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State Budget Accord Protects CSU Student Access
CSU to enroll 10,000 additional students

LONG BEACH The state budget agreement between Gov. Arnold Schwarzenegger and the Legislature fully funds the compact for higher education, provides $235.2 million in total dollars representing an increase of 6.5 percent for fiscal year 2005-06, and ensures enrollment for an additional 10,000 students at the 23-campus California State University system.

The 2005-06 budget increases the CSU General Fund support by 5.4 percent, and provides $134 million in new revenue, which is the first increase after three consecutive years of budget reductions. According to the agreement, the CSU’s general fund budget for the 2005-06 academic year is $2.6 billion.

“We are very pleased that the budget means increased student enrollment and reinvests in our faculty and staff,” said CSU Chancellor Charles B. Reed. “The governor has been steadfast in his support for higher education and the California State University appreciates his support. This budget shows the state’s commitment to begin to restore the cuts from the recent budget crisis in California, which severely underfunded the CSU.”

The budget increases financial aid by $23.3 million, bringing State University Grant funding to $232.6 million. This increase will support an additional 2,700 State University Grants for a total of 101,200 awarded grants.

For the first time in three years, CSU employees will receive a pay increase, which must be bargained for represented employees. The budget also provides $26 million in General Obligation Bond funds for capital renewal programs that will extend the useful life of many CSU facilities.

Cal Poly’s Vice President for Administration and Finance, Larry Kelley, said the budget agreement was good news for the University. "We are pleased that the Governor and Legislature have reached agreement on a budget that honors the Governor's compact on funding higher education.

"With a 2.5 percent increase for enrollment growth, we will now be able to offer a Cal Poly education to more of the state's brightest students. We will also be able to provide our faculty and staff with salary increases - the first such increases since July 2002," Kelley said.

"Additionally, there is some funding for increased operating costs. This is the first year in the last three in which we have not faced budget reductions. While this budget does not restore the former cuts, it is a move in a more positive direction," Kelley stressed.

The budget includes an 8 percent fee increase for undergraduate students and students enrolled in CSU teacher
credential programs, which will increase those annual fees by $186 and $216, respectively. Graduate student fees will increase by 10 percent, or $282 per year.

In 2005-06 undergraduate students will pay a State University Fee of $2,520 annually, teacher credential students will pay $2,922 annually, and graduate students will pay $3,102 annually.

The state university fee increase combined with the new revenue from enrollment growth provides a $101.3 million increase, which is part of the General Fund increase mentioned above.

“The budget also includes $560,000 to expand graduate nursing programs and $250,000 to increase the number of teacher preparation programs to produce additional K-12 science and math teachers. “This funding will assist the CSU with the Governor’s plan to address the critical shortage of graduate nurses and K-12 math and science teachers,” said Richard West, CSU executive vice chancellor and chief financial officer.

2005-06 Budget Highlights

- Enrollment growth: $63.7 million for a 2.5 percent growth (10,000 headcount/8,103 full time equivalent students)
- Employee compensation increase: $88.1 million, 3.5% pool, which must be bargained with the unions
- Mandatory costs increases: $41.8 million for health/dental insurance and space
- Financial aid increase: $23.3 million, 2,700 new awards
- Long-term needs: $7.9 million for libraries, deferred maintenance, technology

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To see the Governor’s budget, go to: http://govbud.dof.ca.gov/BudgetSummary/BUDGETSUMMARYOVERVIEW/section1_1.html

The California State University is the largest system of senior higher education in the country, with 23 campuses, approximately 400,000 students and 42,000 faculty and staff. Since the system was created in 1961, it has awarded about 2 million degrees, about 82,000 annually. The CSU is renowned for the quality of its teaching and for the job-ready graduates it produces. Its mission is to provide high-quality, affordable education to meet the ever-changing needs of the people of California. With its commitment to excellence, diversity and innovation, the CSU is the university system that is working for California. See www.calstate.edu