

CSU Budget 101

CFA's Guide To Understanding the 2008/09 CSU Budget Process

About the Budget:

On January 10, Gov. Arnold Schwarzenegger unveiled his proposed budget for the 2008/09 fiscal year. With California facing a deficit that could top \$14 billion, the Governor announced 10-percent reductions in all general fund departments and programs, including education.

The CSU portion of this budget plan includes cuts of \$312 million dollars from the system's operating budget and a student fee increase of 10%, which equals to \$72 million dollars.

This means for the CSU to continue to operate at the same level as last year and avoid yet another student fee increase, the governor and the state legislature will have to appropriate \$386 million dollars more for the CSU than was offered in the governor's budget plan.

What does \$386 million really mean?

To absorb a \$386 million cut, the CSU could shut down five of the system's smallest campuses. The combined budgets of the Maritime Academy, CSU Channel Islands, CSU Monterey Bay, CSU Bakersfield, and CSU Stanislaus this year total about the same amount as the proposed cut. Closing down CSU Fullerton, the largest CSU campus with the largest student enrollment, would be another way for the CSU to save about \$300 million.

If spread across the 23 CSU campuses, the cuts would translate into course reductions, increased class sizes, and longer times to graduation, California's students and their families will once again be paying more and getting even less.

What is at stake with these proposed budget cuts to the CSU?

For Faculty and Staff

- There could be loss of jobs for scores of contingent faculty and staff members who now make up the bulk of the CSU workforce.
- The increased workload for the faculty and staff who remain on the job would make it more difficult for faculty members and advisors to provide individual attention to students. More students would fall through the cracks and drop out.
- Fewer crucial support services would be available to students including advising, career services, psychological counseling, health services, outreach and more.
- In a worst case scenario, the budget cuts could result in labor strife.

For students

- The proposed cuts would mean students would have to pay more and get less in return.
- The Governor's budget assumes a 10% increase in undergraduate student fees that would bring fees to \$3,048 per year—113% higher than they were in 2002 when the state faced its last major budget crisis.
- Scores of course sections could be cancelled and those sections not slashed would be super-sized, creating an environment that is not conducive to learning.

- With increases in class sizes and reductions in course offerings and student advising, this budget will make it much more difficult for students to graduate on time. By lengthening their stay at the university – as fees continue to rise – students are more likely take on heavier debt to graduate.
- As many as 10,000 qualified students could be turned away from the CSU this year alone as the result of a lack of state support for higher education.

For the future of California

- These budget cuts would undermine California’s economy. Higher education is part of the solution to a troubled economy. Cuts would undermine the state’s revenue-creating potential as the state adds a smaller number of college graduates.
- As it gets harder for students to get into college—especially first-generation college students and those from underserved populations, California’s middle class will shrink.
- Cuts to CSU would undermine future growth in the state’s human infrastructure. The governor says we need to build infrastructure by \$500 billion over the next 20 years. The CSU educates the people who do exactly the type of work the Governor wants done. The CSU produces the backbone of the state’s workforce—engineers, teachers, nurses.

Where the budget goes from here

Now through April, the governor’s proposed state budget will be discussed in committees in the state Assembly and Senate. The CSU budget is discussed in subcommittees for education. State agencies, the Dept. of Finance, the Legislative Analyst’s Office and members of the public will appear before these committees to make suggestions on the budget.

In mid-May, the governor will release changes to his proposed budget based on actual and projected changes to the state’s income and expenditures. This is called the May Revision.

In June, the budget committee of each house will send its own revised budget bill to the floor for evaluation by the full body. Each house then votes on its version of the budget bill. The differences between the Assembly and Senate versions of the budget bill are worked out in a conference committee of three members from each house. This conference committee is to submit a single version of the budget bill to both houses.

This single version of the bill must be approved by a two-thirds vote of each house before it can be sent to the governor. California is the only state that requires a two-thirds vote of both houses to pass the state budget. The deadline for lawmakers to adopt a budget is June 1; this deadline has rarely been met in recent years.

The governor will have 12 working days to sign the bill. The governor also has the authority to “blue pencil” (reduce or eliminate) any item in the budget.

Required reading on the budget

- Find CSU budget documents at www.calstate.edu/budget
- To view the Governor’s entire proposed 2008/09 budget for the CSU, go to:
<http://www.ebudget.ca.gov/pdf/GovernorsBudget/6000/6610.pdf>
- For a helpful chart explaining the process the budget goes through before being passed, go to:
<http://www.calstate.edu/BudgetCentral/8-step.shtml>

Facts about the CSU

- The CSU educates nearly 450,000 students (head count).
- It is the largest four-year public university in the U.S. with an enormous impact on the economy of the state and the local communities near its 23 campuses.
- The CSU awards 51% of all bachelor’s & 40% of all master’s degrees in California
- The CSU graduates nearly 90,000 students each year.
- The CSU educates the bulk of California work force in key industries including engineering, nursing, teaching, computers and business.