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(Nov. 17, 2009) – Calling it a "recover and reinvest" budget, the California State University Board of Trustees Finance Committee today adopted a budget for 2010-2011 calling for an $884 million increase in state support from the legislature and Governor. The budget would increase the system’s General Fund support from its current reduced level of $2.3 billion to $3.2 billion. The full board is expected to adopt the budget proposal tomorrow.

"This is a very ambitious budget in these very challenging times," said CSU Chancellor Charles B. Reed. "We are asking the state to not only restore funding of one-time cuts that were imposed for this year, but to also provide the needed revenue for mandatory costs, compensation increases, as well as fund our collective bargaining agreements for the past two years. This budget reflects the true fiscal needs of the CSU."

As state revenues have continued to decline over the past two years, the CSU’s state support has been cut by $625 million or 21 percent. To address the massive budget cuts, the CSU has implemented a plan that includes employee furloughs, student fee increases, enrollment reductions, and other budget cuts across the 23 campuses. Last week, CSU officials announced they had cut 4,000 students for fall 2009, with another 6,000 expected to be reduced in spring 2010. Overall, the CSU expects to reduce enrollment by 40,000 students over the next two years.

The 2010-11 budget proposal includes funding to restore $305 million in one-time cuts imposed in 2009-2010. In addition, the budget requests $296 million for mandatory cost increases, compensation increases, and improvements in student services and instruction. This amount includes an estimated $111 million needed to "buy out" a 10 percent student fee increase (after one-third is set aside for financial aid).

Finally, the plan calls for $283 million to restore funding for collective bargaining agreements in 2008-09 and 2009-2010 that were not funded as a result of the state’s inability to provide the needed revenue. The total budget request of $3.2 billion exceeds the state support provided to
the CSU in 2007-2008, considered the last “predictable" funding year, by $259 million or 8.7 percent.

Next, the CSU will submit the budget plan to the State Department of Finance. In January, the Governor will submit his budget plan to the Legislature. The Governor’s budget is revised in May, and is expected to be adopted by the Legislature by June 15. The new fiscal year begins July 1. For additional details of the budget, see the CSU Board of Trustees Committee on Finance Agenda.

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**About the California State University**
The California State University is the largest system of senior higher education in the country, with 23 campuses, approximately 450,000 students and 48,000 faculty and staff. Since the system was created in 1961, it has awarded nearly 2.5 million degrees, about 90,000 annually. Its mission is to provide high-quality, affordable education to meet the ever-changing needs of the people of California. With its commitment to excellence, diversity and innovation, the CSU is the university system that is working for California.