

## California's Budget and the CSU

- Funding for the CSU comes from the State's General Fund (GF)

What is the GF? "For legal basis accounting and budgeting purposes, the predominant fund for financing state government programs, used to account for revenues which are not specifically designated to be accounted for by any other fund. The primary sources of revenue for the General Fund are the **personal income tax, sales tax, and corporation taxes**. The major uses of the General Fund are education (K-12 and higher education), health and human service programs and correctional programs."

- California's Initiative Process

California voters have used the initiative process to vote many propositions into law. One is Proposition 98. "While the formulas get rather complicated at times, the goal of Proposition 98 is a relatively straightforward one. Generally, Proposition 98 provides K-14 schools with a guaranteed funding source that grows each year with the economy and the number of students. The guaranteed funding is provided through a combination of state General Fund and local property tax revenues." Prop. 98 takes about 45% of general revenue funds for K-14 funding.

- What about us?

Funding for the CSU is not protected by Proposition 98 or any other proposition. We are left to compete with prisons (correctional programs) and human service programs for whatever money (around 55%) is left over in the GF. "For the first time, and unique among large states, California will soon spend more on its prisons than on its public universities. It has been projected that over the next five years, the state's budget for locking up people will rise by 9 percent annually, compared with its spending on higher education, which will rise only by 5 percent" (ACLU, Northern CA, 2007).

- Solutions:

Call your state representatives and tell them to support California State Bill AB 656 Oil/Natural Gas Severance Tax for Higher Education. This bill would create a stable funding source for all three segments of public higher education in California by enacting a new tax at the wellhead on oil and natural gas "severed" from California land or water. California is the only oil-producing state in the nation that lacks an oil/natural gas severance tax. A similar fund in Texas has successfully endowed public colleges and universities in that state since the 1800s. This new funding would supplement – and not replace – existing state funding. Another solution is to change to the state budget approval process that requires a 2/3 majority vote to pass. Call your state elected representatives, email or write to them about our need to change this.

- Remember:

The CSU is an economic engine for the State; each dollar invested in the CSU generates \$4.41 in return. It is just common sense to fund the CSU.

Do your research! Become an informed citizen!!

California Budget: Frequently Asked Questions: [http://www.dof.ca.gov/budgeting/budget\\_faqs/](http://www.dof.ca.gov/budgeting/budget_faqs/)  
Prison vs Education:

[http://www.aclunc.org/news/opinions/prison\\_vs\\_education\\_spending\\_reveals\\_california%27s\\_priorities.shtml](http://www.aclunc.org/news/opinions/prison_vs_education_spending_reveals_california%27s_priorities.shtml)

CSULB COALION, Fall 2009

## TAKE ACTION

- Register to vote and be sure to vote;
- Know your elected state representative. To find out who they are go to [http://www.legislature.ca.gov/legislators\\_and\\_districts/legislators/your\\_legislator.html](http://www.legislature.ca.gov/legislators_and_districts/legislators/your_legislator.html);
- Write, call, email your state representative, the Governor, and Chancellor Reed:

**Governor Arnold Schwarzenegger**  
State Capitol Building  
Sacramento, CA 95814  
Phone: 916-445-2841  
Fax: 916-558-3160  
Email: <http://gov.ca.gov/interact#email>

**Chancellor Reed**  
401 Golden Shore, Suite 641  
Long Beach, California 90802-4210  
Phone (562) 951-4700  
Fax (562) 951-4986

- Ask them to show leadership and actively support higher education by demanding full funding for the CSU;
- Explain that continuing budget cuts every year is killing public higher education;
- Explain that the state needs educated professionals to support it through taxes and innovation;
- Ask them to support ABAB 656: Oil/Natural Gas Severance Tax for Higher Education;
- Get involved in budget events on the CSULB campus;
- Talk to your parents and friends about what's happening to higher education and how it impacts you. Ask them to write, call, and email their state representatives;
- Know why the CSU is important to the economic future of California;
- Know how your state government works and how it isn't working now.