Governor Schwarzenegger, CSU Chancellor Reed, and UC President Dynes announced Tuesday a new compact for California higher education. The compact, while developed within the context of the fiscal crisis currently confronting the State, is a multi-year plan for basic operating and capital funding needed through the remainder of this decade to support CSU’s core missions of teaching, applied research, and public service.

Some of the major highlights of the Compact include:

- No indication of any material changes to our current budget plans, which estimate a $9.3 million reduction for 2004-05.
- An increase of 3% to the prior year’s base budget in both 2005-06 and 2006-07 funds to prevent further erosion in our ability to meet our operating needs, as well as to fund competitive faculty and staff salaries, health benefits, maintenance, and other cost increases.
- Effective 2005-2006 enrollment increases of approximately 2.5% per year thru the end of the decade.
- An average undergraduate student fee increase of 10% over the next 3-years (14% in 2004-05, 8% each in 2005-06 and 2006-07) and the assumption that UC and CSU will retain student fee revenue without a corresponding reduction in State funds (as is the case in the 2004-05 Governor’s Budget).
- In addition to the annual increases in State support, the State will provide funding for debt service to support general obligation bonds of $345 million for CSU capital projects from Proposition 55, including $35 million for Cal Poly projects. Also, as funding allows, the Governor has committed to allocating one-time funds to address high priority infrastructure needs such as capital renewal of facilities and deferred maintenance.
- The CSU will maintain its commitment to the Master Plan to provide a space for the top one-third of graduating high school seniors wishing to attend, and will maintain its commitment to provide access to transfer students.
- The CSU prepares 60 percent of the state’s elementary and secondary
teachers with the support of all the state agencies involved in teacher development and preparation. Therefore, the UC will collaborate with the CSU on a major initiative to improve the supply and quality of science and math teachers in the State of California, along with ensuring that the majority of new teachers will have the skills necessary, particularly in the areas of special education and English and language arts, to meet the demands of rigorous state standards.

- The Compact acknowledges the importance of degrees awarded which help meet relating to state workforce needs (mathematics, engineering, computer science and other science fields).

The Governor, UC and CSU reached an agreement for the future investment and funding for the CSU, which in its initial form looks reasonable and responsive to the needs of CSU, and the people of California. We will continue to monitor the process anticipating the May Revise later this week and the subsequent action by the legislature.

The Governor’s compact can be reviewed on-line at the following address:


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