

2005/06 CSU BUDGET PROPOSAL

In October, the Board of Trustees approved a budget proposal that followed the outline of the governor's Compact signed last May. The Trustees' proposal doesn't begin to address the true needs of the CSU.

- It relies on \$101.2 million more in revenue from student generated funds
- It includes only a \$123.6 million increase in state funding.
- It does not provide funding for sufficient enrollment growth.

In response, CFA proposed an additional \$181 million for areas neglected by the Compact and necessary for the CSU to adequately serve its current and future students:

CFA'S PROPOSED ADDITIONS

• INCREASE ENROLLMENT GROWTH FUNDING

Add funding for at least another 1.5% in enrollment growth for a total of 4%

• ADD MORE TO THE BASE BUDGET

Add at least 1.5% more for a total base budget increase of 4.5%

• PROVIDE FIRST YEAR FUNDING FOR ACR 73

Reduce class size and lower the student-faculty ratio

- Add \$37 million to fund ACR 73, the plan to increase the ratio of tenured/tenure-track to temporary faculty positions in the CSU.

• PUT A MORATORIUM ON RAISING STUDENT FEES

Roll back the 8% undergrad/10% grad fee hike that has not yet gone into effect

- Encourage the Legislature and governor to provide \$78 million to "buy out" fee increases (i.e. instead of raising the fees again).
- No more fee hikes until the Trustees have studied the impact on students of the 63% undergrad increase in the past two years.

2005/06 BUDGET BACKGROUND

- In May 2004, Chancellor Reed agreed to the governor's Compact. When the state budget was signed in July, the CSU took a \$200 million cut. In response to criticism over the terms, Reed said the Compact is a "floor"; the governor and Legislature could provide more.
- In October 2004 the Trustees approved a budget proposal precisely mirroring the Compact, in effect, making it a "ceiling" rather than a floor.
- While CSU administrators resist asking the governor for what the CSU needs to operate, they have been aggressive with student fee hikes.
- Meanwhile, eligible students are being turned away from the CSU altogether. Under the Compact, 10,000 who were denied access in 2004/05, still will find no space in the CSU next year.
- Another 1,600 will be turned away in 2005/06 if the CSU does not get more funding for new enrollment than the Compact provides.
- Under the Compact, the CSU will continue to fall behind.
- CFA advocates for a budget that will meet the immediate needs of our students and begin to rebuild the CSU for the future.