.40)
Fee Revenue Offset	20.00	167.00	101.50	288.50
Unfunded Mandatory Cost	(22.80)	(78.60)	(57.50)	(158.90)
Net Fiscal Impact	(105.40)	(285.30)	(134.10)	(524.80)
Retirement Costs	68.10	155.10	44.40	267.60

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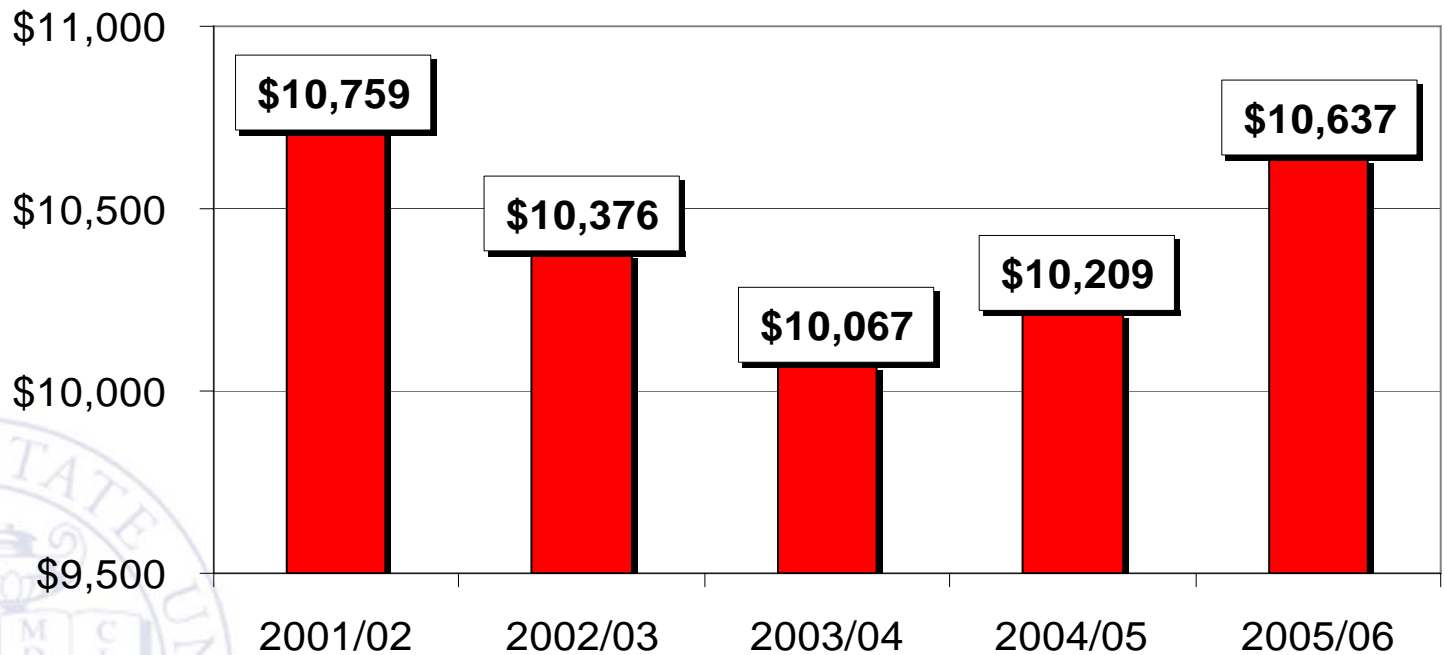
Managing Enrollment

- California Community College Transfers
- Regional Student Admission Priority
- Impacted Campuses
- Campus Dual Admission



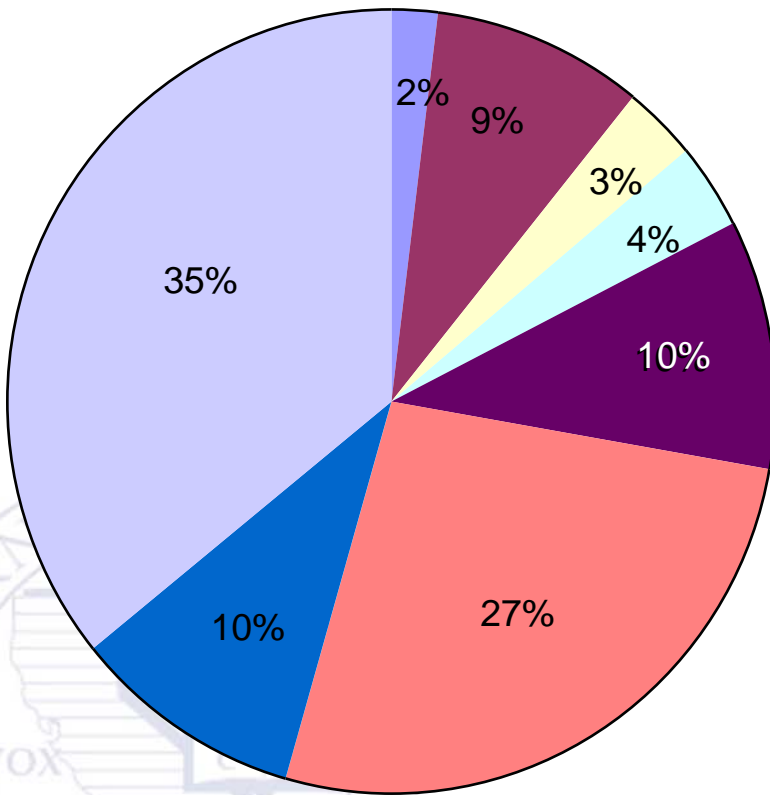
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State General Fund and Fees Per FTES



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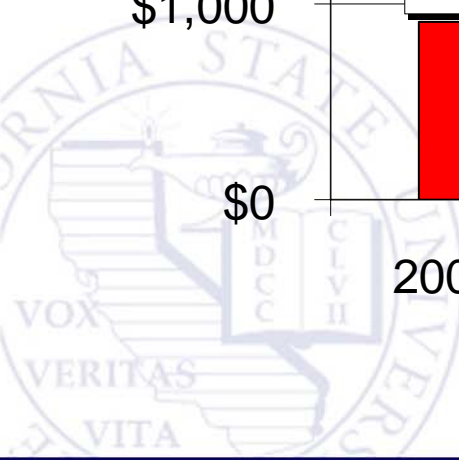
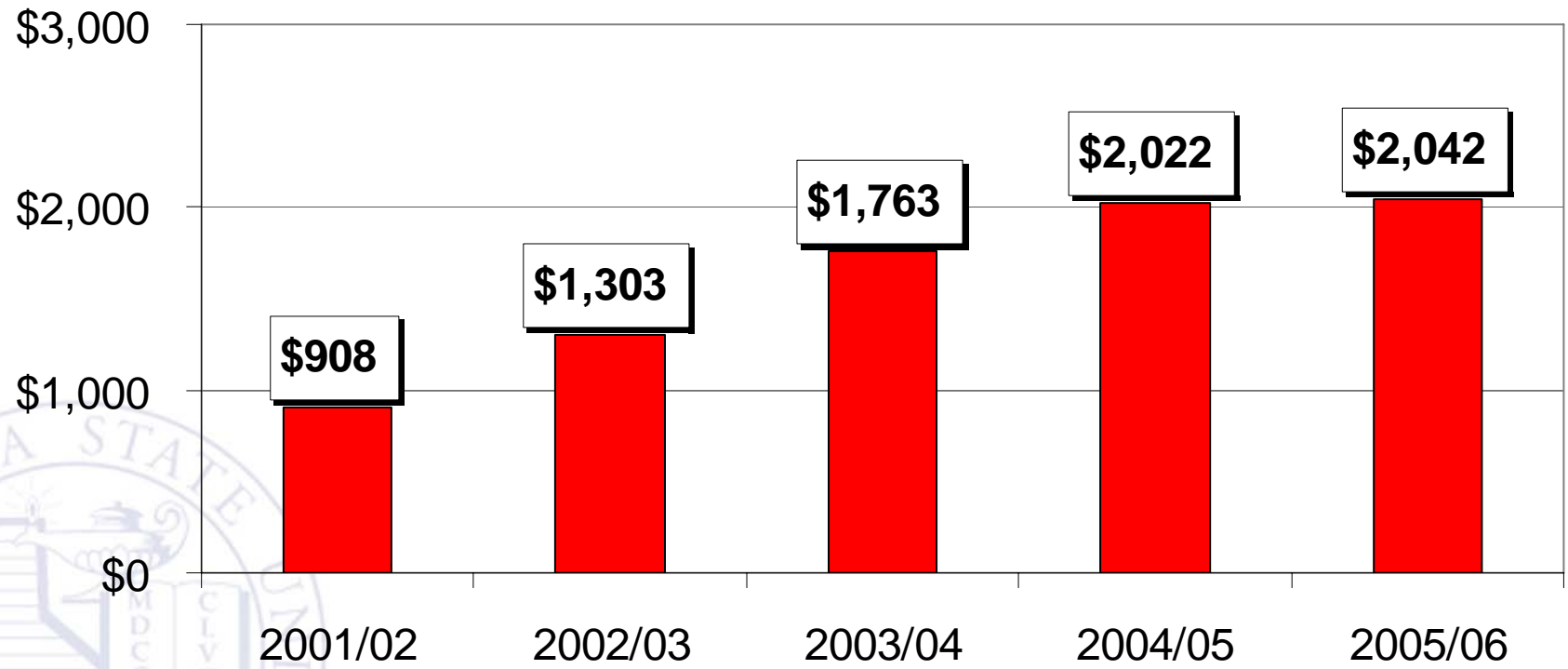
CSU Funding Deficiencies



New Space	2%	\$18,741,000
Libraries	9%	\$91,520,000
Instructional Equipment (Amortized)	3%	\$31,045,743
Deferred Maintenance (Amortized)	4%	\$38,080,503
Price Increase	10%	\$103,500,000
Faculty & Staff Compensation	27%	\$273,575,000
Health Benefits/Other Mandatory Costs	10%	\$98,845,000
Net CSU 3-Year Budget Loss	35%	\$365,400,000
Total		\$1,020,707,246

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Deficiency Funding per FTES



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Rebuilding the Budget

2005-06 Governor's Budget



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Proposed 2005-06 CSU Budget

■ State General Fund	\$110.5 M
■ CSU Fee Revenue	<u>\$101.2 M</u>
2005-06 Budget Augmentation	\$211.7 M



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Proposed 2005-06 CSU Budget

- **Enrollment (2.5% - 8,103 FTES)** **\$63.7M**
Funds enrollment at 2.5% above the 2004-05 level
- **Student Financial Aid** **\$23.3M**
Funds CSU's neediest students, adds 2,700 more State University Grants
- **Mandatory Costs** **\$40.7M**
Health & dental rate increases, new space, and insurance & energy cost increases

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Proposed 2005-06 CSU Budget

■ Compensation Pool \$88.1M

First step to fund CSU salary lag

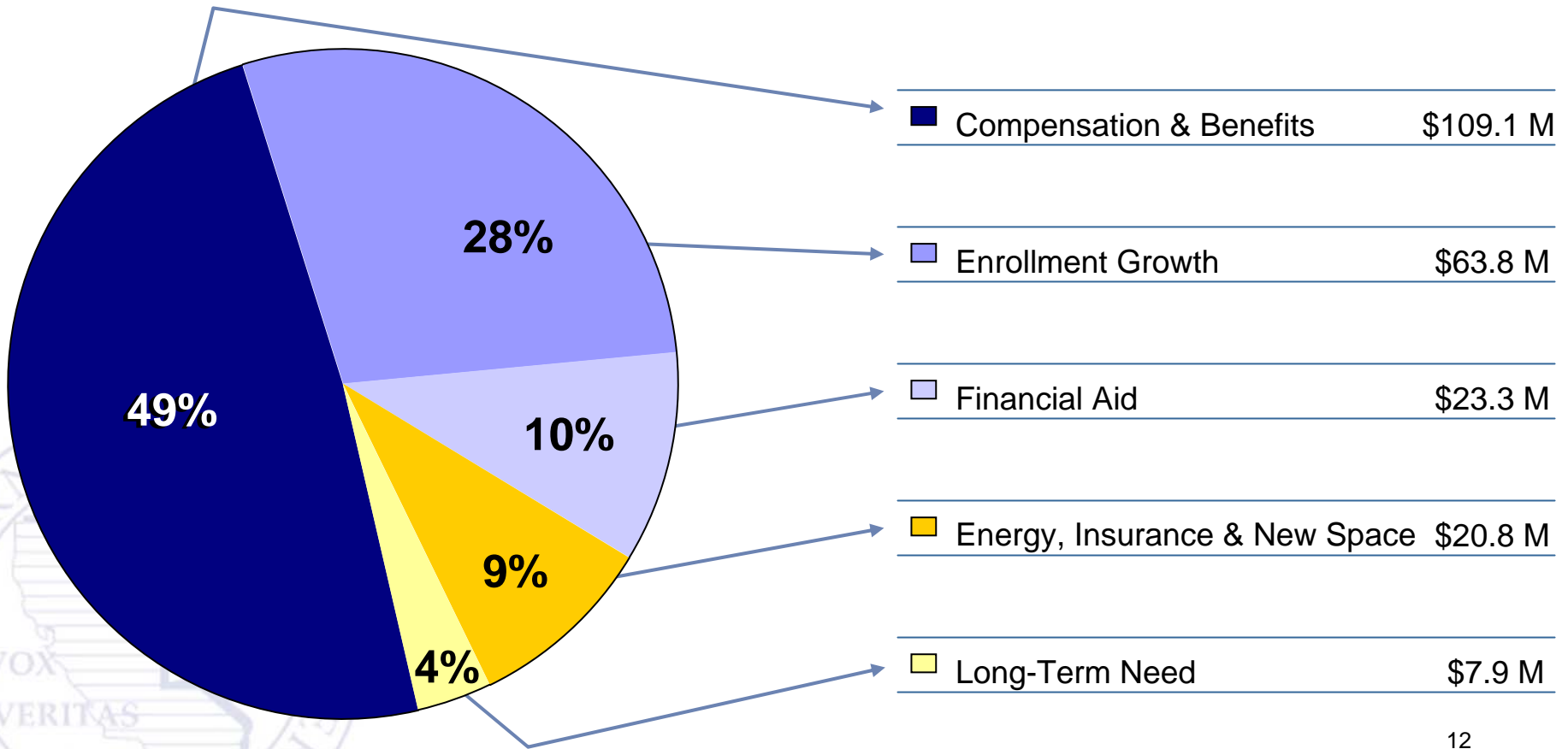
<i>Fiscal Year</i>	<i>Faculty Comp Increase</i>	<i>Non-Faculty Comp Increase</i>
2001/02	3.18%	2%
2002/03	2.97%	1.68%
2003/04	0.80%	0%
2004/05	0%	0%
2005/06	3.50%	3.50%

■ Long-Term Needs \$ 7.9M

Funding for technology, libraries, and scheduled maintenance

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Distribution of Funds



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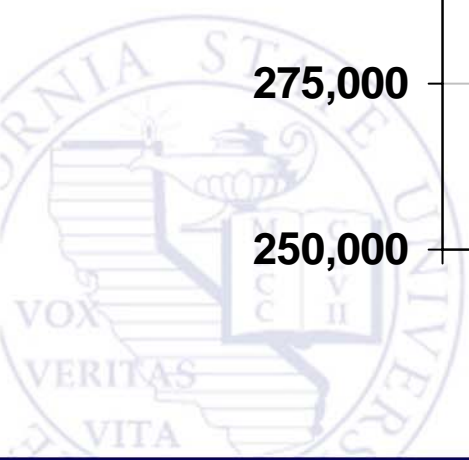
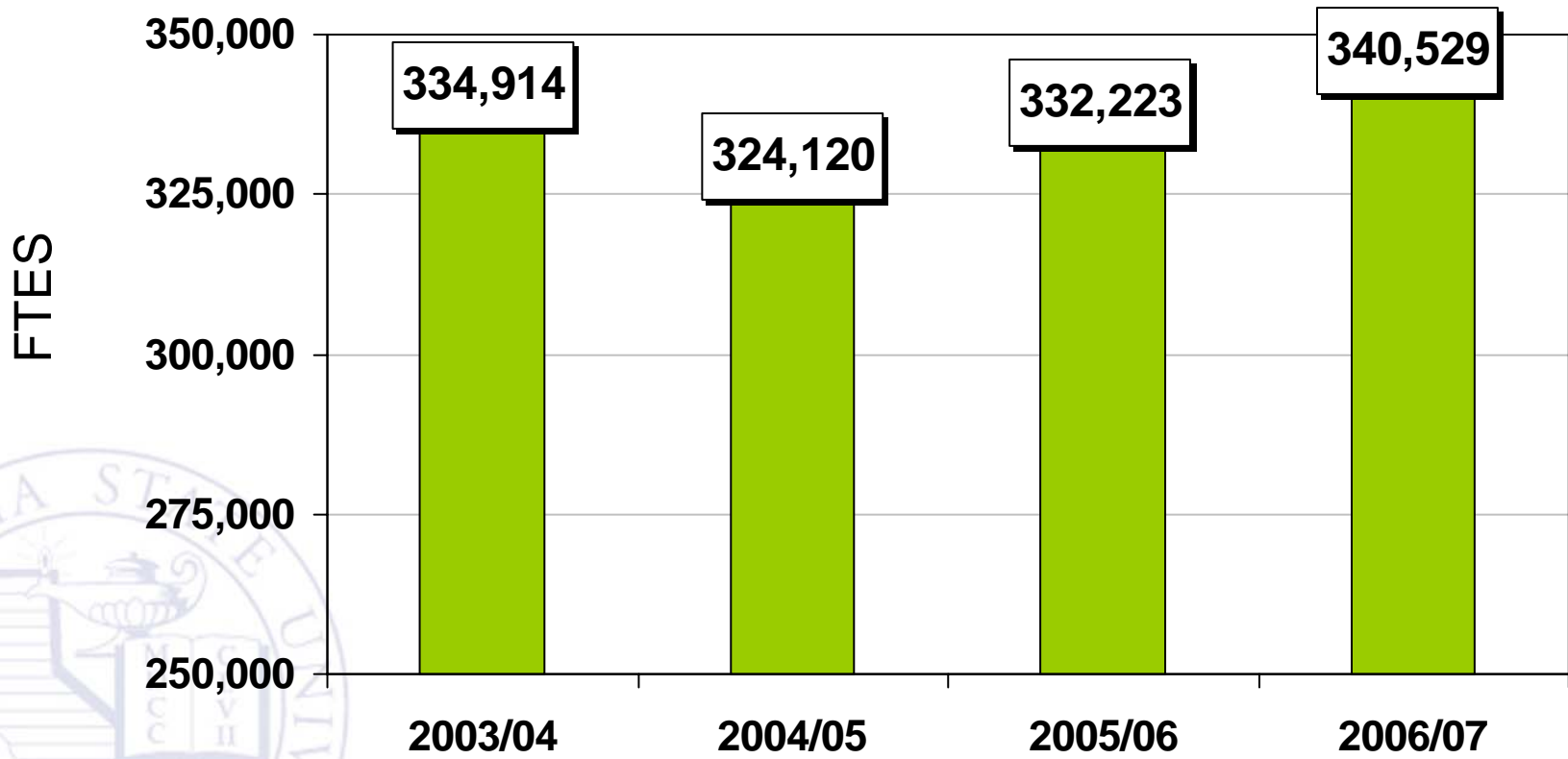
Governor's 2005-06 Budget

Improving CSU Funding and Student Access



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Student Access



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Educational Opportunity Program (EOP) Early Assessment Program (EAP)

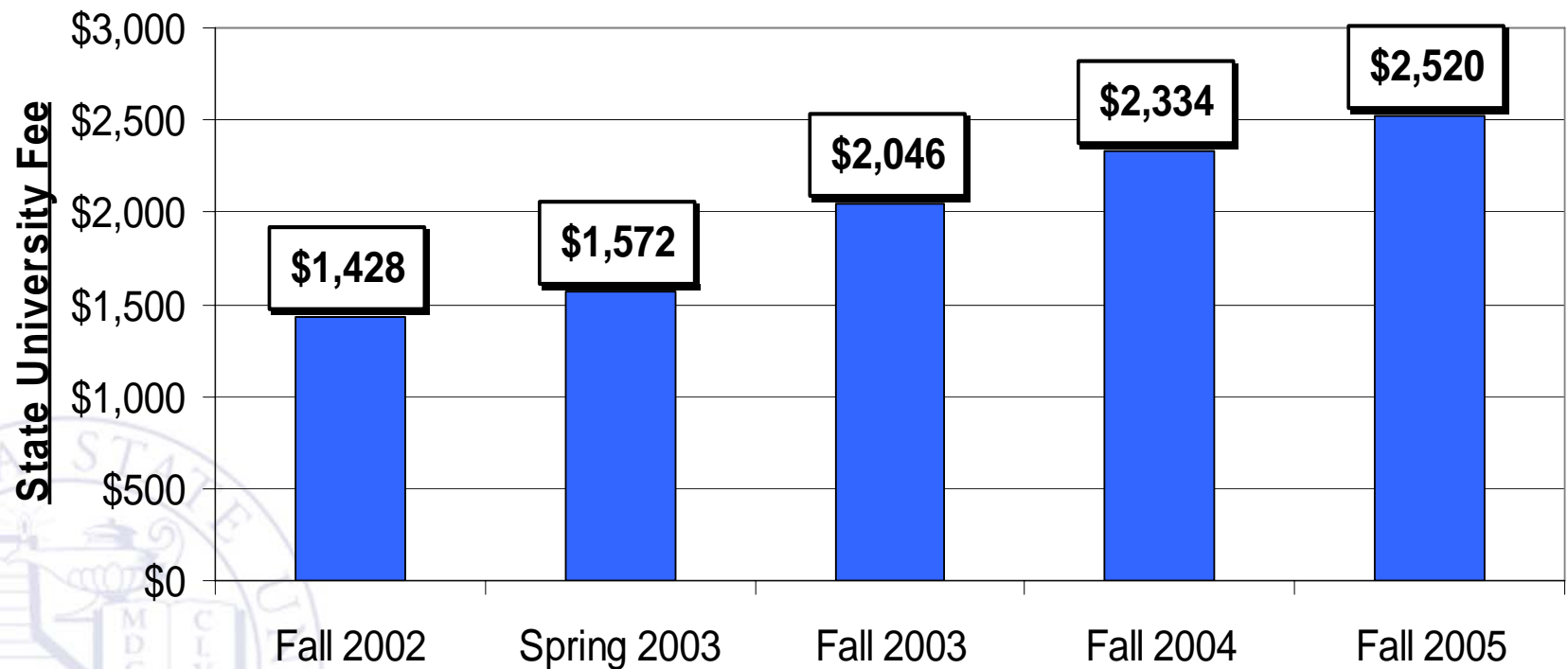
- \$7.0 million - Unallocated Reduction
- Fully Fund EOP and EAP Programs
- Access for Underrepresented Students

Percent of Eligible HS Graduates by Race/Ethnicity (2003)

	<u>Percent Eligible</u>	Percent of CSU 1st Time <u>Freshmen</u>
African American	4.7%	7.5%
Asian/Pacific Islanders/Filipino	24.2%	15.8%
Latino	19.1%	27.8%
Native American	0.6%	0.8%
White	51.4%	42.1%

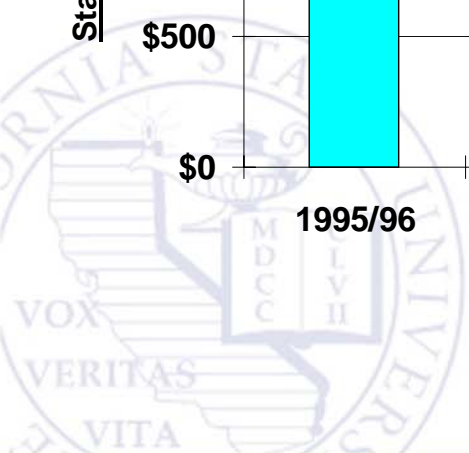
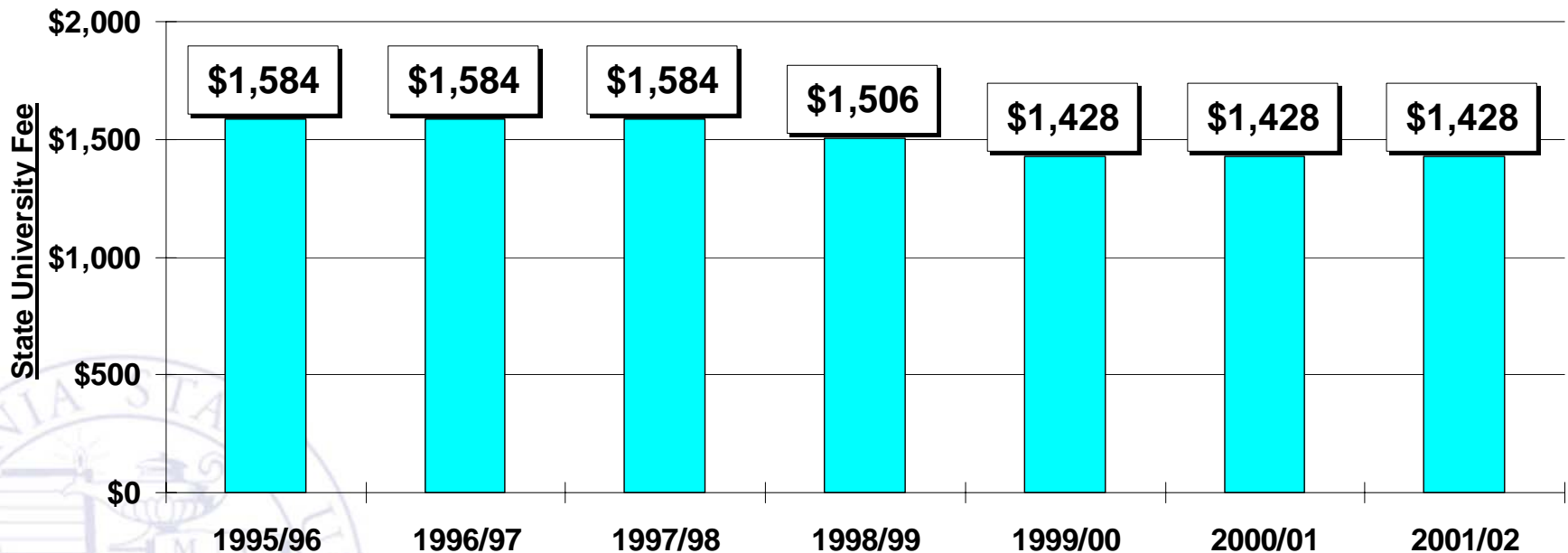
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CSU Student Fee History



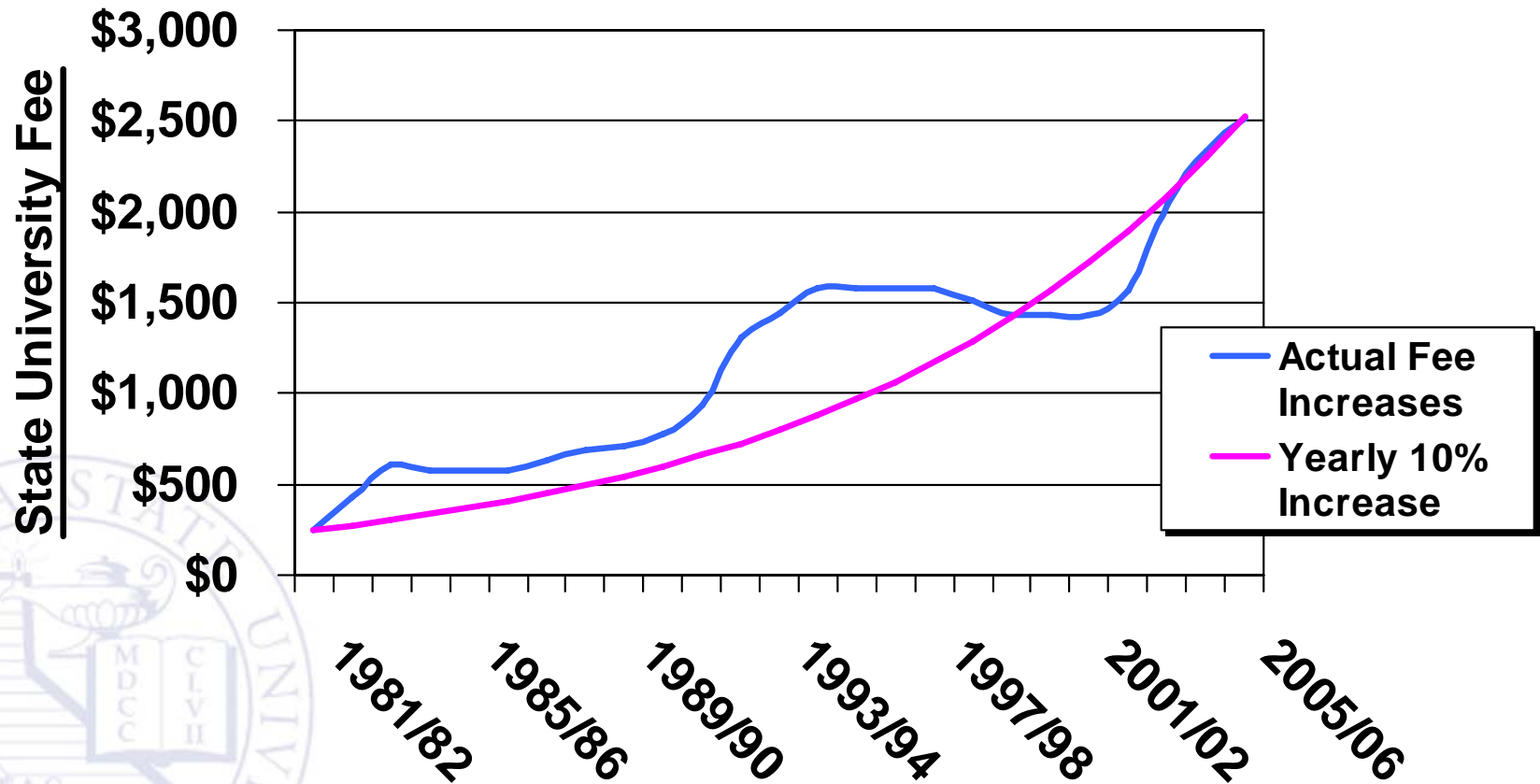
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CSU Student Fee History



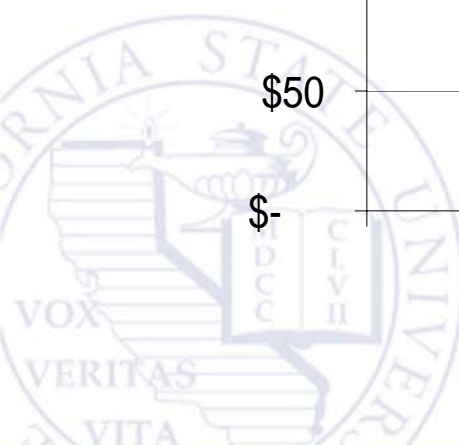
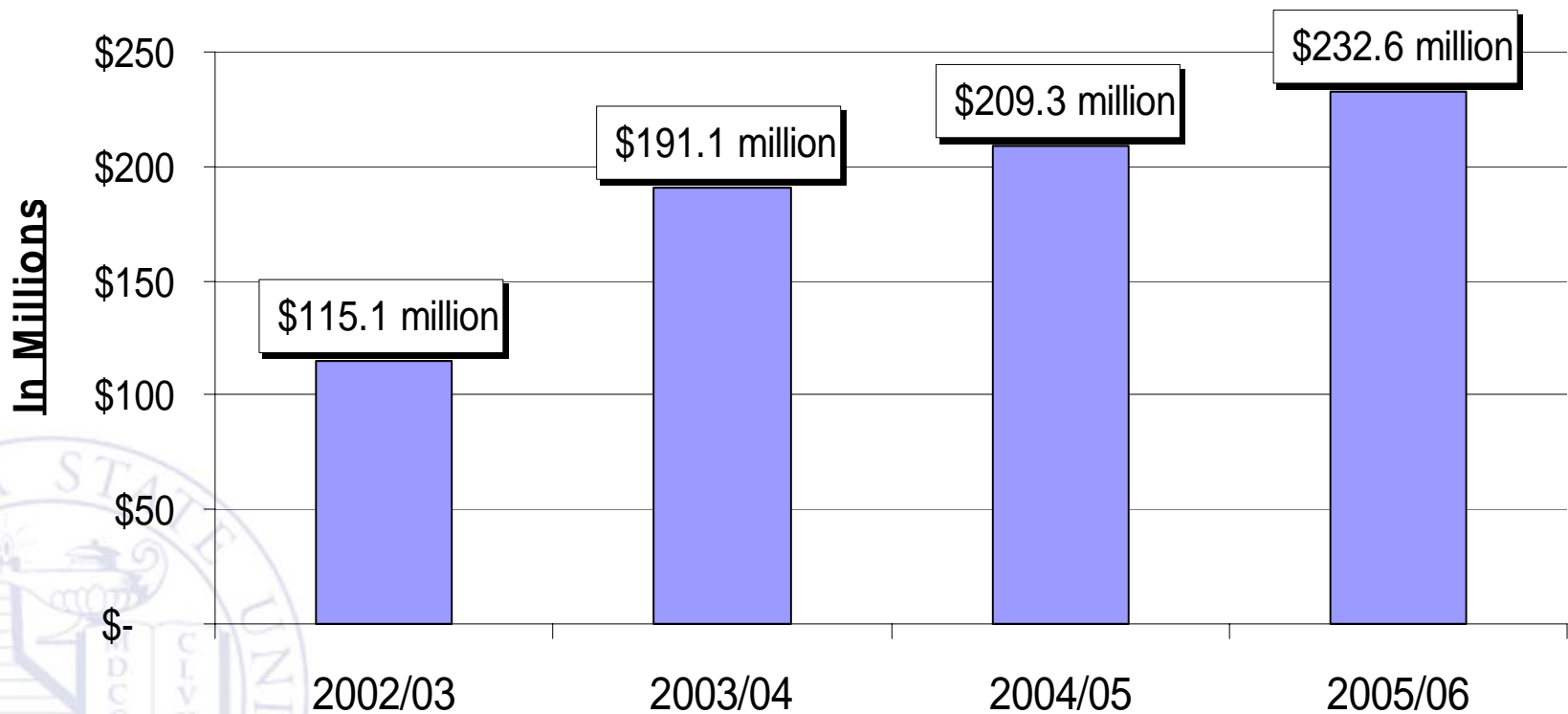
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CSU Student Fee History



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State University Grants



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Legislative Analyst's Office Budget Recommendations



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LAO Budget Recommendations

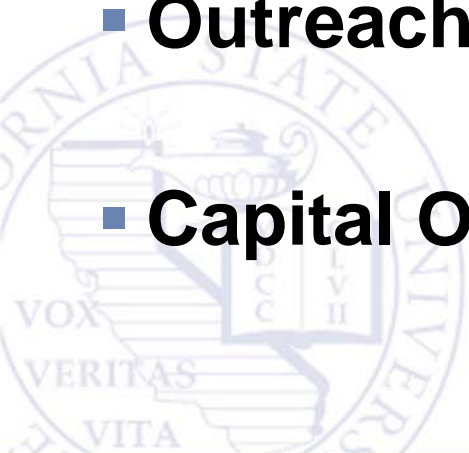
- Higher Education Budget Assumptions
- Compact for Higher Education
- Student Fee Revenue



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LAO Budget Recommendations

- **Marginal Cost (Student/Faculty Ratio)**
- **Excess Units**
- **Outreach and Academic Preparation**
- **Capital Outlay**



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2005/06 State Budget Issues



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State Budget Related Issues

Special Session to implement Structural Budget Reforms

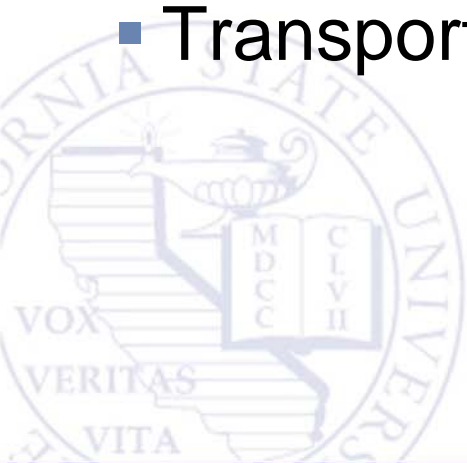
- Budget Process
- Pensions
- Transportation Funding
- Proposition 98



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2005/06 Budget Issues

- Proposition 98 \$2.284 B
- STRS Contribution \$469 M
- Transportation, Prop. 42 \$1.310 B
- Transportation Account \$216 M



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2005/06 Budget Issues (continued)

- CalWORKS & SSI/SSP \$714 M
- IHSS Wages \$195 M
- FF for Prenatal Care \$191 M
- Resources \$464 M



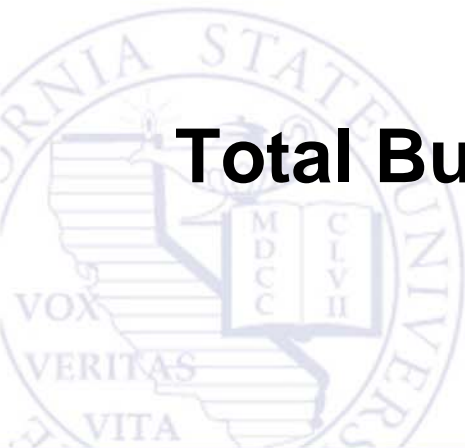
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2005/06 Budget Issues (continued)

■ Employee Pension	\$408 M
■ Local Mandates	\$250 M
■ Deficit Financing Bonds	\$1.677 B
■ Other Reductions	<u>\$915 M</u>

Total Budget Solutions

\$9.093 B





The California State University

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