# AS-3097-12/FGA

 September 13-14, 2012

California State University Board of Trustees Proposed

2013-14 Support Budget

1. RESOLVED: That the Academic Senate of the California State University (ASCSU) supports the CSU Board of Trustees 2013-14 Proposed Support Budget (attached) which seeks an increase of $421 million over the 2012-13 budget, and be it further
2. RESOLVED: That the ASCSU distribute this resolution to:
* The CSU Board of Trustees,
* The Chancellor of the CSU, and
* The Governor of the state of California.

RATIONALE: The CSU has suffered drastic cuts in state support in the past few years – almost a billion dollars in the last three years. Instead of budget requests being honored, budget cuts have been the norm requiring the CSU BOT to rely on unpredictable and large tuition increases, which have had a damaging effect on both access to the CSU and the quality of the education. In addition, lasting damage to CSU facilities, equipment and physical plant is occurring due to lack of funds for maintenance over many years. This will result in further deterioration in quality.

According to the Chancellor’s Office – The **expenditure budget** request is tempered by recognition of the **state’s** ongoing fiscal challenge, yet represents a credible statement of the university’s key funding needs.

The planning approach is consistent with the instruction by the Department of Finance that all state agencies **formulate** budgets for the 2013-14 fiscal year with the assumption that the voters will approve Proposition 30.

The planning approach also assumes that the Board will “roll back” tuition rates to the 2011-12 academic year levels, contingent on passage of Proposition 30. The legislature and governor have already **enacted** a General Fund appropriation of $125 million to the CSU (AB 1502), which would become effective in 2013-14. This appropriation is treated as part of the budget “baseline,” and the amount of $421m is in addition to it.

The **revenue plan** strikes a balance between a reasonable amount that can be requested from the state and an amount that can be generated by tuition revenues associated with enrollment growth.

The 2013-14 budget request would provide the Governor and the Legislature with an achievable plan for reinvestment in the CSU.

**2013-14 Board of Trustees Support Budget Request**

*Expenditure Plan*. Summarized below is the expenditure plan, shown as increases to the CSU’s current baseline from state funds, tuition, and system-wide fees.

Mandatory costs (health benefits, new space, energy) $50 million

Compensation increase (3 percent “pool”) $85 million

Graduation Initiative/Student Success $58 million

5% Enrollment Growth $155 million

Urgent maintenance needs $30 million

Information technology infrastructure upgrade/renewal $20 million

Instructional equipment replacement $23 million

**Total ongoing expenditure change $421 million**

 The expenditure plan would bring annual spending for the CSU to almost $4.4 b.

 *Revenue Plan*. The plan for increased revenue would provide the resources needed to meet the expenditure plan.

State General Fund Increase $336 million

Net tuition revenue from enrollment growth $85 million

**Total ongoing revenue change $421 million**