

Governor's May Revision Proposes a \$3.6 million increase to support Nursing Programs

Revision Fully Funds CSU's Budget Request

(May 14, 2007) -- Governor Schwarzenegger's May Revision of the state budget fully funded the Compact for the 2007-08 California State University budget and proposed a General Fund augmentation of \$3.6 million to support approximately 340 additional undergraduate nursing students.

"We appreciate and fully support the governor's direction to increase the number of nursing students," said Richard P. West, CSU executive vice chancellor and chief financial officer. "California hospitals and quality health care facilities keep telling us that they have record-setting demands for professional nurses. This additional funding may facilitate a five percent increase in nursing graduates."

The additional funding recognized the higher cost of educating nurses and provided \$10,600 per Full-Time-Equivalent nursing student. The \$3.6 million nursing program augmentation now joins the \$2 million augmentation made by the Governor to continue increasing the number of credentialed K-12 math and science teachers. The two "above Compact" funding requests support high priority programs initially proposed by the CSU Board of Trustees.

The Governor's May Revision fully funded the Compact for the CSU budget of \$290 million, consistent with the January budget, that includes a 10 percent student fee increase or \$97.7 million in revenue necessary to support the CSU budget, including funding for financial aid.

The May Revision did not restore the \$7 million in Outreach and Academic preparation programs that was deleted in the Governor's January budget. The Senate Budget Subcommittee on Education has already restored this funding, while the Assembly has yet to take an action.

The proposed budget provides \$3 billion from the state General Fund and \$1.3 billion from student fee revenue.

CSU Budget Expenditure Highlights

- \$42 million for mandatory cost obligations, including \$28 million for health-care benefit increases
- \$77.9 million for 2.5 percent resident student enrollment growth (11,000 students)
- \$2 million for K-12 math and science teachers
- \$38.8 million for State University Grants and financial aid associated with the increase in student fees and enrollment growth
- \$82.8 million for a three percent compensation pool for all employee groups
- \$46.7 million to support funding for reducing the salary gap

- \$2.15 million to address long-term shortfalls in funding for library acquisitions
- \$2.15 million to continue reductions in the backlog of deferred maintenance
- \$5 million for academic technology
- \$3.6 million nursing programs

An executive summary of the 2007-08 Support Budget may be found as part of the Board of Trustees November agenda.