

## **Why are thousands of students being denied access to a California State University education?**

### **The Compact on Higher Education underfunds the CSU and institutionalizes the denial of student access.**

BACKGROUND: In May 2004, CSU Chancellor Reed and the governor shook hands on a “Compact on Higher Education,” an agreement on state funding for the 23-campus California State University in future years. The chancellor agreed to deep cuts in the 2004/05 CSU budget in exchange for the promise that funding would be stepped up in the future. The Compact is not binding.

In 2004/05 the CSU budget was slashed by \$200 million. As a result the CSU was unable to admit at least 15,000 eligible students, and more are likely to be turned away this year. Student fees were raised again, resulting in a 63% cumulative increase in fees between December 2002 and May 2004. The Compact calls for another 8% increase on July 1, 2005.

### **The Compact *permanently abandons* the promise made in California’s Master Plan for Higher Education to admit all qualified students.**

- **The CSU denied at least 15,000 eligible students** in academic year 2004/05.
- **Another 1500 or more students will be turned away** in 2005/06 under the Compact.
- **The Compact provides funding for only 2.5% enrollment growth.** The actual increase in the number of qualified students who could attend a CSU is projected to be 3%.
- **Most community colleges are struggling.** The CC system lost 175,000 students in 2003/04. Community colleges are not an alternative.
- **The Compact uses one of the the worst funding years** in CSU history — 2004/05 — as the base year for funding and enrollment increases. So the Compact starts from a poor funding base and institutionalizes the denial of student access.

### **The CSU will *never* fully recover from crippling budget cuts under the Compact.**

- **CSU’s budget has been reduced by more than half-a-billion dollars** in just two years! That adds the 2003/04 cut of \$311 million and the 2004/05 cut of \$200 million.
- **From that abysmal base,** the compact says it will provide new enrollment dollars and increases to the CSU budget.
- **It would take four years under the Compact,** just to get back to the same funding level of the 2002/2003 budget (i.e. just to recover the money already cut.)
- **By then we will have increased enrollment.** This year, the largest high school senior class in California history — the class of 2005 — will graduate.
- **The Compact locks us into bad budgets** from now on.
- **The CSU may never recover** its ability to serve the thousands of eligible students who want a CSU education if state funding is not increased beyond what the Compact promises.