



The California State University
OFFICE OF THE CHANCELLOR

BAKERSFIELD

July 18, 2007

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MEMORANDUM

DOMINGUEZ HILLS

EAST BAY

TO: California State Legislature

FRESNO

FROM: Richard P. West
Executive Vice Chancellor/CFO

FULLERTON

SUBJECT: 2007-08 State Budget

HUMBOLDT

LONG BEACH

The legislature is in the process of completing their deliberations on the 2007-08 State Budget and the California State University (CSU) would like to express our appreciation for your support of the CSU budget given the difficult fiscal situation that is before you.

LOS ANGELES

MARITIME ACADEMY

Earlier this decade, the CSU was subject to over \$500 million in budget reductions severely impacting student access, increasing student fees, and providing virtually no funding for compensation or CSU's increasing mandatory costs. The state budget reductions resulted in over 10,000 students being denied access to the CSU, reduced student services, eliminated funding to address compensation issues, and limited the CSU's ability to meet the state's critical workforce needs. Fortunately, over the past two years, the state has begun to re-invest in the CSU to provide student access, enhance the quality of education, and expand CSU's ability to meet the needs of the state's workforce.

MONTEREY BAY

NORTHRIDGE

POMONA

SACRAMENTO

SAN BERNARDINO

The \$302 million in the 2007-08 CSU budget proposed by Governor Schwarzenegger was approved by both the Assembly and Senate budget subcommittees without one funding issue coming before the two-house conference committee. This unprecedented action by the legislature demonstrates the understanding to invest in student access, fully fund our increasing mandatory costs, begin meeting compensation needs, and investing in the state's workforce to expand the number of graduates for K-12 math and science teachers and nurses to address the state's nursing shortage. The legislature's support for the CSU budget comes at a time when the CSU can play a vital role in the economic growth of California.

SAN DIEGO

SAN FRANCISCO

SAN JOSÉ

SAN LUIS OBISPO

SAN MARCOS

The funding for the 2007-08 CSU budget does not replace the lost revenue from earlier this decade and only addresses critical funding needs faced by the university in the next academic year. For instance, CSU will enroll nearly 11,000 students with the funding provided in our budget for enrollment growth at a time when the demand for student access is overwhelming. In the 2006-07 academic year, CSU served nearly 8,300 more students than the state actually funded at a cost of \$46 million.

SONOMA

STANISLAUS

In addition, after years without funding for employee compensation, CSU now has agreements with all of our unions that are essential to the stability and working relationship between the university and all employee groups. Any reduction in the CSU budget will jeopardize nearly all of these collective bargaining agreements requiring the CSU administration and their employee groups to return to the bargaining table as called for in the language of the current contracts. Full funding of the CSU budget will foster harmony to the university's labor relations and allow the CSU to redirect our energy back to the classroom to provide a quality education to our students.

Investing in the CSU has allowed our campuses to graduate nearly 96,000 students this past academic year as part of the educated workforce that California needs for future economic growth and fiscal stability. This is a prudent yet vital investment that must continue to receive your support as part of the 2007-08 State Budget.

We stand united in our support and appreciation for your vote to retain the funding approved by both houses of the legislature on the 2007-08 CSU budget.

Signatures:

Mr. Richard P. West
Executive Vice Chancellor and
Chief Financial Officer
The California State University

Ms. Dina Cervantes
Chair, of the Board of Director
California State Students Association

Ms. Lillian Taiz
President
California Faculty Association

Mr. Patrick Gantt
President
California State University Employees Union

Mr. Patrick Hallahan
Chief Labor Consultant
State Employees Trade Council

Mr. Charles Goetzl
President
Academic Professionals of California