

Despite increasing numbers of high school graduates and increasing demand for admission, the CSU is enrolling fewer students this year.

BACKGROUND: In May 2004, CSU Chancellor Reed and the governor shook hands on a "Compact on Higher Education," a non-binding agreement on state funding for the 23-campus California State University. The chancellor agreed to deep cuts in the 2004/05 CSU budget in exchange for the promise that CSU funding would be increased in future years. The 2005/06 Governor's budget proposes to increase CSU enrollment by 2.5% and general funds by 3%. Unfortunately, the Governor's funding Compact with the CSU falls well short of the funding CSU — and students — need. In effect, the Compact institutionalizes the denial of student access.

Budget cuts and fee increases have hurt the CSU, threatening educational quality and preventing thousands of students from obtaining a CSU education.

- Budget cuts in 2004/05 forced the CSU to reduce its enrollment target by 15,000 students.
- The CSU has lost over half-a-billion dollars (or 20% of its general funds) in the past two years.
- Student fees increased by 63% since 2002, and are proposed to increase 8% more in 2005/06.

Lower enrollment at the CSU means thousands of students won't be attending.

- After 10 years of continuous growth, CSU enrollment is lower in 2004/05 than it was in the previous year — and even *below* 2002/03 levels.
- According to CPEC projections, between 2003 and 2013, CSU enrollment should be increasing between 2.6% and 3.1% each year.
- A 2002 analysis prepared for the legislature by the CSU administration, CSU Academic Senate, and the California Faculty Association concluded that CSU enrollment demand would increase by an average of 3% each year between 2003 and 2011.
- Even though the 2004 high school graduating class was about 8,000 students *larger* than the previous year, 2004/05 enrollment at the CSU will be about 12,000 students *lower*.
- The decline in student enrollment is *not* the result of a decline in student demand. The CSU has already received a record number of student applications for 2005/06 — over 75,000 more than received for 2004/05.

The Compact agreement underfunds the CSU, creates educational barriers, and institutionalizes the denial of student access. The CSU needs funding beyond the Compact to ensure a CSU education is available for all eligible students.

- The Compact uses one of the worst funding years in CSU history — 2004/05 — as the base year for future funding and enrollment increases.
- It will take four years under the Compact just to get back to the same state funding level of the 2002/03 budget (i.e. just to recover the half-a-billion in state funding that has already been cut).
- The CSU may never recover its ability to serve the thousands of eligible students who want a CSU education if state funding is not increased beyond what the Compact promises.