

**ACADEMIC SENATE
OF
THE CALIFORNIA STATE UNIVERSITY**

AS-3402-19/FGA
November 14-15, 2019

**SUPPORT FOR THE CALIFORNIA STATE UNIVERSITY (CSU) BOARD OF
TRUSTEES (BOT) PROPOSED 2020-2021 OPERATING BUDGET REQUEST
WITH AUGMENTATION**

RESOLVED: That the Academic Senate of the California State University (ASCSU) commend Governor Gavin Newsom and the California State Legislature for the funding of California public higher education in the 2019-2020 budget; and be it further

RESOLVED: That the ASCSU support the CSU BOT 2020-21 operating budget request for additional monies for Graduation Initiative 2025, at least a 5 percent enrollment increase, and increased monies for salaries and benefits, academic facilities and infrastructure, and mandatory cost increases; and be it further

RESOLVED: That the ASCSU encourage the BOT to consider increasing the compensation pool request above the amount proposed in the CSU BOT 2020-21 operating budget plan; and be it further

RESOLVED: That to improve student access and success, the ASCSU urge that at least half of the additional monies received for Graduation Initiative 2025 be spent on hiring more tenure track faculty to increase tenure density; and be it further

RESOLVED: That the ASCSU distribute this resolution to the CSU Board of Trustees, CSU Chancellor, Governor of the State of California, Speaker of the California State Assembly, California Senate President pro Tempore, CSU campus Presidents, CSU campus Senate Chairs, CSU Provosts/Vice Presidents of Academic Affairs, California Faculty Association (CFA), California State Student Association (CSSA), and the CSU Emeritus and Retired Faculty and Staff Association (CSU-ERFSA).

RATIONALE Excerpt from the CSU BOT November 2019 agenda:

Proposed 2020-2021 CSU Operating Budget Request

The proposed operating budget request prioritizes certain areas of recurring expenditures to continue the CSU's commitment to Graduation

Initiative 2025, increase student access to the university, increase compensation for faculty and staff, attend to the highest priority academic infrastructure and deferred maintenance needs, and fund mandatory cost obligations.

The 2019-2020 baseline CSU operating budget totals \$7.2 billion. As shown in the below table and in Attachment A, the 2020-2021 Operating Budget Request proposes a base increase of \$633.3 million. The CSU's highest priority is to advocate for \$548.7 million in new general fund from the state. An additional \$84.6 million in new tuition revenue would be available from a five percent enrollment increase representing approximately 18,707 full-time equivalent students (FTES). With such an investment, the state will be in a better position to meet the overall economic and future workforce needs of California.

<i>Incremental Expenditures</i>	<i>in millions</i>
<i>Graduation Initiative 2025</i>	<i>\$105.0</i>
<i>Year 4 of 6</i>	<i>\$75.0</i>
<i>Remaining Year 3 of 6</i>	<i>\$30.0</i>
<i>5 Percent Increase in Enrollment</i>	<i>\$248.6</i>
<i>Salaries and Benefits</i>	<i>\$177.4</i>
<i>Compensation Pool</i>	<i>\$139.8</i>
<i>Health Rate Changes</i>	<i>\$26.0</i>
<i>Retirement Rate Changes</i>	<i>\$11.6</i>
<i>Academic Facilities & Infrastructure Needs</i>	<i>\$75.0</i>
<i>Mandatory Costs</i>	<i>\$27.3</i>
<i>Total Incremental Expenditures</i>	<i>\$633.3</i>
<i>Anticipated Revenue</i>	
<i>Tuition from Enrollment Growth</i>	<i>\$84.6</i>
<i>Board of Trustees General Fund Increase Request</i>	<i>\$548.7</i>
<i>Total Incremental Expenditures</i>	<i>\$633.3</i>

The proposed operating budget request also includes two one-time funding requests. The CSU seeks an additional \$500 million of one-time funding to further address the growing maintenance backlog of buildings and utility infrastructure systems that have passed their useful life. The CSU also requests \$15 million in one-time funding for Basic Needs Partnerships again this year.

<i>One-Time Funding Request</i>	<i>in millions</i>
<i>Deferred Maintenance</i>	<i>\$500.0</i>
<i>Basic Needs Partnerships</i>	<i>15.0</i>
<i>Total One-Time Funding Request</i>	<i>\$515.0</i>

Potential Opportunities to Address Operating Budget Revenue Needs

The CSU's highest priority is to advocate for increased state funding to cover the full operating budget request. The CSU will work collaboratively with stakeholders and partners across the system including trustees, students, faculty, staff, union leaders, alumni, business partners, and friends to make the case in Sacramento for the level of new funding that supports our stated priorities. With the historic gains made in four-year and six-year graduation rates, the aggressive targets set out in Graduation Initiative 2025, and with the state focused on these same goals, arguments for increased state funding are strong.

While additional general fund is the highest priority and the best option for the university, the state allocation will not be known until a final budget agreement is reached in June 2020. At this stage, before the governor's budget proposal is released in January 2020, it is not known if the CSU will receive enough new general fund dollars to meet its mandatory obligations and invest in its ongoing priorities.

Consequently, all options must remain open for as long as appropriate. As a regular and routine business matter, the CSU will follow state statutory guidelines and prepare for and discuss with California State Student Association leadership, a written tuition proposal that will align with the rate of inflation. At this point, the CSU does not anticipate a need to raise tuition rates for 2020-2021, but will keep the option open in case of unforeseen state budget or economic circumstances. The CSU must ensure that the university has the resources it needs to maintain the quality of academic and supportive services for students, while maintaining authentic access to the university.

If funding is not secured for the operating budget request through state general fund or new tuition resources, priority areas of the operating budget would be reduced or eliminated and campuses would have to redirect funding from designated balances, reserves and existing programs. It is possible that fewer course sections would be available to students, average unit loads would go down not up, and ultimately it could take longer for students to graduate, costing students more money and creating challenges for Graduation Initiative 2025 efforts. End of Excerpt (<https://www2.calstate.edu/csu-system/board-of-trustees/past-meetings/2019/Documents/nov-19-20-fin.pdf>)

Approved Unanimously – November 14-15, 2019