



**The California State University**

# The California State University

2005-06 Budget Presentation

Senate Budget and Fiscal Review, Subcommittee 1

February 28, 2005



# Maintaining CSU's High Quality of Instruction

Recent CSU Budget History



# 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)	<b>(654.40)</b>
Fee Revenue Offset	20.00	167.00	101.50	<b>288.50</b>
Unfunded Mandatory Cost	(22.80)	(78.60)	(57.50)	<b>(158.90)</b>
<b>Net Fiscal Impact</b>	<b>(105.40)</b>	<b>(285.30)</b>	<b>(134.10)</b>	<b>(524.80)</b>
<b><i>Retirement Costs</i></b>	<b>68.10</b>	<b>155.10</b>	<b>44.40</b>	<b>267.60</b>

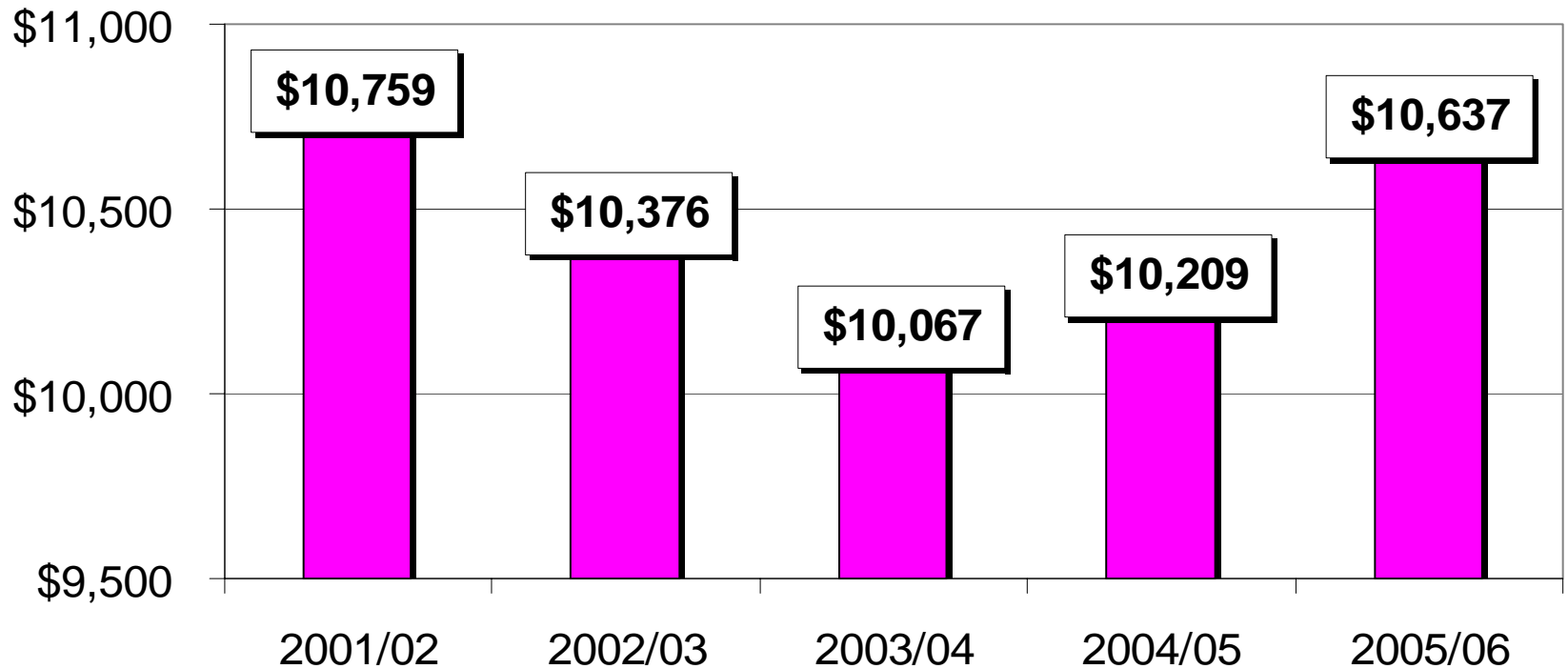


# Managing Enrollment

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

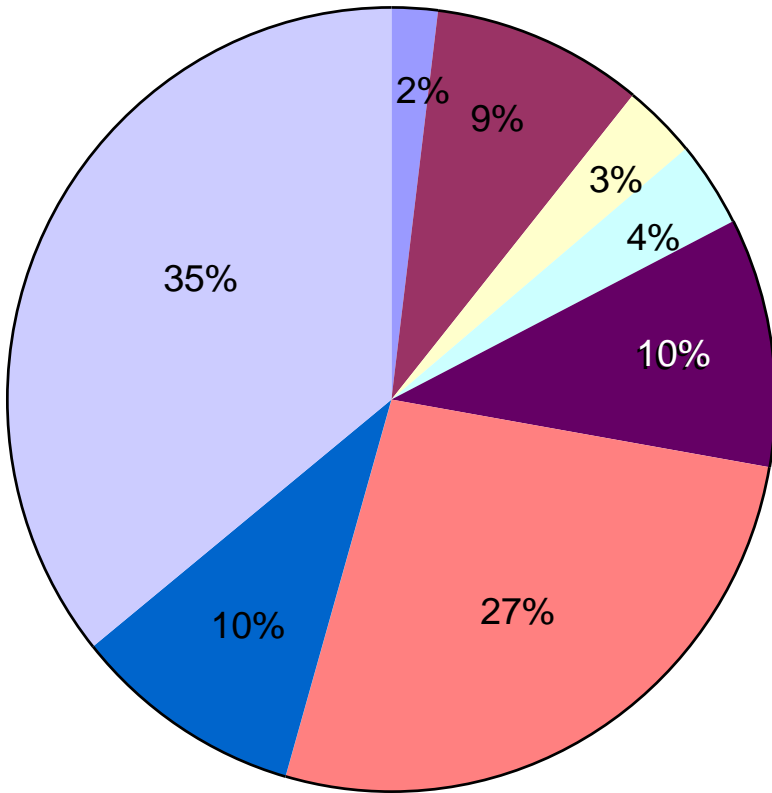


# State General Fund and Fees Per FTES





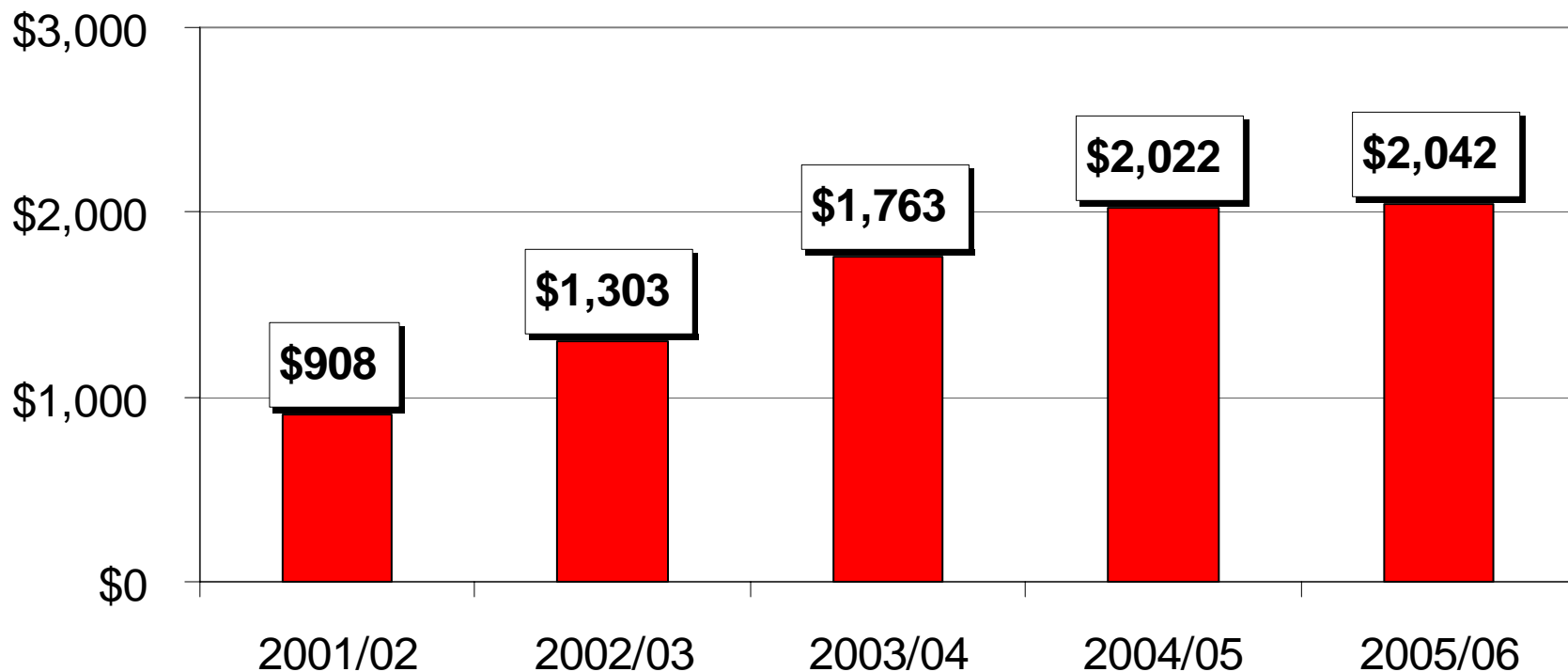
# CSU Funding Deficiencies



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
<b>Total</b>		<b>\$1,020,707,246</b>



# Deficiency Funding per FTES





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# Rebuilding the Budget

2005-06 Governor's Budget



## 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



## 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



## Proposed 2005-06 CSU Budget

- Compensation Pool \$88.1M

First step to fund CSU salary lag

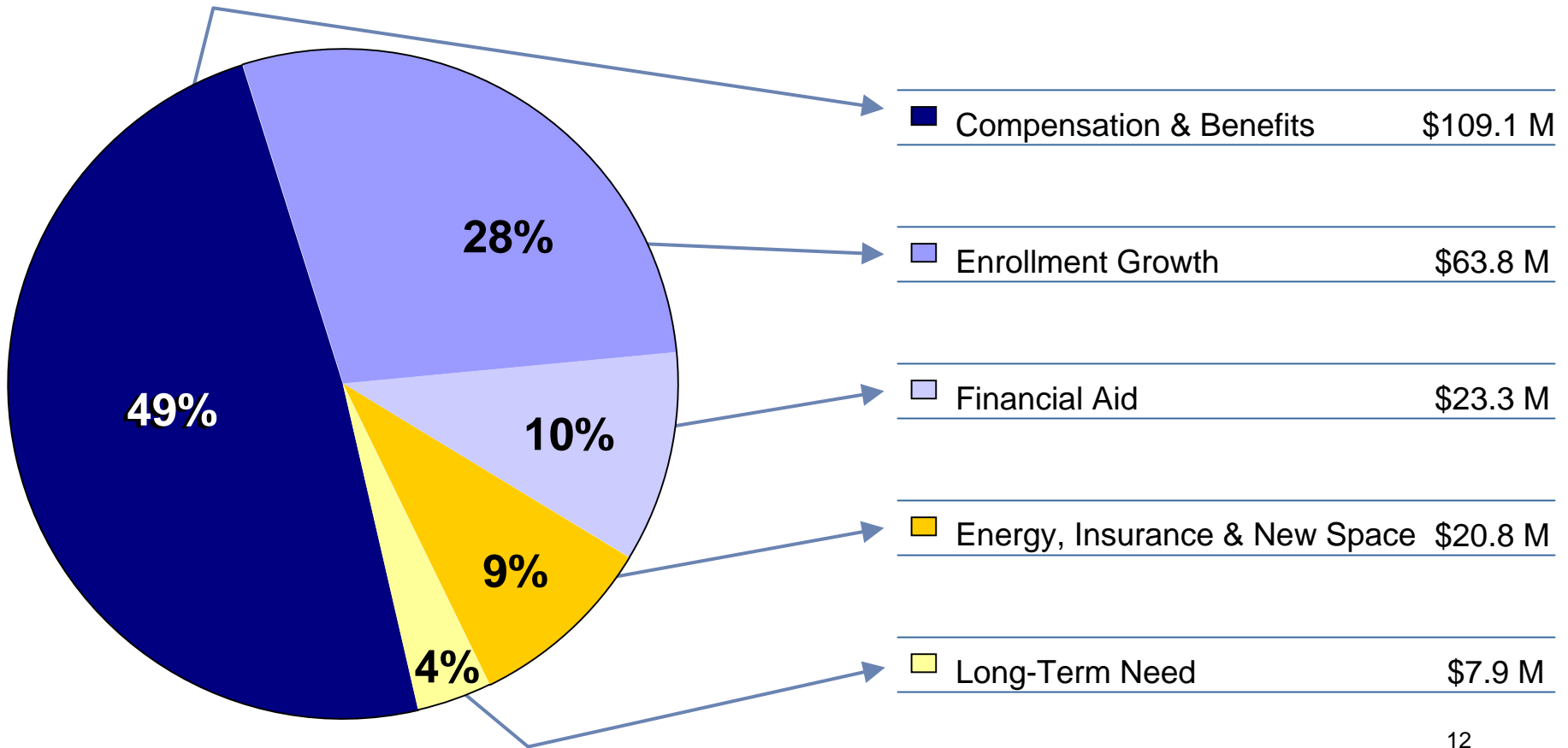
<i>Fiscal Year</i>	<i>Faculty Comp Increase</i>	<i>Non-Faculty Comp Increase</i>
2001/02	3.18%	2%
2002/03	2.97%	1.68%
2003/04	0.80%	0%
2004/05	0%	0%
2005/06	3.50%	3.50%

- Long-Term Needs \$ 7.9M

Funding for technology, libraries, and scheduled maintenance



## Distribution of Funds



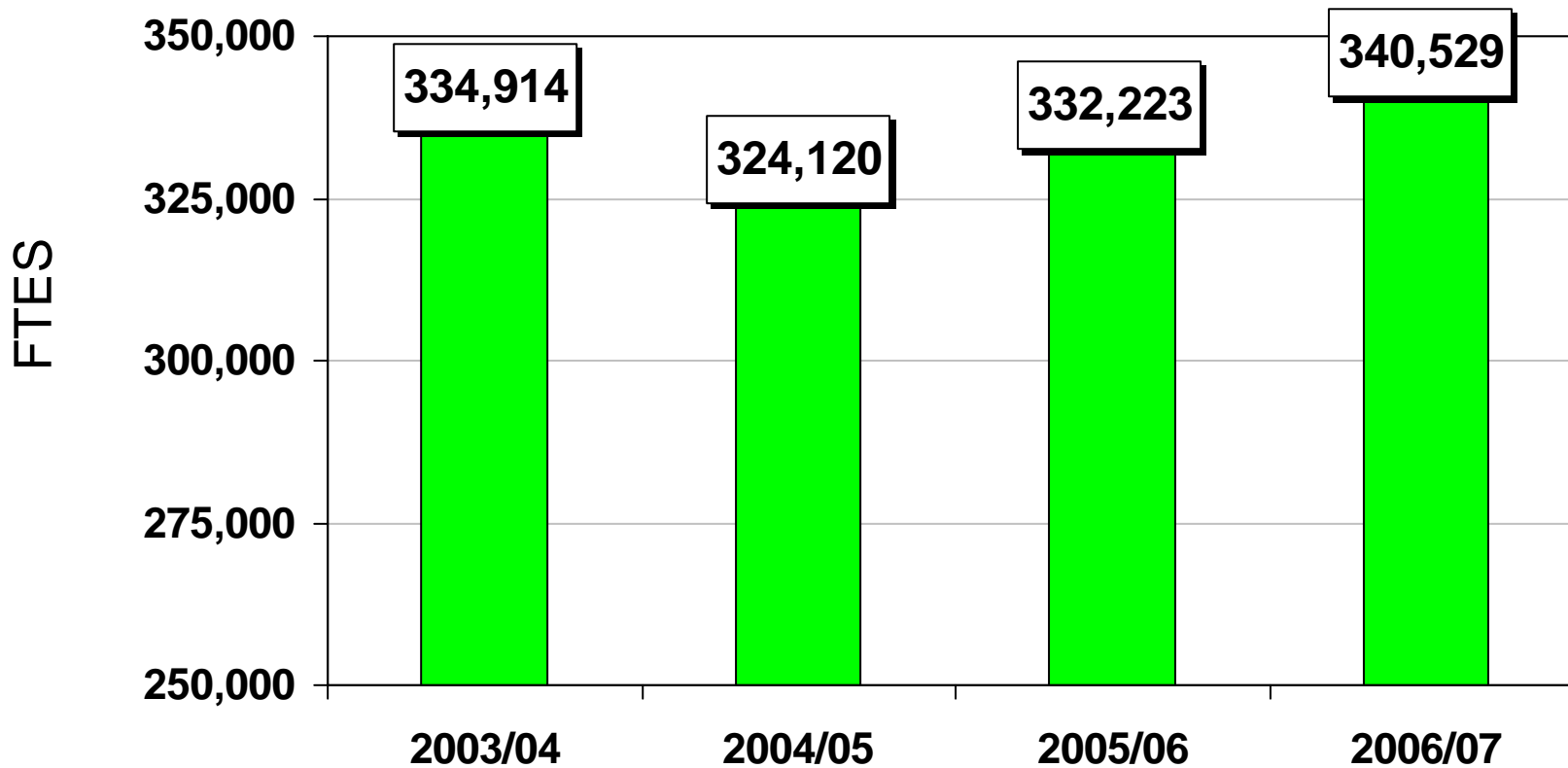


# **Governor's 2005-06 Budget**

Improving CSU Funding and Student Access



# Student Access





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

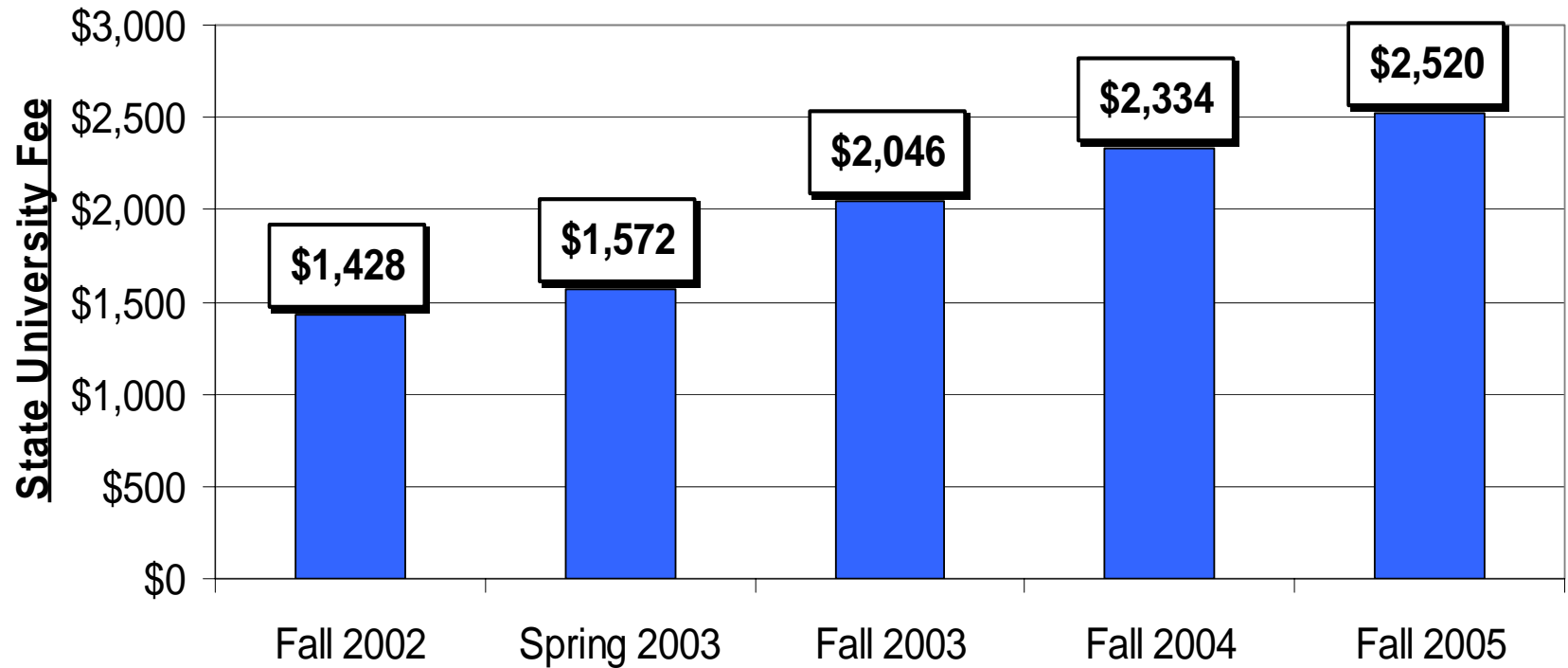
- \$7.0 million - Unallocated Reduction
- Fully Fund EOP and EAP Programs
- Access for Underrepresented Students

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

	<u>Percent Eligible</u>	<u>Percent of CSU 1st Time 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%

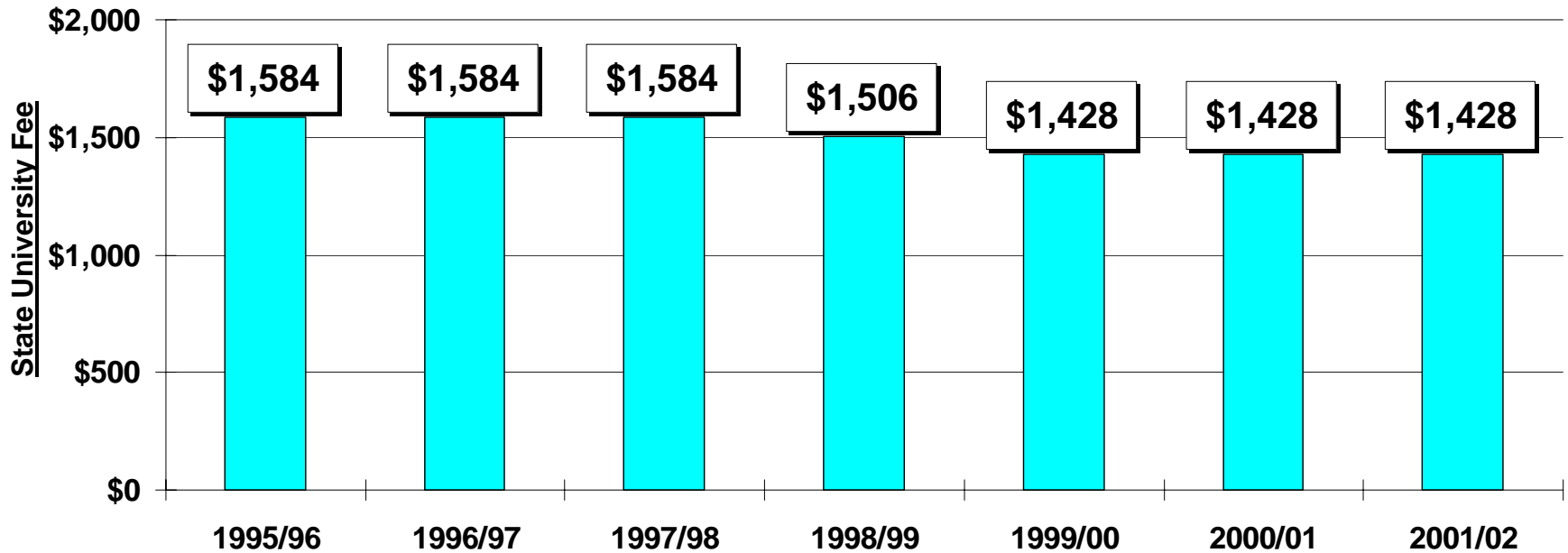


# CSU Student Fee History



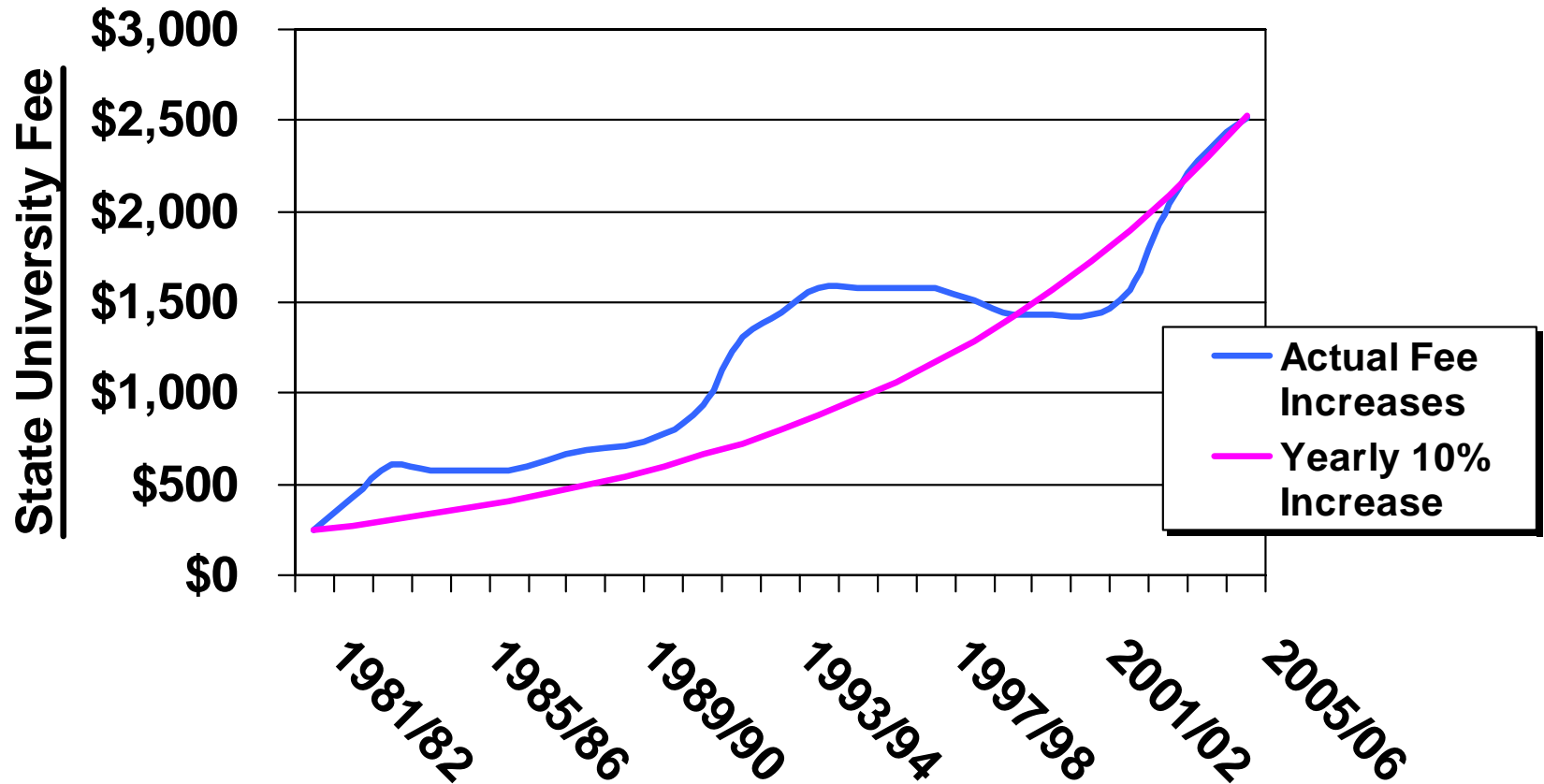


# CSU Student Fee History



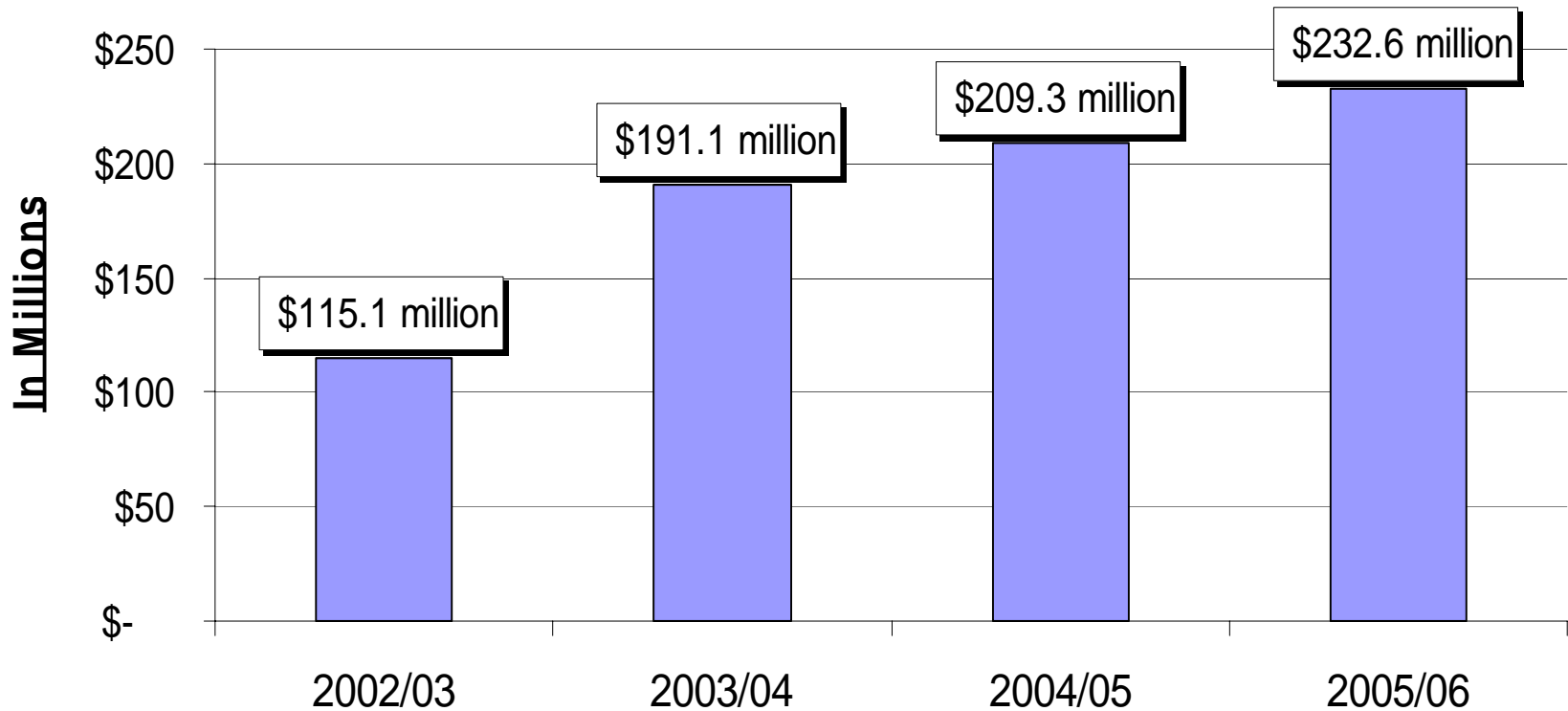


# CSU Student Fee History





## State University Grants





## Facility Needs

- CSU receives \$345 million per year under Proposition 55
- New funding authority will be needed for CSU Capital Improvement Program beginning in 2006-07
- CSU facilities needs are two to three times larger than current funding levels provided by the state
- Future capital facility funding will be critical for meeting CSU enrollment growth and building renovation needs



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# Putting State Dollars to Work

California's Return on Investment



## Economy and Employment

- Every \$1 the State invests in CSU-related expenditures creates \$4.41 in spending
- CSU-related expenditures create \$13.6 billion annually in economic activity and supports 207,000 California jobs
- \$760 million in taxes is generated for state and local government coffers



## **Educating California's Workforce**

- 65 percent of California's business baccalaureate degrees
- 52 percent of its agricultural business & engineering baccalaureate degrees
- 52 percent of its communications baccalaureate degrees
- 45 percent of its computer and electronic engineering baccalaureate degrees



## Research and Innovation

- Applied Research – Addressing practical challenges that face California, including care for the aging to irrigation technology
- Technology Centers – Establishing research organizations to focus on statewide issues and campus community concerns
- Entrepreneurship – Providing service and guidance to risk-taking entrepreneurs and small businesses

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