

# California State Budget CSU Support Budget

Robert Turnage, AVC for Budget  
January 26, 2010  
Board of Trustees

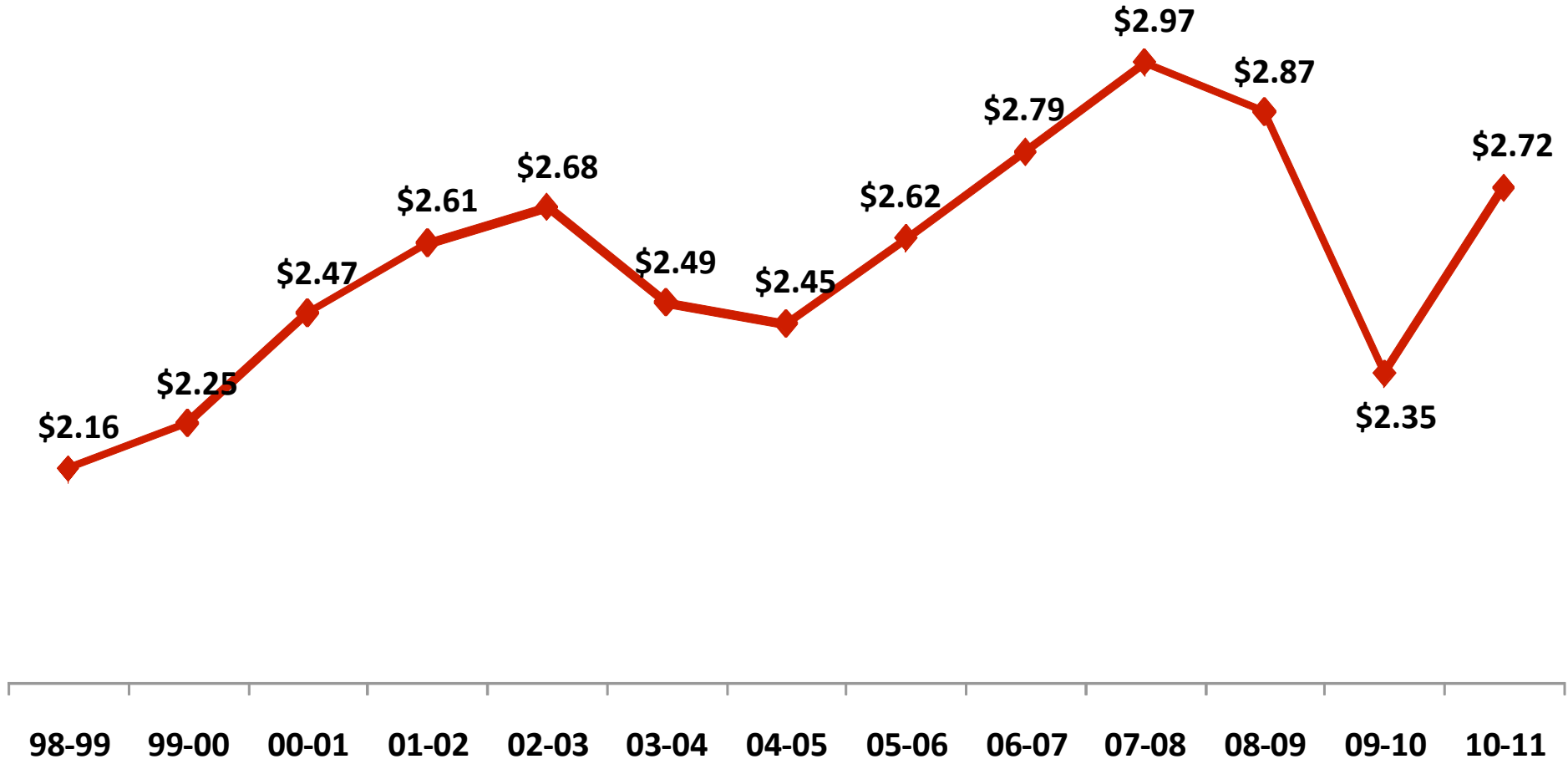
## State Faces New Budget Gap

- Governor's Budget addresses \$19.9 billion gap.
  - \$8.5 billion spending cuts.
  - \$6.9 billion new federal funds.
  - \$4.5 billion "alternative funding," fund shifts and other revenues.
- Fiscal environment extremely challenging
  - Easy choices are gone; most one-time tricks exhausted.

## **Governor Gives Strong Priority to Higher Education**

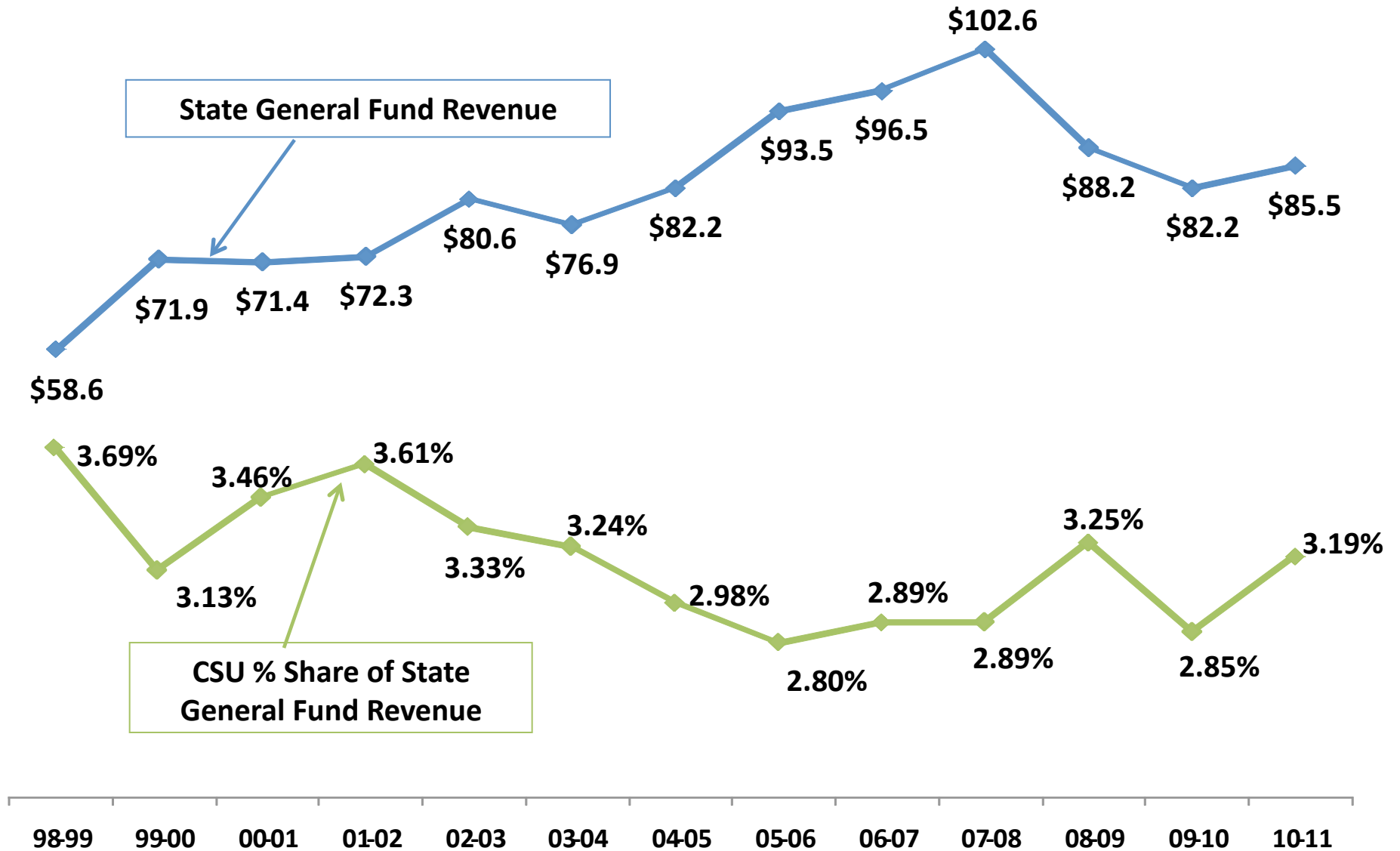
- Despite fiscal challenges, Governor proposes major restoration to the CSU. Total General Fund increase of \$377 million.
  - \$305 million to restore one-time 2009-10 cuts.
  - \$60.6 million for 2.5% enrollment growth (contingent on federal trigger).
  - \$11.9 million for technical adjustments.

# CSU General Fund Allocation In Billions



2008-09 and 2009-10 amounts do not include \$717.5 million “retroactive” cut to 2008-09 appropriation, since this is offset by one-time federal funds.

## State General Fund Revenue and CSU Percentage Share In Billions



## Triggered Cuts if Federal Funds Fall Short

- If federal funds fall short, budget proposes list of \$4.6 billion of “triggered” cuts, including:
  - CSU and UC enrollment growth.
  - Elimination of state’s welfare program--CalWORKS.
  - Elimination of In-home Supportive Services (IHSS) program providing in-home care to 430,000 low-income elderly and disabled Californians.
  - Elimination of Healthy Families program providing health insurance for 900,000 low-income children.

## LAO: Governor's Plan Falls Below Federal K-12 MOE Level in 2010-11

<b>Comparing Funding to Federally Required Maintenance-of-Effort (MOE) Level</b>				
<i>(Dollars in Millions)</i>				
	MOE Level: 2005-06	2008-09	2009-10	2010-11
<b>K-12 Education</b>				
Proposition 98 General Fund	\$32,961	\$30,260	\$30,844	\$32,023
Settle-up	7	1,101	—	—
Quality Education Investment (QEIA)	—	402	250	152
Deferrals	—	2,904	1,679	—
<b>K-12 Totals</b>	<b>\$32,968</b>	<b>\$34,667</b>	<b>\$32,773</b>	<b>\$32,175</b>
Average Daily Attendance (ADA)	5,965,268	5,957,111	5,921,510	5,927,728
Total Per ADA (In Dollars)	\$5,527	\$5,819	\$5,535	\$5,428
<b>Amount Above/Below MOE</b>	<b>—</b>	<b>\$1,744</b>	<b>\$47</b>	<b>-\$585</b>
<b>Institutions of Higher Education (IHEs)</b>				
UC General Fund	\$2,839	\$2,451	\$2,596	\$3,019
CSU General Fund	2,596	2,186	2,350	2,723
Subtotals—UC/CSU	(\$5,435)	(\$4,636)	(\$4,946)	(\$5,742)
CCC	\$3,422	\$4,306	\$3,915	\$3,999
Proposition 98 General Fund	3,422	3,918	3,721	3,981
QEIA	—	48	30	18
Deferrals	—	340	163	—
Subtotals—CCC	(\$3,422)	(\$4,306)	(\$3,915)	(\$3,999)
<b>IHE Totals</b>	<b>\$8,857</b>	<b>\$8,942</b>	<b>\$8,861</b>	<b>\$9,741</b>
<b>Amount Above MOE</b>	<b>—</b>	<b>\$85</b>	<b>\$4</b>	<b>\$885</b>

\*From the "Overview of the Education Budget" by the Legislative Analyst's Office (LAO) 1/19/10

## **Budget Gives CSU Great Starting Point**

- The Governor's proposal gives the CSU a great starting point in January.
- Overall budget context, however, presents real challenges for securing ultimate legislative approval.
- Budget season will be long and filled with contingency.
- Advocacy for the CSU and higher education will need to be sustained and focused.