



The California State University
OFFICE OF THE CHANCELLOR

California State Budget 2008-09 CSU Budget

Patrick J Lenz, AVC, Budget

**November 13 & 14, 2007
Board of Trustees**

2008-09 CSU Budget Recommendations

- State Fiscal Condition
- Compact Revenue Assumptions
- Compact Budget Recommendations
- “Above Compact” CSU Budget Priorities
- Additional CSU Budget Issues

2008-09 CSU BUDGET

State Fiscal Condition

DOF Monthly Fiscal Forecast

- CA. Unemployment Rate 5.5 Percent
- National Unemployment Rate 4.6 Percent
- Sale of Single Family Homes (28 Percent)
(August - 23rd consecutive month of decline)
- S. F. Home Price over 2006 2 Percent
- September G.F. Revenue (\$809 Million)

2007- 08 Governor's Budget

Total Spending	\$131.5 Billion
State General Fund	\$102.3 Billion
Special Fund	\$29.2 Billion
Budget Reserve	\$4.1 Billion

Future Budget Threats

- Health Care Reform agreement \$?? Billion
- Federal Ct. Ordered Mandates \$?? Billions
- Community College Initiative (3 yrs.) \$1.0 Billion
- On-going K-12 Programs \$567 Million
- CalWorks COLA \$124 Million
- SSI/SSP COLA (Aged, Blind, & Disabled) \$123 Million
- 2008-09 Structural Deficit \$10.0 Billion
- Gov. Orders 10% Cut to All State Agencies, Impact to CSU Budget \$298 Million

2008-09 CSU BUDGET

Compact Revenue Assumptions

2008-09 CSU Budget (Compact)

Revenue Assumptions

- General Operations (4%) \$117.0 Million
- Enrollment Growth (2.5%) \$68.8 Million
(8,572 FTES, 11,100 students)
- Academic Infrastructure (1%) \$29.2 Million
- Revenue Augmentation \$73.2 Million
- **Compact (General Fund) \$288.2 Million**
- Enrollment Growth Revenue \$34.5 Million
- **Total Compact Funding \$322.7 Million**



2008-09 CSU BUDGET

Compact Budget Recommendations

2008-09 CSU Budget (Compact)

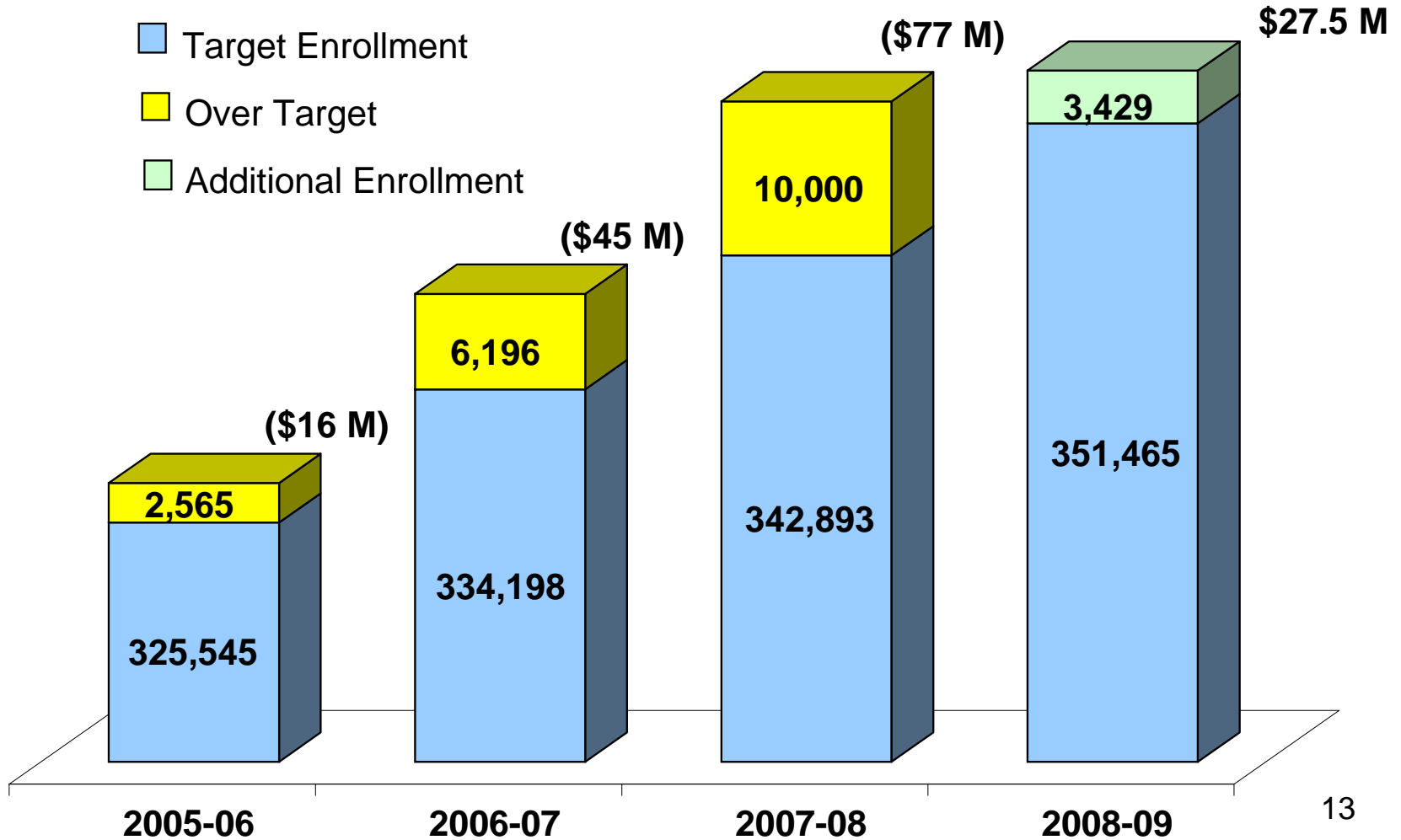
Expenditure Assumptions

■ Mandatory Costs	\$36.0 Million
■ Enrollment Growth (2.5%)	\$82.5 Million
■ Compensation	\$154.3 Million
■ Financial Aid	\$6.9 Million
■ Long Term Need	\$43.0 Million
■ Total Compact Funding	\$322.7 Million

Mandatory Costs - \$36.0 Million

- Health Benefits \$21.7 Million
- New Space \$ 6.0 Million
- Energy \$ 4.0 Million
- Full Year, Service-based Salary Increase \$ 4.2 Million

Compact Enrollment Growth (2.5%) Above Compact Enrollment Growth (1.0%)



CSU Compensation \$154.3 Million

- Compensation base 3 percent \$91.1 Million
- Salary Gap Funding \$63.2 Million

Financial Aid

\$6.9 Million

- 2007-08 Total SUG \$ 276.0 Million
(117,164 Grant Recipients)
- 2008-09 CSU Budget \$6.9 Million
(2,906 Grant Recipients)
- 2008-09 Total SUG \$282.9 Million
(120,070 Grant Recipients)

Long Term Need

\$43.0 Million

- Library Acquisitions \$3.0 Million
- Deferred Maintenance \$6.5 Million
- Academic Technology \$33.5 Million

2008-09 CSU BUDGET

“Above Compact” CSU Budget Priorities

2008-09 “Above Compact” Budget Requests

■ Increase Ratio of Tenured Faculty,	\$42.9 Million
■ Compensations Agreement (1%)	\$30.4 Million
■ Additional Enrollment Growth (1%)	\$27.5 Million
■ Student Services Initiative	\$24.6 Million
■ Applied Research	\$12.0 Million
■ Teacher Performance Assessment	\$10.0 Million
■ Clinical Nursing (MSN & BSN)	\$7.8 Million
■ Total Above Compact Funding	\$155.2 Million

Increase Ratio of Tenured Faculty \$42.9 Million

- Improve Current Faculty Tenure/
Tenure-Track Faculty Ratio \$9.7 Million
- Increase Percentage of Tenure/
Tenure-Track Faculty \$13.5 Million
- Improve Student/Faculty Ratio \$19.7 Million

Compensations Agreement

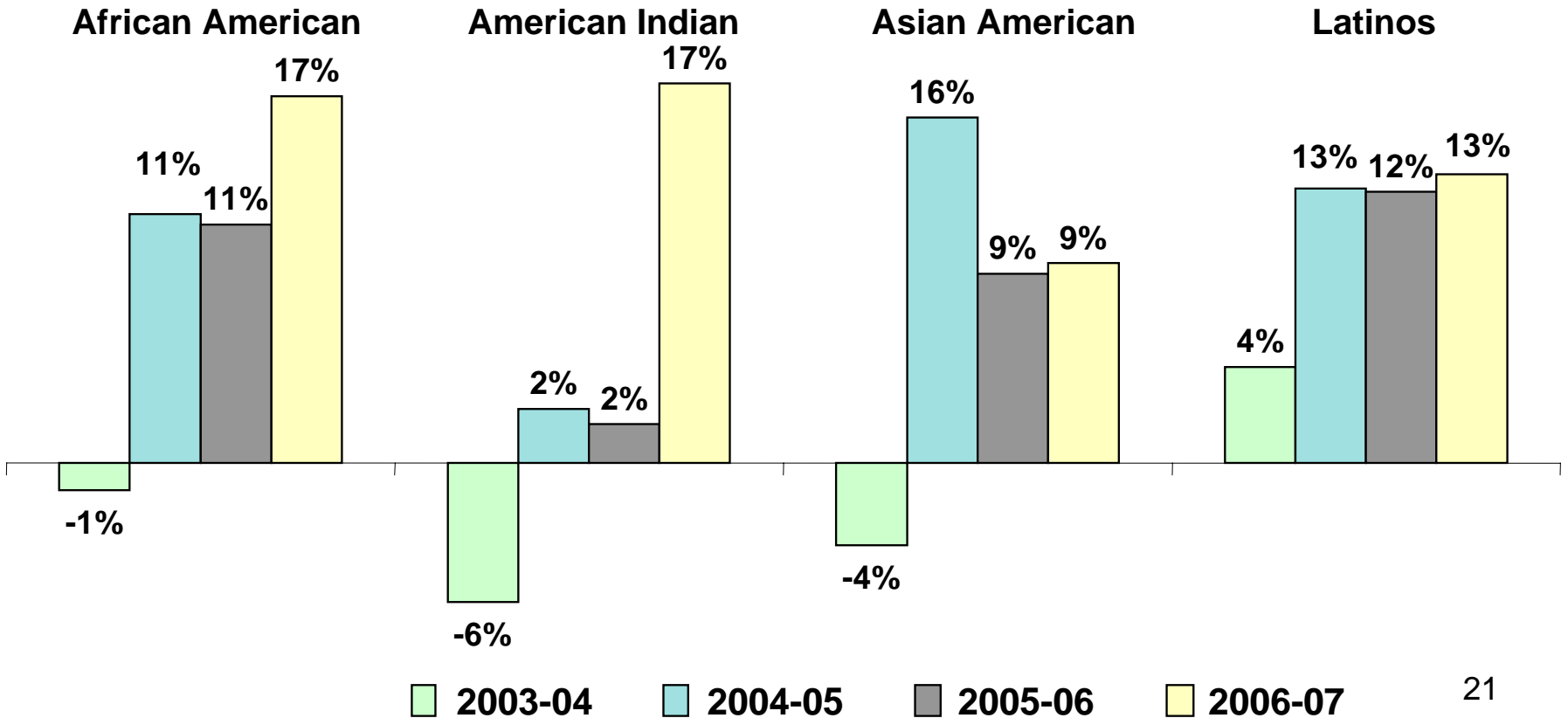
\$30.4 Million

- Supports the BOT commitment for reducing the salary gap of all CSU employees
- Allows CSU to be more competitive to attract a highly motivated and qualified workforce
- Essential to ensure recruitment and retention of highly qualified faculty, staff, and management

Enrollment Growth

\$27.5 Million

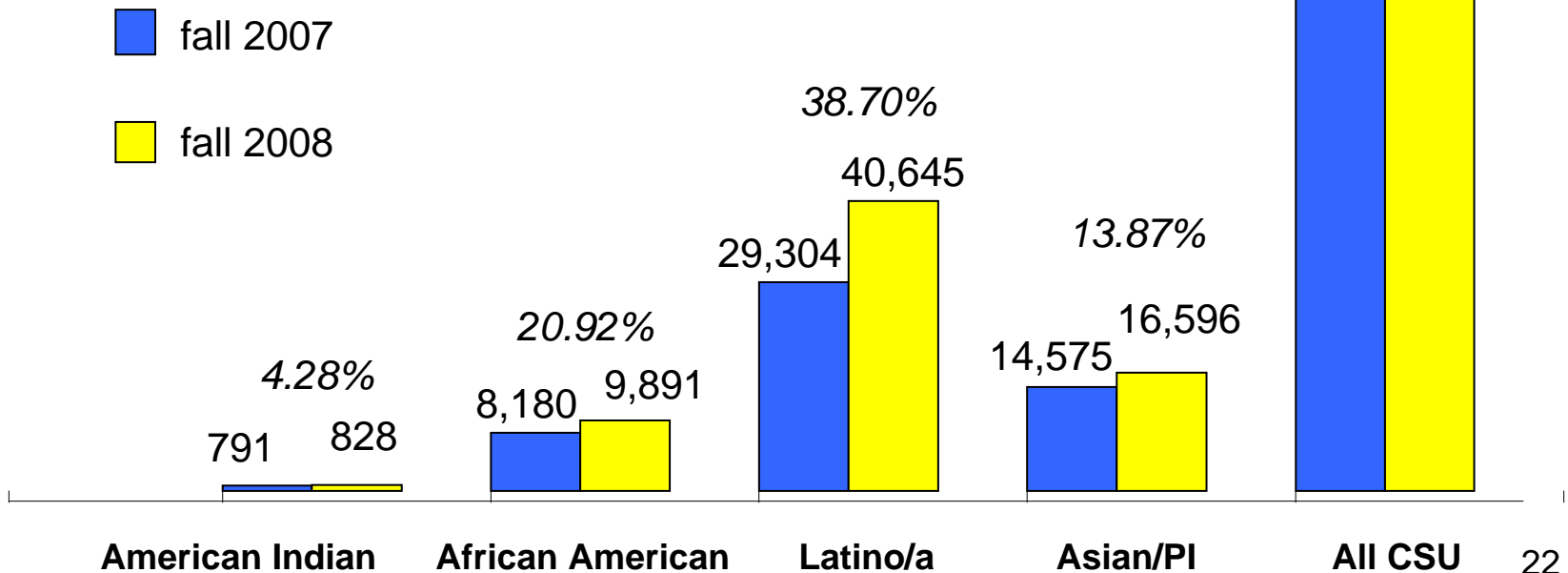
First Time Freshman Enrolled in CSU



Enrollment Growth

\$27.5 Million

Fall to Fall CSU Applications



Student Services Initiative

\$24.6 Million

- Student Services for Success
 - \$7.5 million to improve advising for undergraduate degree majors.
 - \$1.5 million to strengthen new student orientation programs
 - \$4.5 million for learning, tutoring, and study skills help centers.
 - \$2.5 million for articulation staff to work with the CCC on transfer.
- Student Services Authentic Access

\$16 Million

\$8.6 Million

Applied Research

\$12 Million

- Agriculture \$5 Million
- Biotechnology \$3 Million
- Marine Studies \$3 Million
- Fresh Water \$1 Million

Teacher Performance Assessment \$10 Million

- Senate Bill 2042 (Alpert, Chapter 548, 1998)
 - Establishes TPA requirement subject to availability of funds in annual Budget Act.
- Senate Bill 1209 (Scott, Chapter 517, 2006)
 - Requires full implementation of TPA for all teacher credential candidates starting in 2008.

Clinical Nursing

\$7.8 Million

- Second-Year Cohort, ELM Program \$2.4 Million
(163 FTES x \$14,460)
- Second-Year Cohort, BSN Program \$4.9 Million
(340 FTES x \$14,460)
- Doctoral Nursing Program \$519,000
(Development at 3 CSU Campuses)

2008-09 CSU BUDGET

Additional CSU Budget Issues

CSU Compensation Agreement

(Salary and Health Benefits)

- 2006/07 Costs over CSU budget \$10.6 Million
- 2007/08 Costs over CSU budget \$40.9 Million
- 2008/09 Costs over CSU budget \$22.9 Million
- 2009/10 Costs over CSU budget \$28.2 Million

Unfunded Costs to the CSU

- 2007-08 Potential Over Enrollment (10,000 FTES or 13,000 Students) \$77 Million
- City of Marina Issues (2008-09) \$15 Million
- Assembly Bill 2951
 - Municipal Facilities Capital Costs \$??? Million

2008-09 CSU Budget

- Extremely challenging year given state's economic outlook
- Higher Education will face many competing interest for limited state General Fund dollars
- CSU is the economic engine for California
- CSU has an overwhelming demand for access, particularly among underrepresented students
- Number one priority, fully fund CSU Compact



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