

The California State University Employee Update

Thursday, April 30, 2009

Special Election Will Impact CSU's Budget

Several important propositions will be before California voters during a special election May 19. Propositions 1A through 1E seek to stabilize California's current financial crisis and to implement long-term budget reform. The CSU Board of Trustees has endorsed a yes vote on Propositions 1A through 1E because of the direct impact the propositions will have on the CSU if they fail to pass. Most of the measures provide new revenues to help balance the state's General Fund budget over the next several years. This directly impacts the CSU as two-thirds of its budget comes from the state General Fund. More information, including the pro and con arguments for the measures, is available on the state's elections website (<http://www.voterguide.sos.ca.gov/>). The last day to register to vote is May 4 and the last day to request a vote-by-mail ballot is May 12. See the voter registration website (http://www.sos.ca.gov/elections/elections_vr.htm).

State Sells Bonds; Construction Projects to Resume on Campuses

Following the sale of \$6.85 billion in Build America Bonds, Gov. Arnold Schwarzenegger announced April 22 that the state will restart more than 5,000 infrastructure projects, including more than 130 on CSU campuses which have been suspended since last December. California is the first state to sell the bonds which were created by the federal stimulus legislation passed in February to assist state and local governments in financing capital projects at lower borrowing costs. Campuses have been notified that they can restart all general obligation bond projects which were in various stages of design and construction and included libraries, performing arts centers, lab facilities, classrooms and other major infrastructure projects. "This is great news for the CSU in that it will allow our universities to resume building classrooms, dormitories, libraries, laboratories and many other vital projects that are needed to serve our students," said Benjamin Quillian, CSU's Executive Vice Chancellor and Chief Financial Officer. Based on the success of the bond sale, the Department of Finance has indicated that 10 months of funding will be supported. The Department of Finance, however, has not lifted the suspension on the lease revenue bond funded projects, including those five approved in the 2008-09 Budget Act.

CSU Makes the Case for Access and Affordability

CSU officials underscored to legislators recently the need for adequate funding to ensure the university remains accessible to the state's economically and educationally disadvantaged students. CSU Assistant Vice Chancellor of Budget Robert Turnage and Assistant Vice Chancellor of Student Academic Support Allison Jones made a presentation on CSU's access and affordability at the California Assembly Budget Subcommittee hearing on April 22. Jones provided a comprehensive summary of CSU's outreach programs to the state's underserved students illustrating how those efforts have paid off in improved participation from African American, Latino, Asian and Native American students. He emphasized that the CSU's financial aid options are shielding the neediest students from a potential 10 percent student fee increase, noting that 80 percent of all need-based undergraduate recipients will not pay a fee increase. The CSU Trustees will be asked to raise student fees 10 percent when they meet in May. The fee increase was included in the budget passed by the governor and the legislature in February. CSU representatives attended the hearing along with UC and community college officials to impress upon legislators the need to invest in the state's public higher education system. View the CSU's annual report on student outreach programs here: http://www.calstate.edu/SAS/documents/2007-08_OutreachReport.pdf.