



2007- 08 CSU Support Budget *Information Item*

**Board of Trustees
March 14, 2007**

2007- 08 Governor's Budget

Total Spending **\$131 billion**

State General Fund \$103.1 billion

Special Fund \$27.8 billion

Budget Reserve **\$2.1 billion**

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 (\$.2 Billion)
- 2007-08 Year-End Budget Deficit \$736 Million

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

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

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**

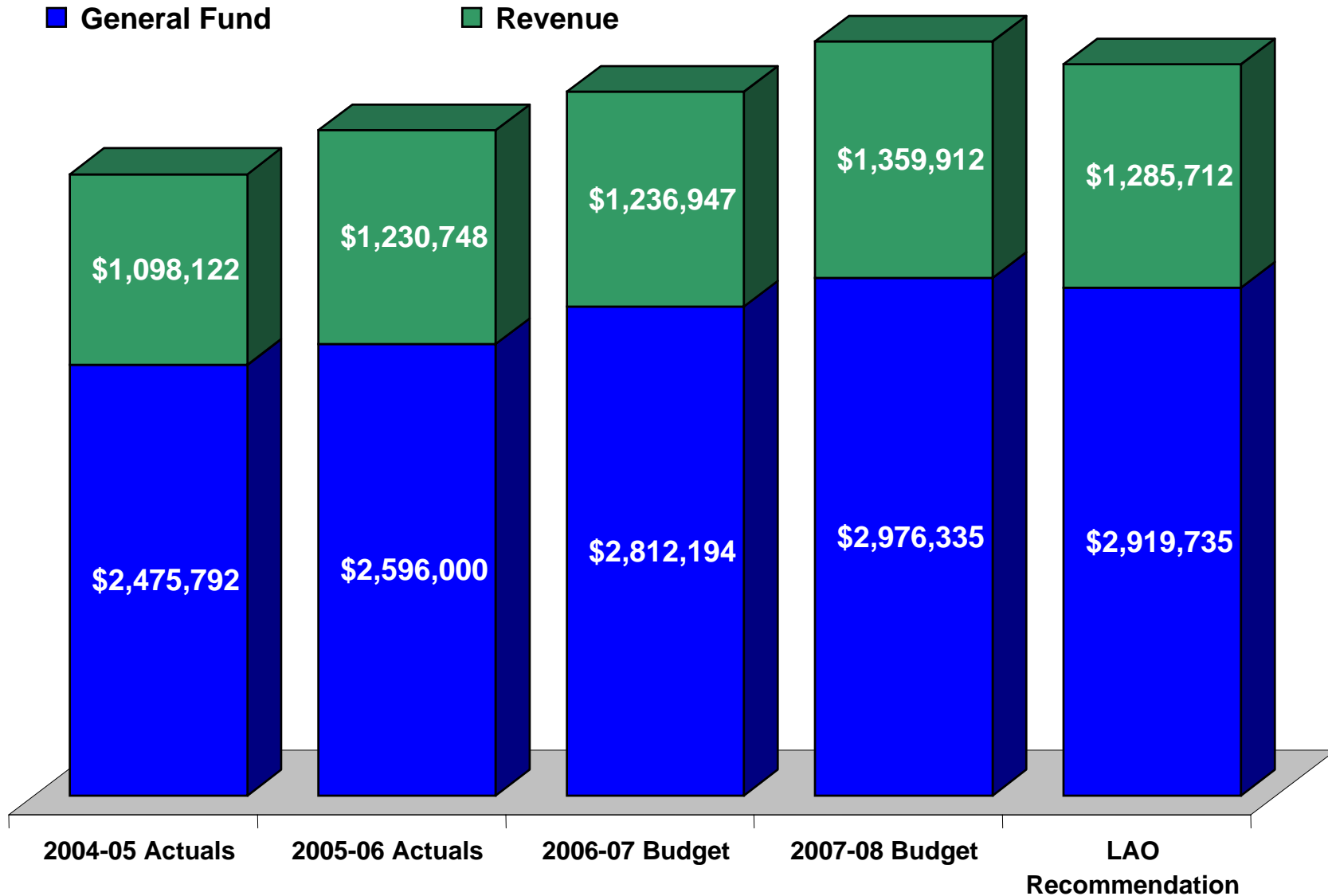
LAO Recommendations on 2007-08 CSU Budget

- 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

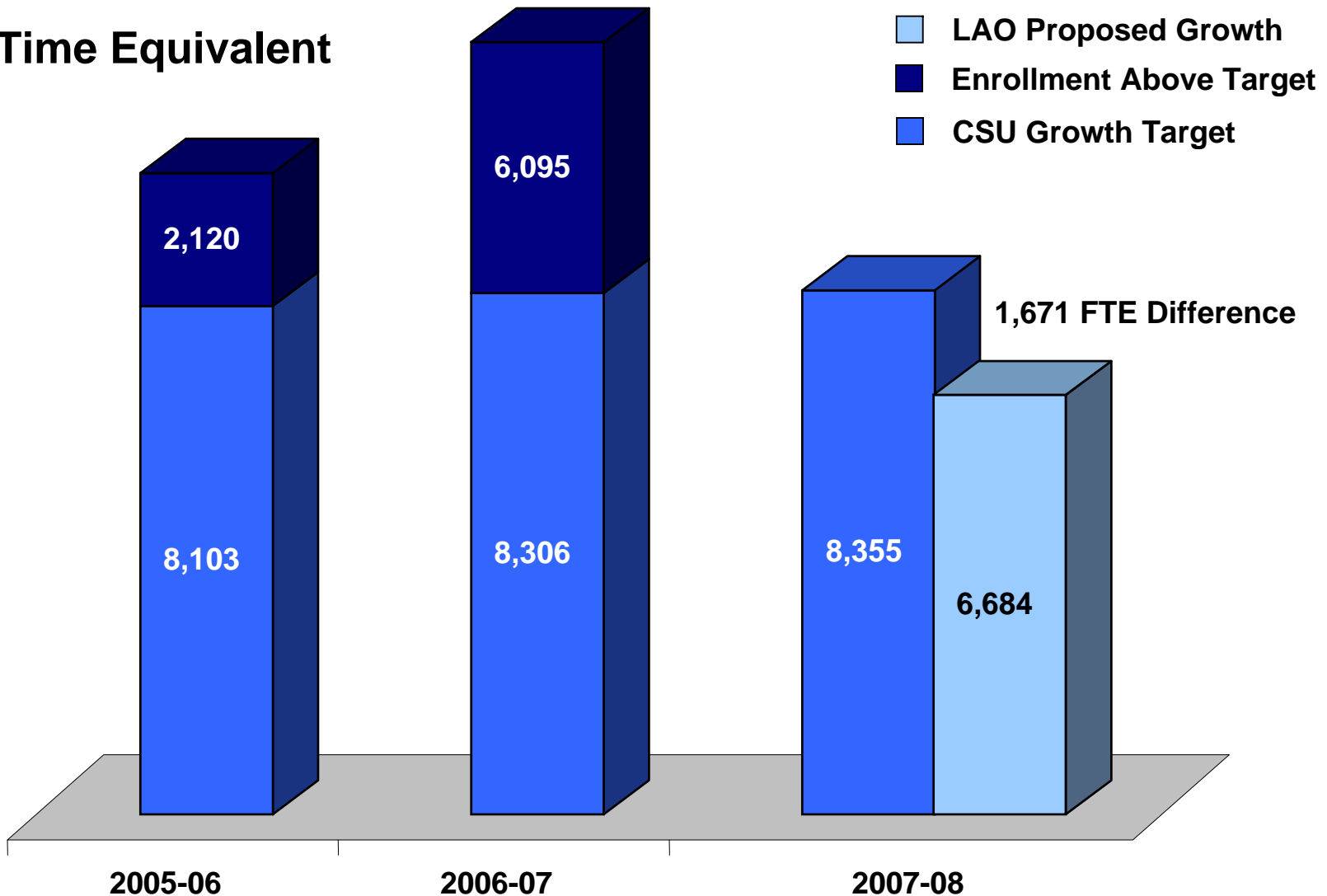
- Outreach Programs, Withheld Recommendation
- K-12 Math and Science Initiative, Withheld Recommendation
- Nursing Programs, Fund at Higher MC rate
- Long Range Planning, Town and Gown Issues
 - City of Marina Case
 - Discussion on Assembly Bill 2951

Compact Support

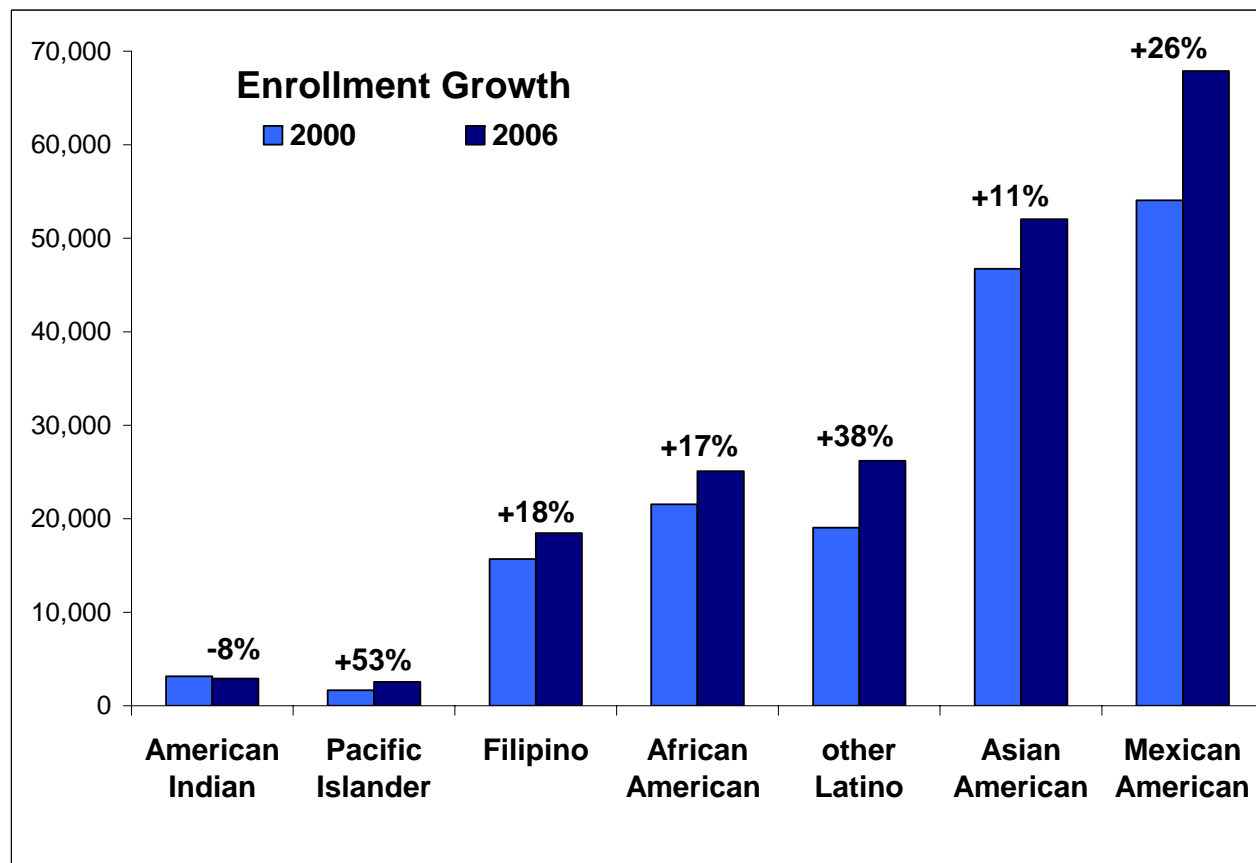


Enrollment Growth

Full Time Equivalent



Underrepresented Student Populations



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

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

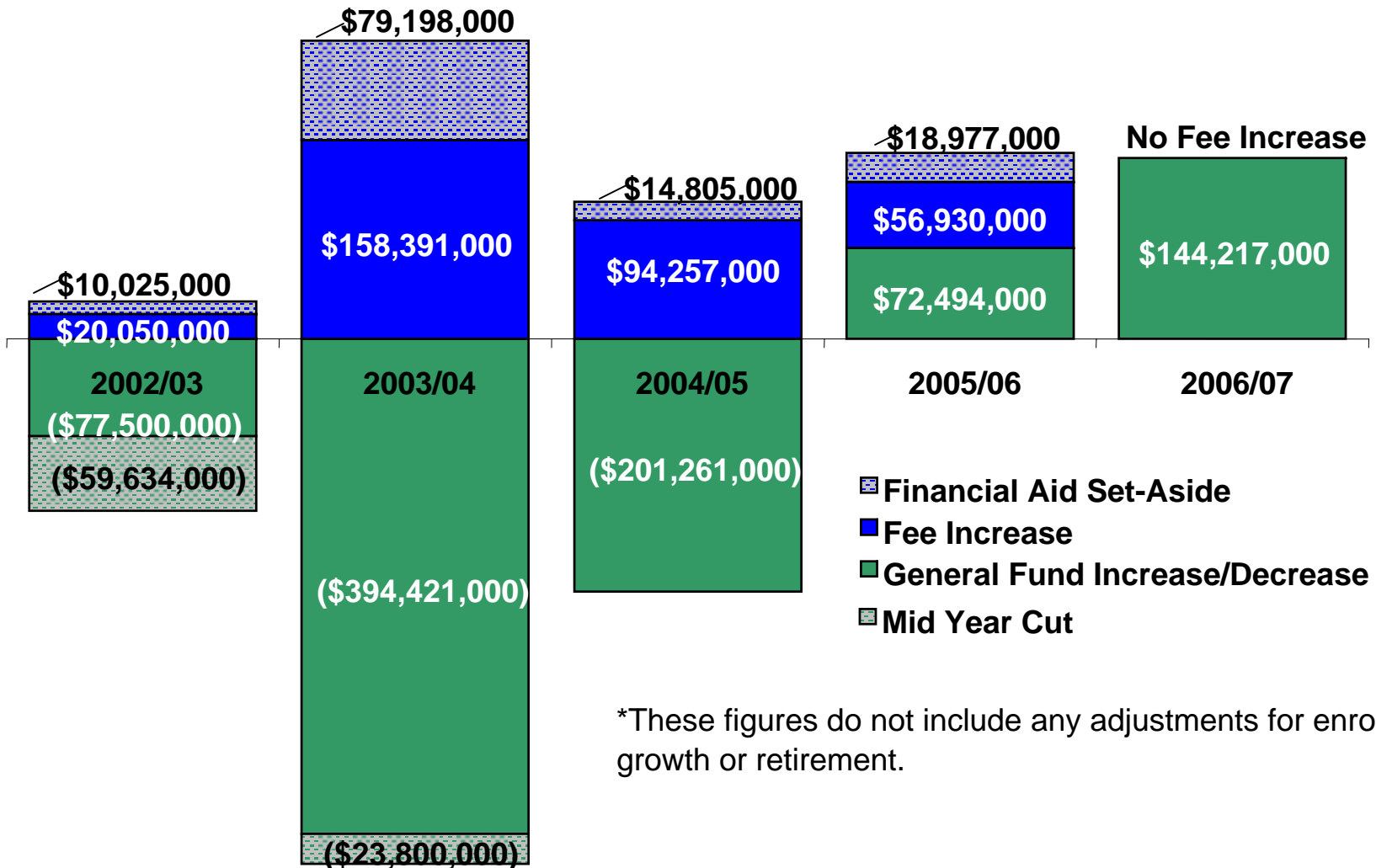
Student Fee Revenue

- **1960** - Master Plan recommends, university be tuition-free to all residents. Ed. Code 89703 limits tuition to no more than \$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



*These figures do not include any adjustments for enrollment growth or retirement.

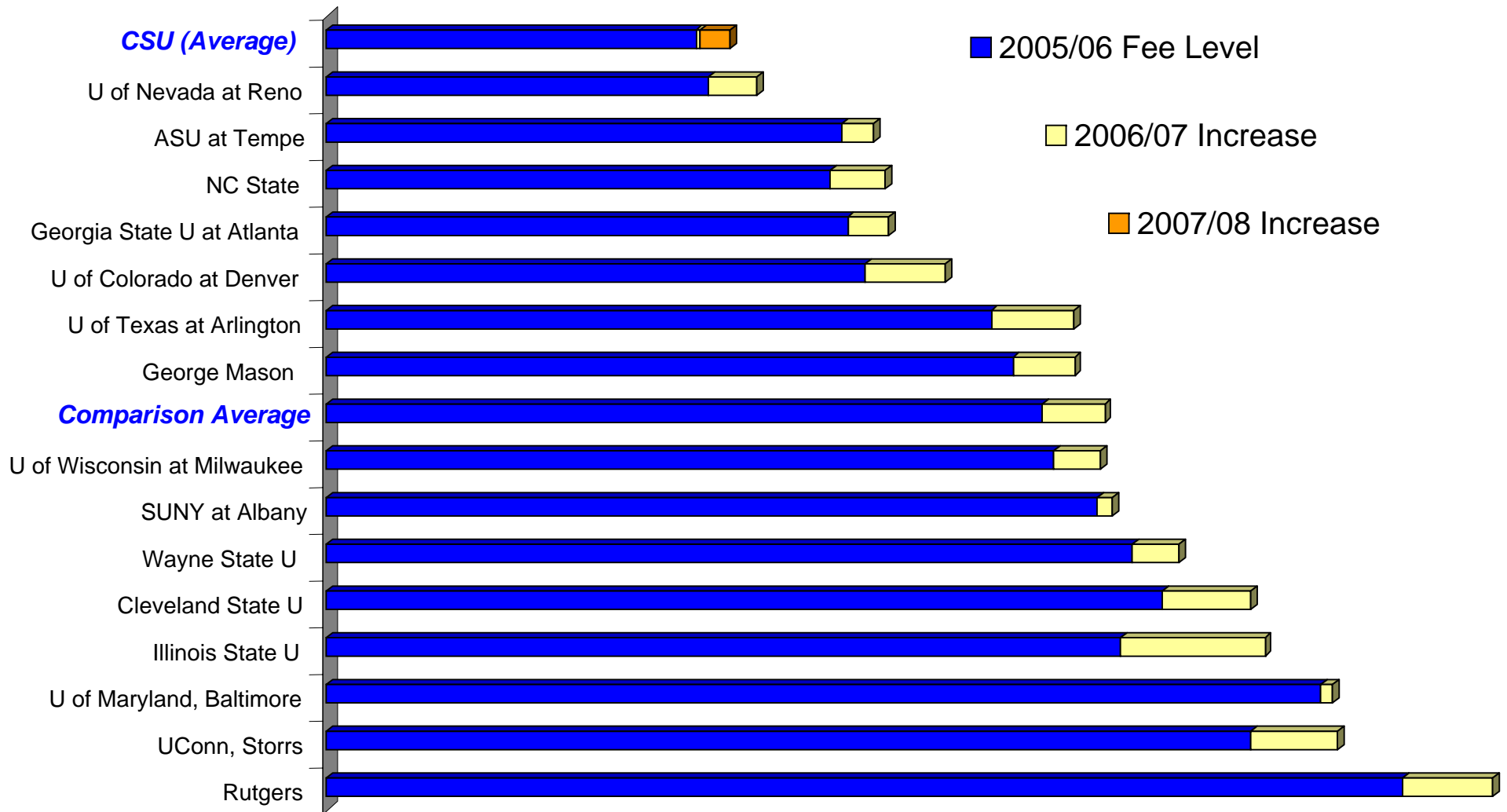
2007-08 State University Fee

Undergraduate (10% - \$252) \$2,772

Credential (10% - \$294) \$3,216

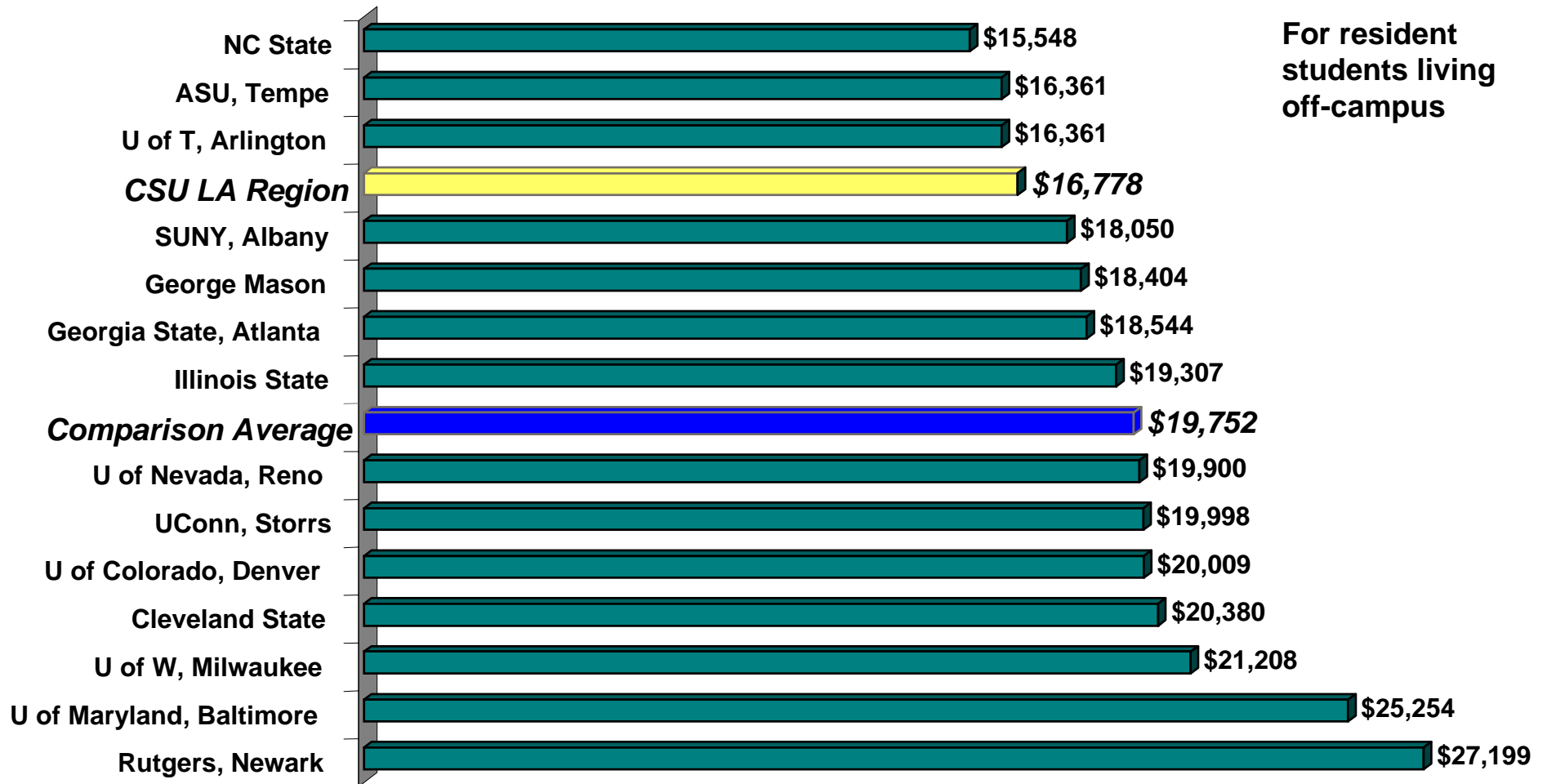
Graduate (10% - \$312) \$3,414

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 21

Comparison Institution - 2006-07 Cost of Attendance



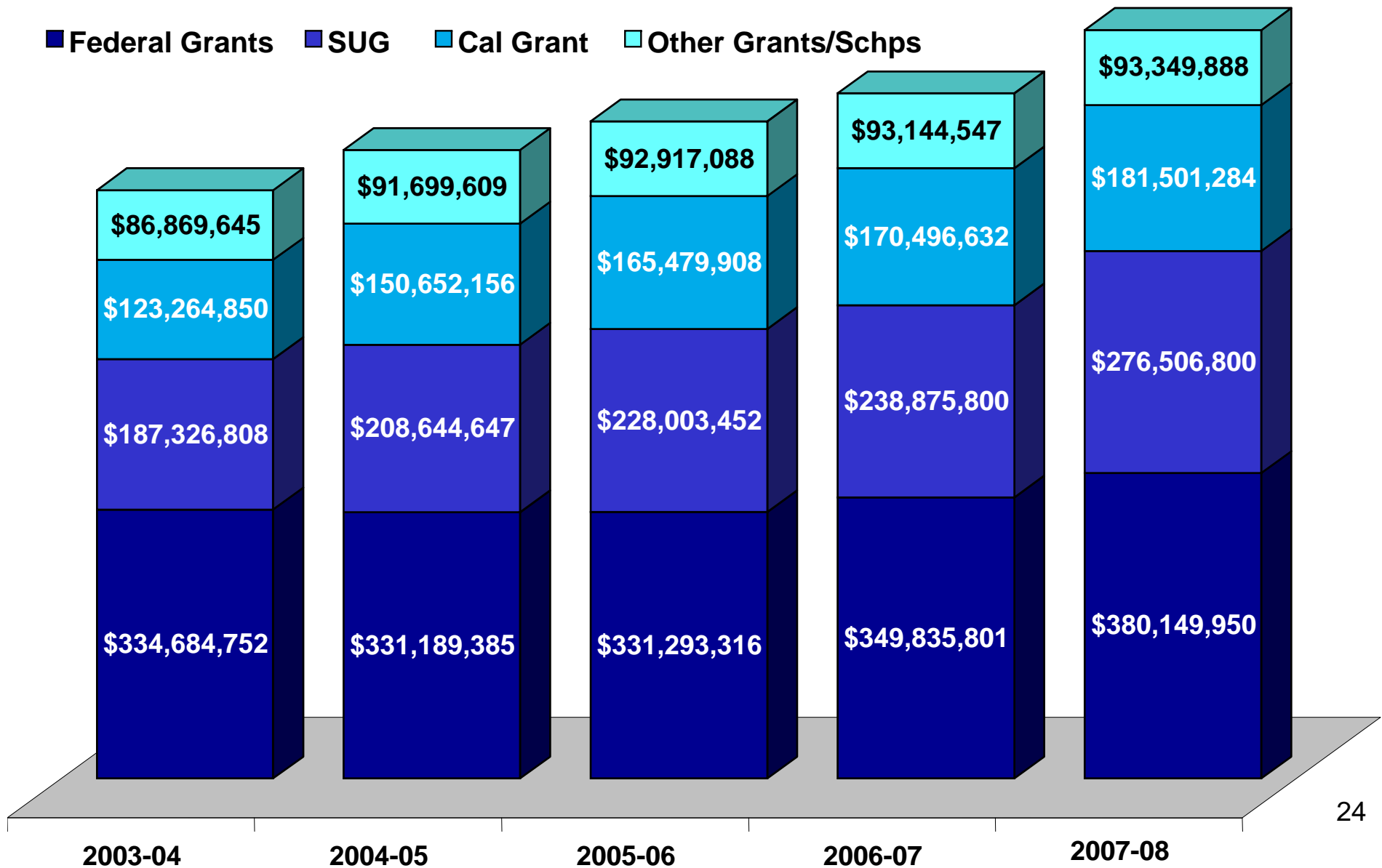
*No Data was available for Wayne State University

State University Grant Eligibility

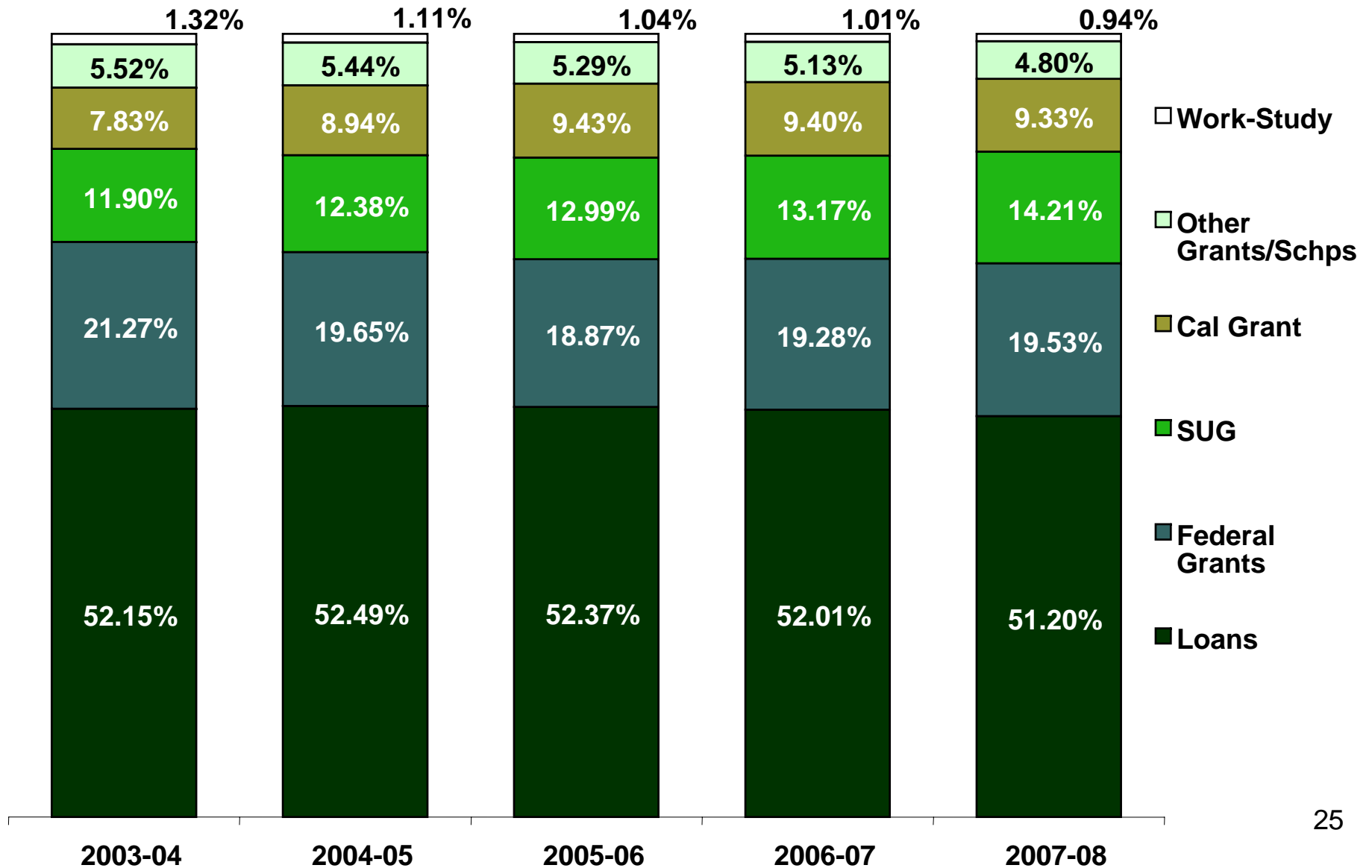
Expected Family Contribution (EFC)	Dependent family of 4: 1 - 2 students in college	Single Independent Student	Married with 1 in college
< \$800	\$36,100 - \$41,000	\$8,700	\$15,950
< \$4,000	\$55,300 - \$70,800	\$16,900	\$24,500
< \$8,894	\$73,500 - \$102,400	\$30,325	\$37,300

Grants & Scholarships

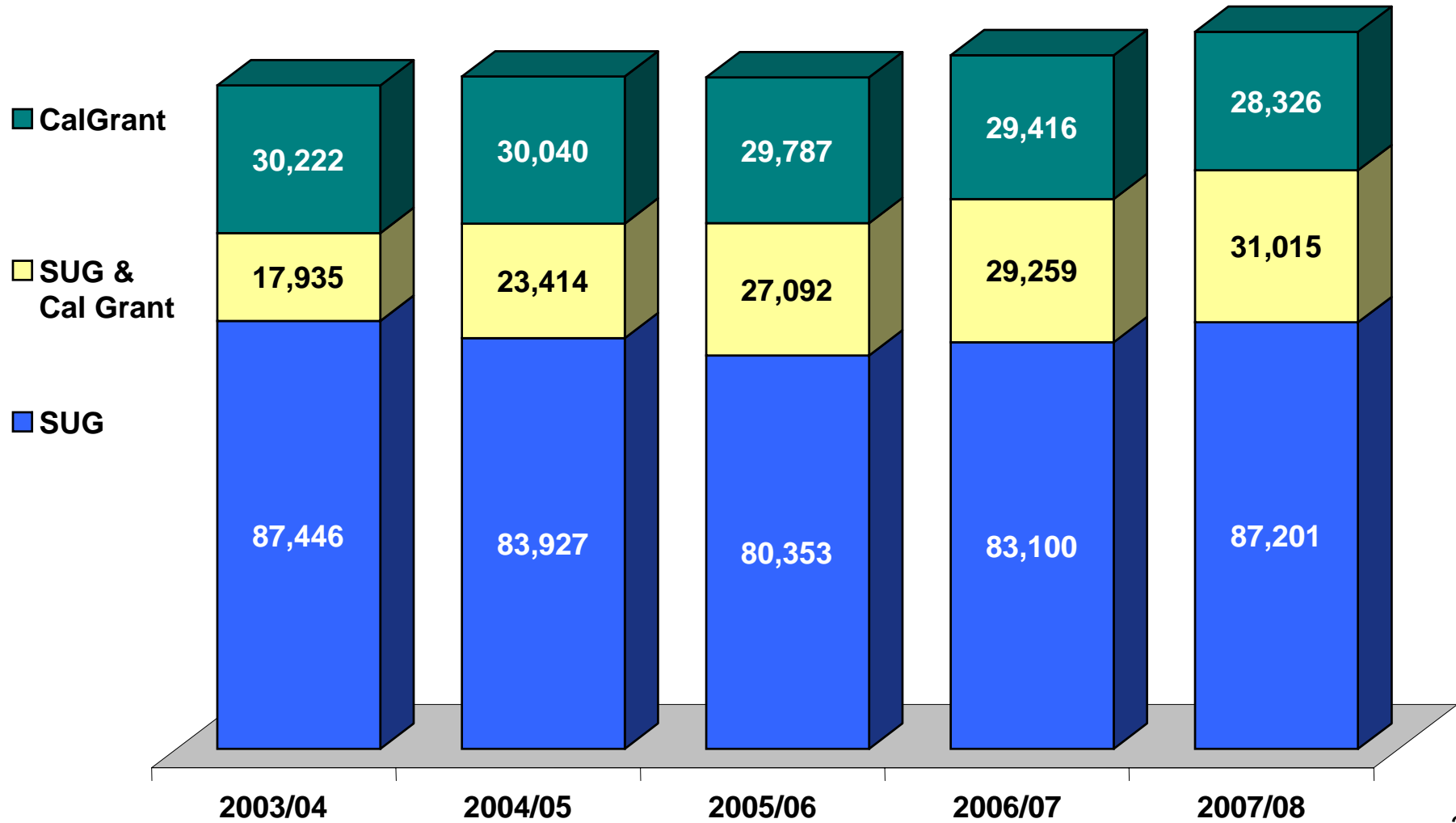
■ Federal Grants ■ SUG ■ Cal Grant ■ Other Grants/Schps



All Financial Aid

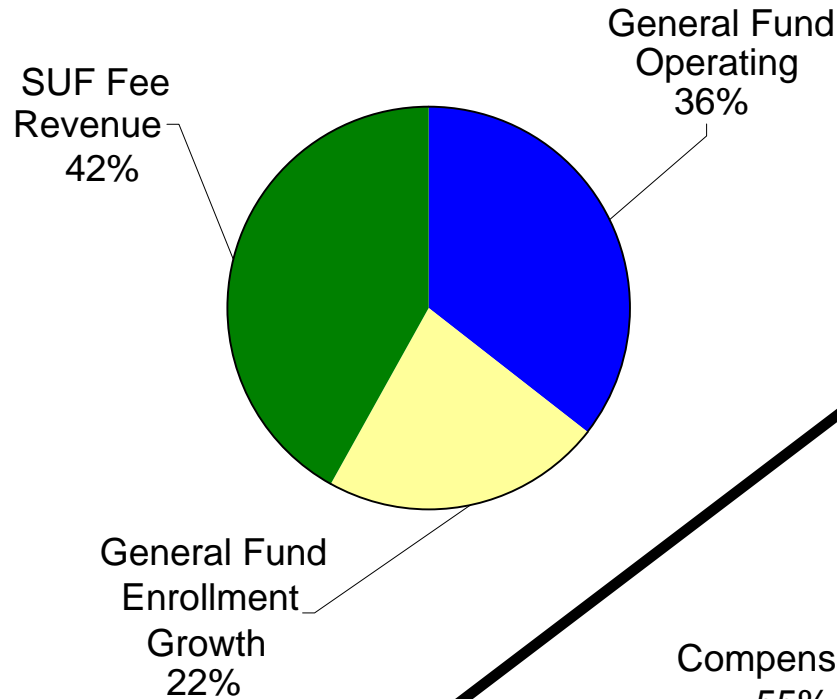


State University and CalGrant Awards

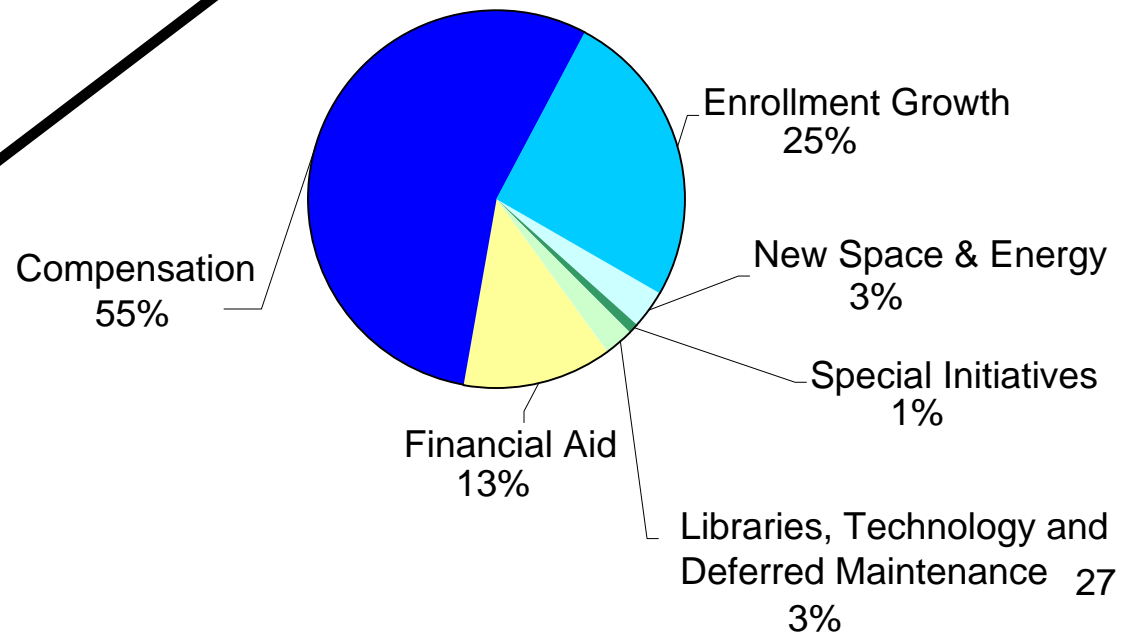


2007-08 Budget \$292.5 Million

Revenue



Expenditures





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