## 2007-08 Governor’s Budget

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Spending</td>
<td>$131 billion</td>
</tr>
<tr>
<td>State General Fund</td>
<td>$103.1 billion</td>
</tr>
<tr>
<td>Special Fund</td>
<td>$27.8 billion</td>
</tr>
<tr>
<td>Budget Reserve</td>
<td>$2.1 billion</td>
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</tbody>
</table>
Closing the 2007-08 Budget Shortfall

- November LAO Estimate ($2.4 Billion)
- Governor’s Budget
  - New Spending ($1.2 Billion)
  - Revenue Projects $1.2 Billion
  - Budget Solutions $3.4 Billion
  - Court Cases $1.1 Billion
- 2007-08 Budget Reserve $2.1 Billion
Closing the 2007-08 Budget Shortfall

LAO Assumptions

- Governor’s Budget Reserve $2.1 Billion
- Expenditures Exceeding Revenues ($2.6 Billion)
- Other G.F. Pressures ($0.2 Billion)
- 2007-08 Year-End Budget Deficit $736 Million
Future State Operating Deficit (LAO)

- 2008 – 09 Fiscal Year $3.4 Billion
- 2009 – 10 Fiscal Year $2.5 Billion
- 2010 – 11 Fiscal Year $1.4 Billion
LAO Recommendation on the 2007-08 State Budget

- Resounding Themes
  - Slowdown in California’s Economy
  - Revenues in 2006-07 Have Dropped Sharply
  - Need for Budgetary Savings
  - Enhanced Resources
  - Avoid Ongoing Budgetary Commitments
## State General Fund Spending

<table>
<thead>
<tr>
<th>Category</th>
<th>2006-07</th>
<th>2007-08</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>K-12, Proposition 98</td>
<td>$36,658</td>
<td>$36,851</td>
<td>0.5%</td>
</tr>
<tr>
<td>Community Colleges, Proposition 98</td>
<td>$4,040</td>
<td>$4,224</td>
<td>4.6%</td>
</tr>
<tr>
<td>UC/CSU</td>
<td>$5,895</td>
<td>$6,246</td>
<td>6.0%</td>
</tr>
<tr>
<td>Health and Social Service Programs</td>
<td>$29,820</td>
<td>$29,875</td>
<td>0.2%</td>
</tr>
<tr>
<td>Criminal Justice</td>
<td>$11,924</td>
<td>$12,955</td>
<td>8.6%</td>
</tr>
<tr>
<td>Transportation</td>
<td>$2,993</td>
<td>$1,558</td>
<td>-47.9%</td>
</tr>
</tbody>
</table>
CSU Budget

Total Funds $4.4 Billion
  – Base Budget Support (4%) $109.0 million
  – Enrollment Growth (2.5%) 65.5 million
  – Fee Revenue $123.0 million
    ▪ Undergraduate Fee Increase ($252 -10%)
  – Mathematics and Science Teachers $2.0 million
  – Outreach Programs ($7.0 million)

Total Proposed Increase $292.5 million
Unfunded Above Compact Requests

- One Percent Compensation  $27.6 M
- Student Services Initiative  $24.6 M
- Applied Research  $12.0 M
- Clinical Nursing Support  $ 4.3 M
- Special Education Teachers  $ 1.2 M

Total Ongoing Funding  $69.7 M
LAO Recommendations on 2007-08 CSU Budget

- General Fund Base Increase (2.4%) ($43.6 M)
- Student Fees (2.4%) ($74.2 M)
- Enrollment Growth (2,200 Students) ($13.9 M)
- Marginal Cost ($7,837 - $7,710) ($1.1 Million)
LAO Recommendations on 2007-08 CSU Budget

- Outreach Programs, Withheld Recommendation
- K-12 Math and Science Initiative, Withheld Recommendation
- Nursing Programs, Fund at Higher MC rate
- Long Range Planning, Town and Gown Issues
  - City of Marina Case
  - Discussion on Assembly Bill 2951
Enrollment Growth

Full Time Equivalent

- 2005-06:
  - CSU Growth Target: 8,103
  - LAO Proposed Growth: 1,671
  - Enrollment Above Target: 2,120

- 2006-07:
  - CSU Growth Target: 8,306
  - LAO Proposed Growth: 1,671
  - Enrollment Above Target: 6,095

- 2007-08:
  - CSU Growth Target: 8,355
  - LAO Proposed Growth: 1,671
  - Enrollment Above Target: 6,684

1,671 FTE Difference
Applications from Underrepresented Populations
Fall 2007

- 12.5% increase in applications for African American students
- 5% increase in applications for Asian students
- 15% increase in applications for Latino students

Enrollment Growth
- American Indian: -8%
- Pacific Islander: +53%
- Filipino: +18%
- African American: +17%
- Other Latino: +38%
- Asian American: +11%
- Mexican American: +26%
Long Range Planning

- Mainly focused on UC, Town and Gown Issues
- LAO recommends legislature review master plans and systemwide enrollment projections through 2020
- City of Marina v. CSU Trustees decision
- Discussion on Assembly Bill 2951
- State’s Fiscal Obligation for these issues
2007-08 State University Fees

Action Item
Student Fee Revenue

- **1960** - Master Plan recommends, university be tuition-free to all residents. Ed. Code 89703 limits tuition to no more that $25 per year
- **1982** - CSU implements State University Fee in response to 2 percent CSU budget reduction
- **1993** - Trustees adopt new fee policy
- **1995** - AB 446, Chapter 758, abolish Ed. Code Section 89703 that limited tuition charges at CSU
- **1995** - Compact Agreement recognizes GF and student fee revenue support total CSU operating costs
CSU Fee Policy

- Board of Trustees adopted its current student fee policy in 1993
  - State’s responsibility to support access
  - Fee revenues for quality of programs
  - Differential costs for undergraduate and graduate education
  - Fee policy tied to financial aid policies
  - Students fees should not go above 1/3 the total cost of education
General Fund Operating Revenue Changes and Fee Revenue Support

- Financial Aid Set-Aside
- Fee Increase
- General Fund Increase/Decrease
- Mid Year Cut

*These figures do not include any adjustments for enrollment growth or retirement.*
<table>
<thead>
<tr>
<th>Degree Level</th>
<th>Fee Structure</th>
<th>Fee Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td>(10% - $252)</td>
<td>$2,772</td>
</tr>
<tr>
<td>Credential</td>
<td>(10% - $294)</td>
<td>$3,216</td>
</tr>
<tr>
<td>Graduate</td>
<td>(10% - $312)</td>
<td>$3,414</td>
</tr>
</tbody>
</table>
Comparison Institutions

Data is not yet available for 2007-08 at comparison institutions. 2006-07 CSU increase reflects increases in average campus mandatory fees. Comparison average does not include CSU
Comparison Institution - 2006-07 Cost of Attendance

- NC State: $15,548
- ASU, Tempe: $16,361
- U of T, Arlington: $16,361
- CSU LA Region: $16,778
- SUNY, Albany: $18,050
- George Mason: $18,404
- Georgia State, Atlanta: $18,544
- Illinois State: $19,307
- Comparison Average: $19,752
- U of Nevada, Reno: $19,900
- UConn, Storrs: $19,998
- U of Colorado, Denver: $20,099
- Cleveland State: $20,380
- U of W, Milwaukee: $21,208
- U of Maryland, Baltimore: $25,254
- Rutgers, Newark: $27,199

*No Data was available for Wayne State University

For resident students living off-campus
# State University Grant Eligibility

<table>
<thead>
<tr>
<th>Expected Family Contribution (EFC)</th>
<th>Dependent family of 4: 1 - 2 students in college</th>
<th>Single Independent Student</th>
<th>Married with 1 in college</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $800</td>
<td>$36,100 - $41,000</td>
<td>$8,700</td>
<td>$15,950</td>
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<tr>
<td>&lt; $4,000</td>
<td>$55,300 - $70,800</td>
<td>$16,900</td>
<td>$24,500</td>
</tr>
<tr>
<td>&lt; $8,894</td>
<td>$73,500 - $102,400</td>
<td>$30,325</td>
<td>$37,300</td>
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</tbody>
</table>
Governor’s Budget Summary

2007-08 Budget $292.5 Million

Revenue

- SUF Fee Revenue 42%
- General Fund Operating 36%
- Enrollment Growth 22%

Expenditures

- Enrollment Growth 25%
- New Space & Energy 3%
- Special Initiatives 1%
- Financial Aid 13%
- Libraries, Technology and Deferred Maintenance 3%
- Compensation 55%