

# CSU 2009-10 Support Budget

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Board of Trustees

## Goals in Closing CSU Budget Gap

- Serve as many students as possible with quality instruction and related services
- Protect as many jobs as possible
- Preserve the university's financial integrity
- Plan beyond 2009-10 Fiscal Year

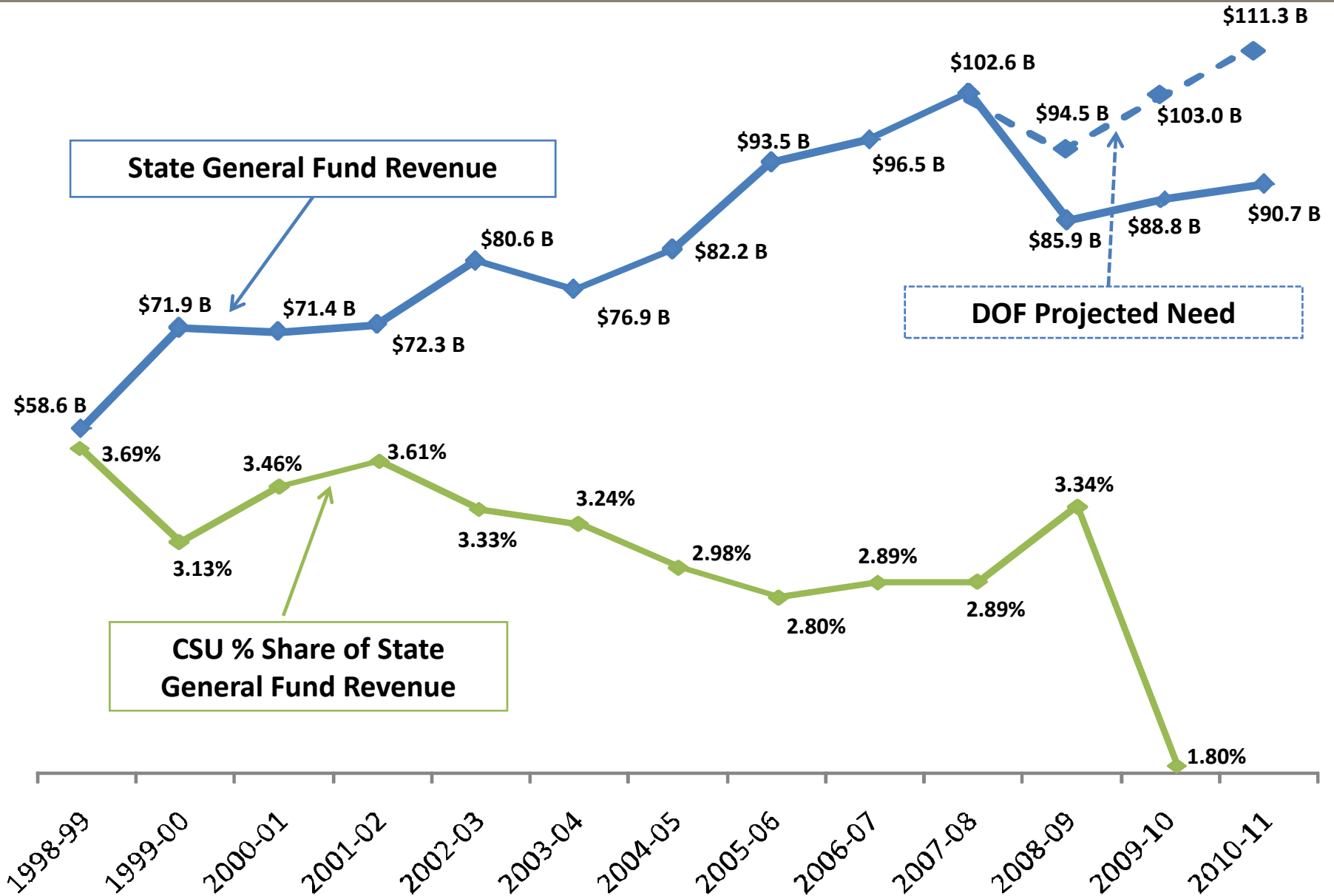
## Fundamental Parameters

- Problem is enormous
- Problem extends beyond 2009-10
- The gap must be closed
- Uncertainty is high; potential for smaller deficit extremely limited while potential for bigger deficit is great.
- Realities of operating campuses require moving forward, even if state action is delayed
- All options must be on the table
- No single option can solve the problem

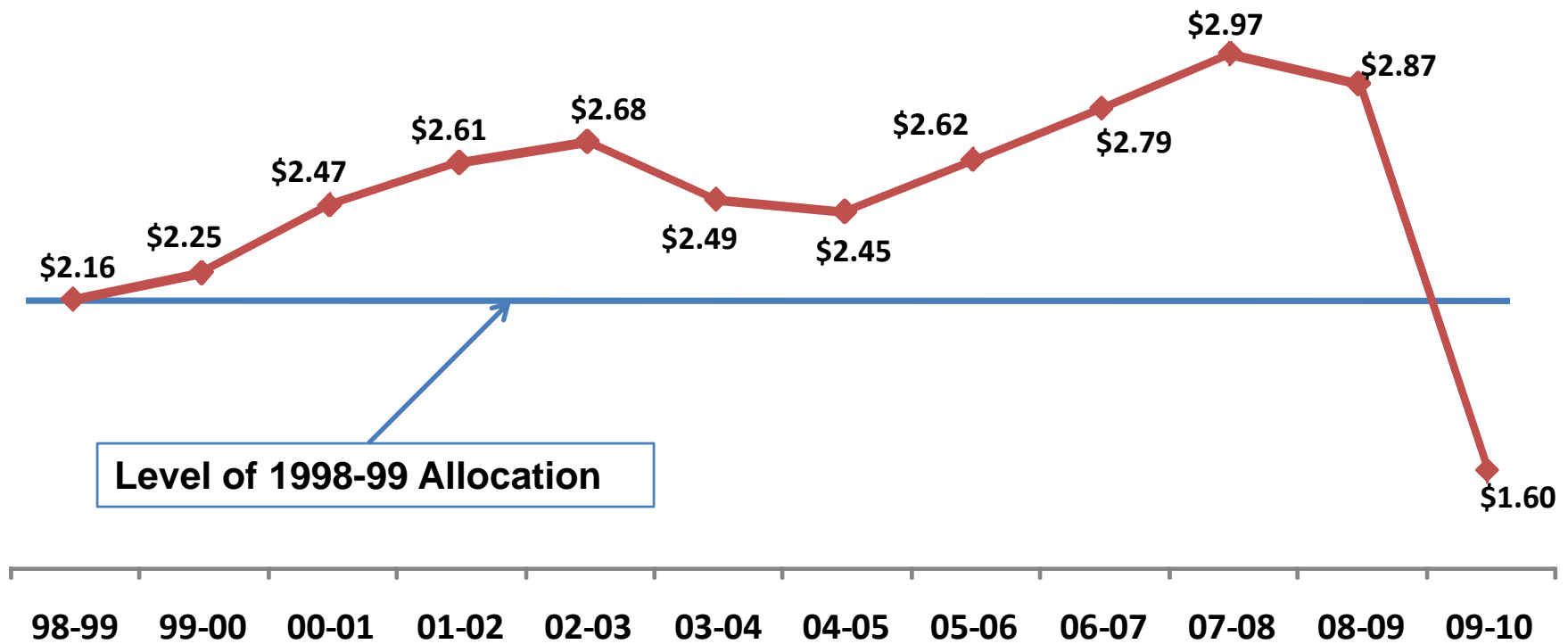
## Historic Downturn in State Revenues

- The next slide illustrates graphically how the state's General Fund revenues have fared, both recently and over the last decade
- The slide also shows the downward trend in the share of the General Fund that the state allocates to the CSU, as other claims on the General Fund – such as prisons and debt service - grow

# State General Fund Revenue and CSU Percentage Share In Billions

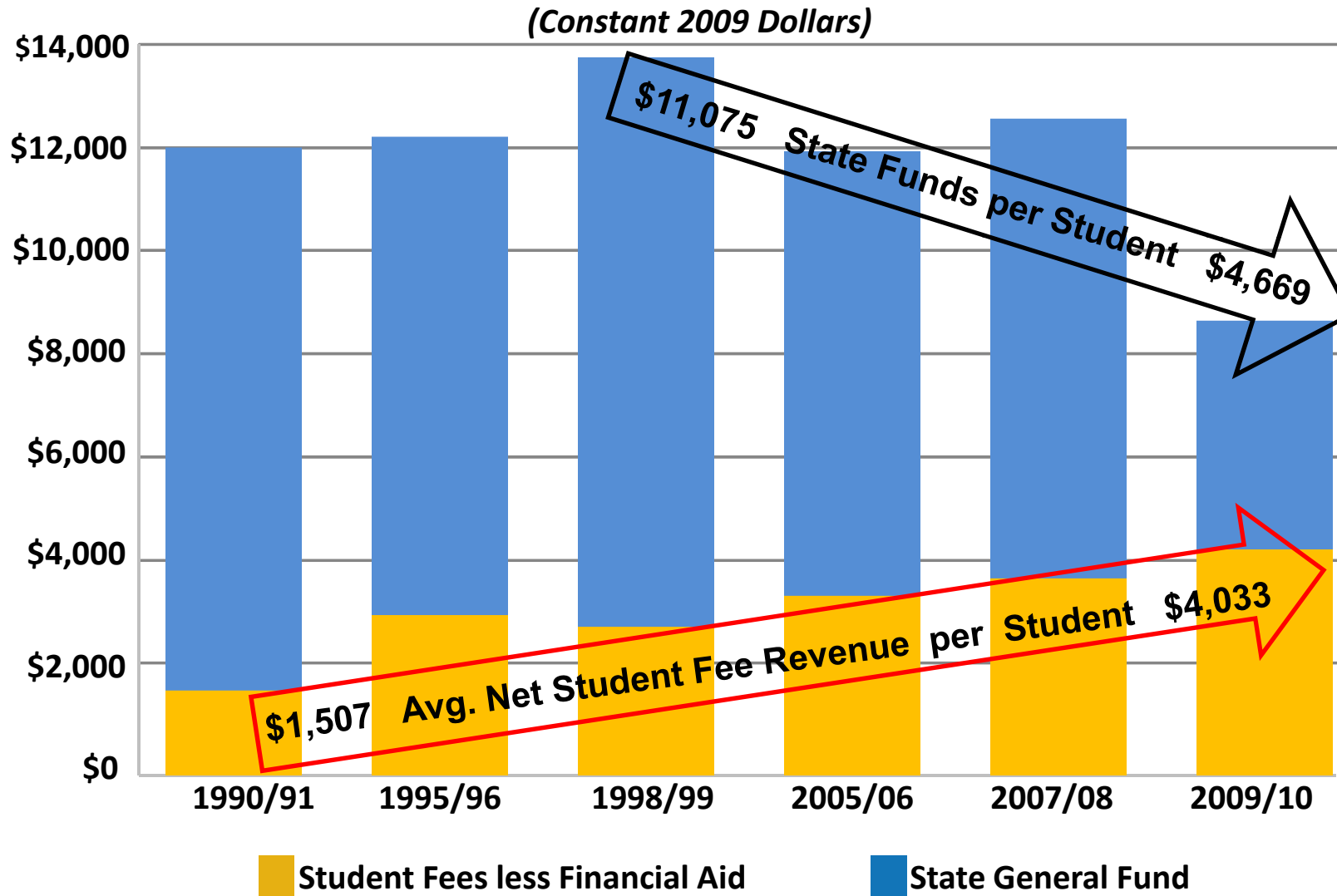


# CSU General Fund Allocation In Billions



2008-09 and 2009-10 amounts assume \$717.5 million “retroactive” cut to 2008-09 appropriation, proposed by the Governor on July 1, 2009, will take effect in 2009-10.

## Declining State Support Forces More Reliance on Student Fees

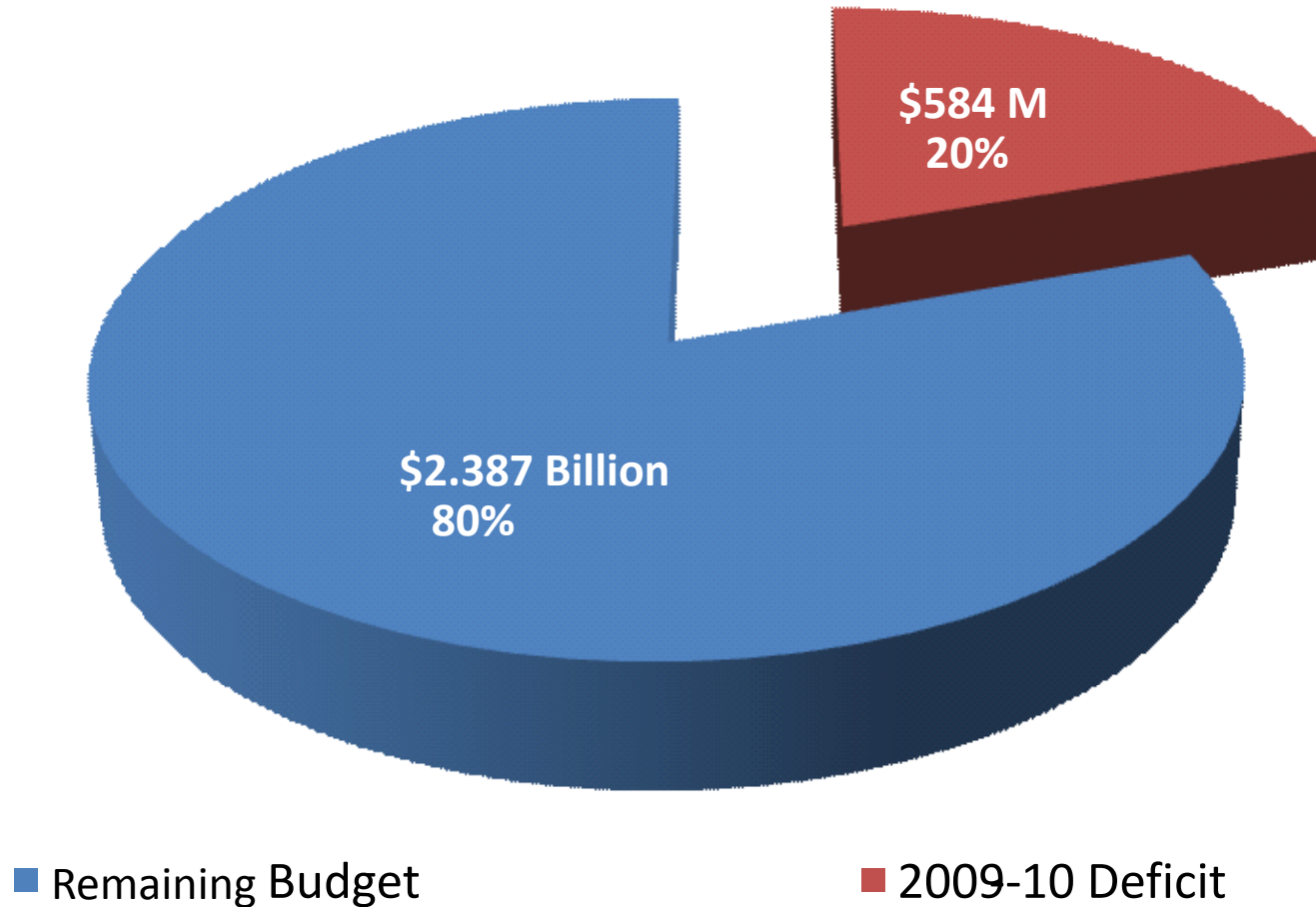


## CSU Faces Major Operating Deficit in 2009-10

- The huge reductions in state General Fund for the CSU shown in a previous slide are offset somewhat by anticipated federal stimulus funds and by the 10% fee increase approved by the Board of Trustees last May.
- Even accounting for this, the CSU faces an operating deficit of \$584 million – over half a billion dollars – as illustrated in the next slide.

## Net Fiscal Impact of Budget Reduction in 2009-10

Total General Fund Budget = \$2.97 Billion



Total budget based on original 2008-09 Budget Act

## **\$584 million deficit understates full fiscal impact**

- The \$584 million is relative to the budget enacted by the state last February. (We used this as a starting point because presidents and vice presidents were already working off of that budget.)
- It therefore does not include the \$66.3 million permanent cut to the CSU that was made in the February budget.
- It also does not include \$40.5 million of new mandatory costs.

## \$584 Million in Perspective

- \$584 million is the combined sum of the operating budgets of CSU Long Beach and CSU Sacramento (Including General Fund and student fee revenue).
- \$584 million is equivalent to the marginal cost funding provided by the state for instruction of about 95,000 students.

**CSU** The California State University

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