



The California State University

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2006-07 Budget Presentation

Assembly Budget and Fiscal Review, Subcommittee 2

March 7, 2006



Summary of Budget Adjustments (In Millions) 2002-2005

	2002/03	2003/04	2004/05	3 Year Total
General Fund Reduction	(102.6)	(373.7)	(175.6)	(651.9)
Unfunded Mandatory Cost	(22.8)	(78.6)	(57.5)	(158.9)
Fee Revenue Offset	20.0	167.0	101.5	288.5
Total Net Reduction	(105.4)	(285.3)	(131.6)	(522.3)



2005-06 CSU Budget

▪ Mandatory Costs	\$40.7 M
▪ Enrollment Growth	\$63.8 M
▪ Financial Aid	\$23.3 M
▪ Compensation	\$88.0 M
▪ Long-Term Need	\$ 8.7 M
▪ Math/Science Teachers	\$250 K
▪ Nursing	\$ 2.3 M
▪ Total	\$227.1 M



CSU Initiatives

Early Assessment Program

- Partnership with the California Department of Education and the State Board of Education
- Administered to 11th graders along with their mandatory standardized tests
- Allows students to finish high school more prepared for college
- Received an Edison International New Era Award for Excellence in Higher Education
- 150,000 students took the test last year



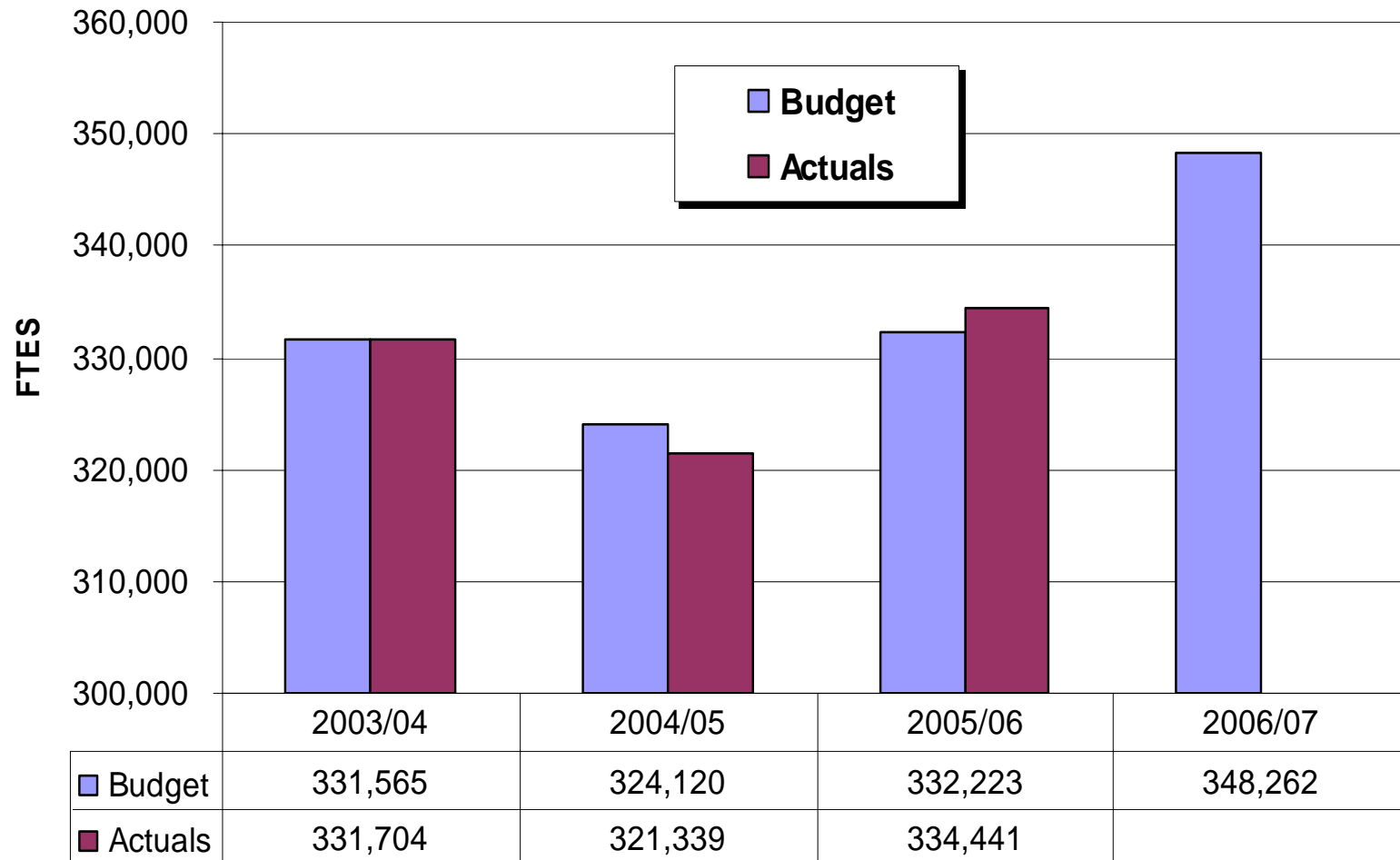
CSU Initiatives

Outreach to Industry and Communities

- Forums with Industry Leaders
 - Agriculture, Entertainment, Tourism/Hospitality and Engineering & Computer Science
- Underrepresented Community Forums
 - African American, Latino, Asian
 - Distribution of the “Steps to College” poster in 5 languages



Student Access and Enrollment Targets





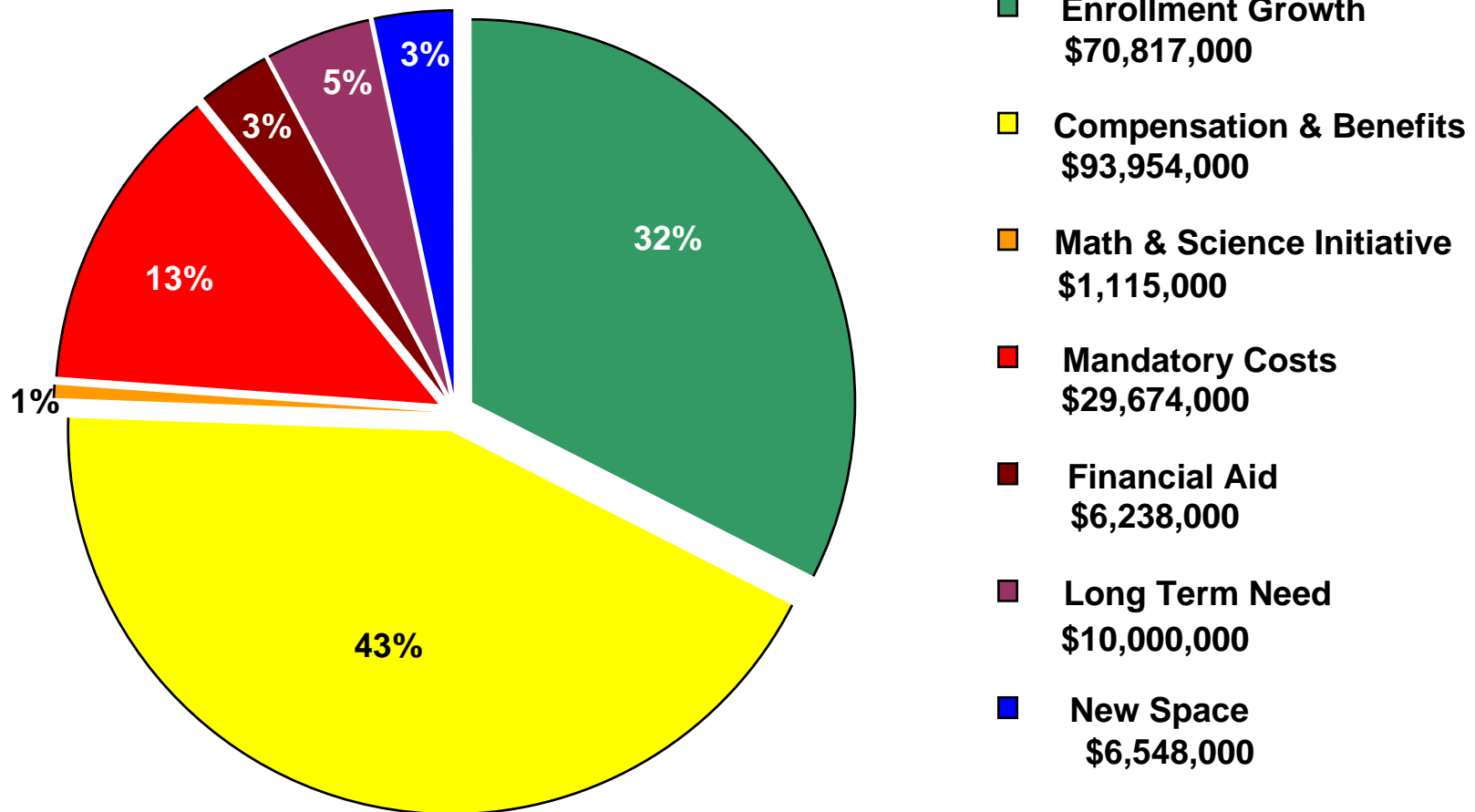
2006-07 CSU Budget (Expenditures)

Mandatory Costs	\$29,674,000
Enrollment Growth (8306/8490 FTES)	\$70,817,000
Financial Aid Set-Aside	\$6,238,000
Compensation (<i>3 percent</i>)	\$77,403,000
YR 1 – Salary Gap	\$16,551,000
Long-Term Need (Technology, Libraries, Deferred Maintenance)	\$10,000,000
Math/Science Teacher Recruitment	\$1,115,000
New Space	\$6,548,000
Total	\$218,346,000



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2006-07 CSU Budget Increase Distribution of Funds



Total \$218,346,000

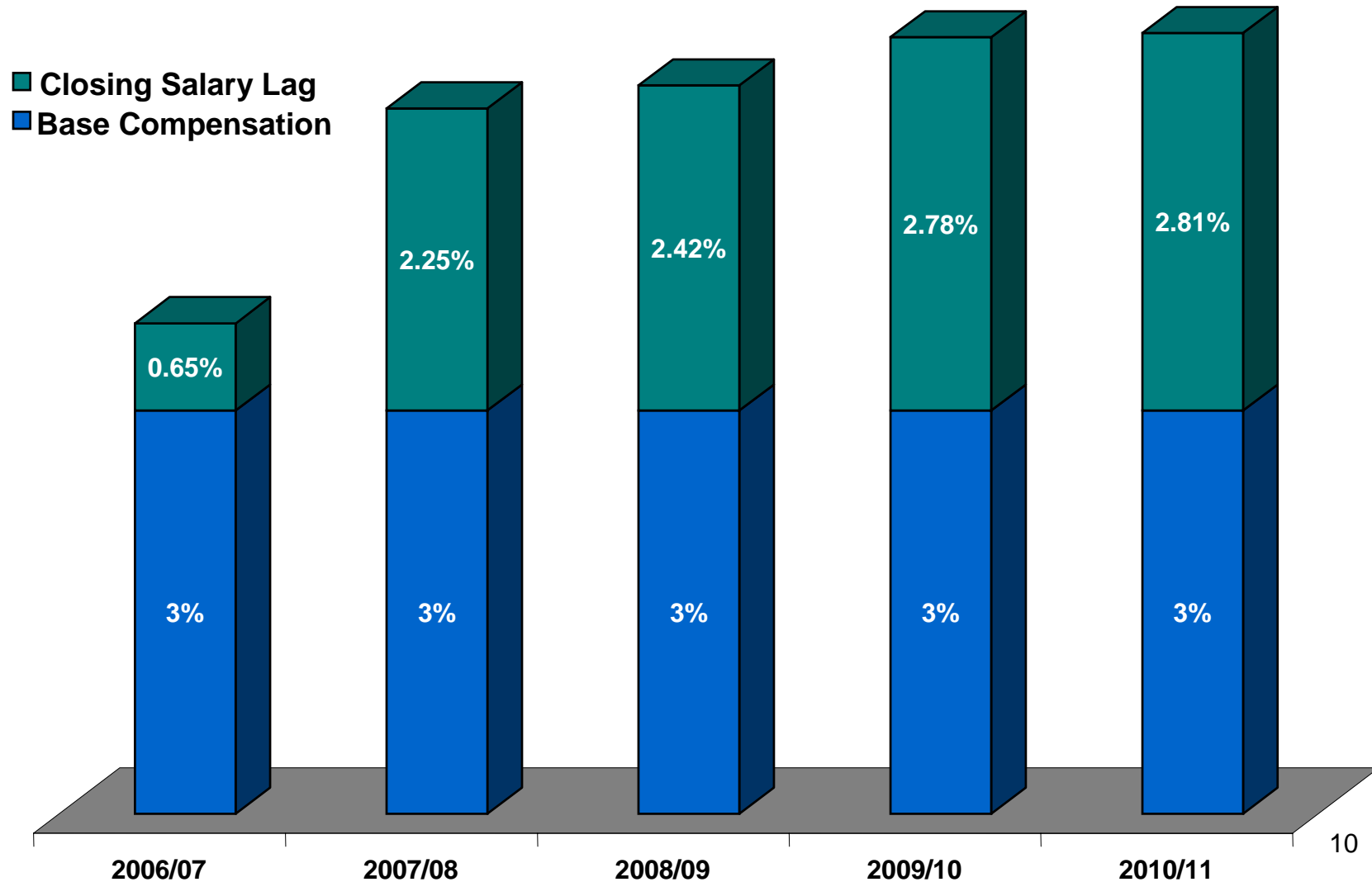


Faculty/Staff Compensation Increases

Fiscal Year	Funded in Final Budget
2001/02	2.00%
2002/03	1.50%
2003/04	0.00%
2004/05	0.00%
2005/06	3.50%



Compensation - Addressing the Salary Gap





Addressing CSU's Rising Capital Costs

CSU Position on Bonds

- Supports a 5-year proposal for education consistent with BOT Capital Outlay plan
- Request an average of \$1 billion a year for higher education
 - Minimum of \$345 million per year for CSU
 - Equal distribution of funds among the segments



Increasing Construction Costs

- Budget development begins years ahead of construction
- Significant cost escalation has negatively impacted projects
- Since 2002 escalation has doubled the cost/sq.ft.
 - Delays in design
 - Bidders won't hold bids for any length
 - Bids still over despite value engineering

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