Resident Enrollment has increased by 90,000 Students

2012-13 State Appropriations equal 1996-97 levels, but Resident Enrollment has increased by 90,000 Students.
CSU State Support versus Higher Education Compact Funding Agreement

$2.3 Billion Gap

Projected General Fund Appropriations under previous Higher Education Compact Agreement

State General Fund Allocations

with Dec 2012 Trigger $1.80
Tuition Fee Increases Have NOT Offset Total General Fund Losses

CSU Student Headcount and Funding Since 2007-08

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</thead>
<tbody>
<tr>
<td>Resident Student Headcount</td>
<td>447,301</td>
<td>446,686</td>
<td>422,277</td>
<td>392,827</td>
<td>398,059</td>
<td>(49,242)</td>
</tr>
</tbody>
</table>

**Dollars in Thousands**

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</thead>
<tbody>
<tr>
<td>State General Fund</td>
<td>$2,970,643</td>
<td>$2,871,755</td>
<td>$2,345,743</td>
<td>$2,577,638</td>
<td>$2,002,751</td>
<td>($967,892)</td>
</tr>
<tr>
<td>Tuition Fee Revenue (net of financial aid)</td>
<td>$904,187</td>
<td>$1,090,444</td>
<td>$1,198,911</td>
<td>$1,217,072</td>
<td>$1,497,161</td>
<td>$592,974</td>
</tr>
</tbody>
</table>
Changes Since 2007-08

- Annual state funding down $968 million.
- Annual tuition revenue up $593 million.
- Mandatory Costs up estimated $135 million.
- NET FISCAL IMPACT TO CSU = A negative $510 million in annual resources to teach and serve students.
Total CSU Workforce

CSU Employees

- Fall 2008: 47,029
- Fall 2009: 44,340
- Fall 2010: 42,844
Greater Efficiency?
CSU Already Among the Most Efficient

Chart A (2009): Lowest 22 Universities in Educational & General Expenditures Per FTE (Public universities with at least 15,000 students, #103)

Source: Education Trust, 2009
Budget Proposes Cal-grant GPA Changes

• Increase Cal-grant A gpa from 3.0 to 3.25.
• Increase high school entitlement Cal-grant B from 2.0 to 2.75.
• Increase transfer entitlement Cal-grant B from 2.4 to 2.75.
• Rough estimate: 5,900 CSU-bound students affected in first year; numbers grow in subsequent years.
2012 Governor’s Budget
Long -Term Higher Education Funding Plan

2002-03 thru 2011-12
General Fund Appropriations
2012-13 thru 2015-16
Governor's Budget Proposal
The Cost to Provide Needed Compensation Increases

<table>
<thead>
<tr>
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<th>2011/12 Final Budget Compensation (Adjusted)</th>
<th>2012/13 Cost of 1% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty</td>
<td>$1,426,473,000</td>
<td>$14,265,000</td>
</tr>
<tr>
<td>Staff</td>
<td>$1,406,094,000</td>
<td>$14,061,000</td>
</tr>
<tr>
<td>Total</td>
<td>$2,832,567,000</td>
<td>$28,326,000</td>
</tr>
<tr>
<td>Cost of 3% Increase</td>
<td>$84,978,000</td>
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</tbody>
</table>

The compensation base is adjusted for changes in employer-paid retirement rates. The CalPERS member categories for State Miscellaneous-Tier 1 and State Peace Officer/Firefighter respectively decreased from the 2010/11 composite rates of 18.725% and 28.7215% to 2011/12 rates of 18.175% and 27.415%.
Year-to-Year funding adjustments for CSU retirement costs fluctuate, depending on rate decisions by CalPERS.
Employer rates are set each year by CalPERS. CSU cannot control changes in employer rates.

CalPERS Employer Paid Rates - Miscellaneous Tier 1