The proposed 2006-07 State budget includes approximately $131 billion in State spending from various sources. It accelerates repayment of nearly $3 billion in funds borrowed from various other sources in recent years. It also provides additional billions in new funding to education (mostly K-12) in large part due to the $7.5 billion surge in State revenues.

• More than $15 billion in combined general purpose funding (State, local, student fee revenue, selected other funds) to California higher education. This is nearly 7% higher than the 2005-06 appropriation.

• $11.3 billion in State General Fund support for higher education, 9% above current year levels.

• Public segments’ General Fund base funding increases at:
  o CSU – $130 million, just under a 6% increase;
  o UC – $156 million, just over a 5% increase;
  o CCC – $312 million, just under a 6% increase.

• Segmental enrollment growth funding at:
  o UC – 2.5% enrollment growth, $41.6 million for 5,149 new FTES;
  o CSU – 2.5% enrollment growth, $47.5 million for 8,306 new FTES;
  o CCC – 2% enrollment growth, $97.5 million for approximately 23,300 new FTE students.

• No increases in systemwide student fee levels at UC and the CSU, with the $129 million in estimated lost fee revenues backfilled with State General Funds.

• A reduction in the systemwide student fee level at the CCC, from the current $26 per unit to $20 per unit, effective in Spring 2007, with $40 million in estimated lost fee revenues backfilled with Proposition 98 General Funds.

• $159 million to fully fund CCC equalization; this funding is tied to the enactment of pending legislation, SB 361 (Scott), to revise the formula for allocating future funding to CCC districts.

• $10.5 million for various UC, CSU, CCC nursing initiatives, including funding for expanded nursing enrollments, nursing faculty recruitment, and targeted student financial aid.

• $26.3 million in General Funds to support academic preparation programs at UC and CSU (the Governor’s budget had initially proposed no State monies for these programs).

• A compromise marginal cost funding methodology that will provide essentially the same level of per-student funding for new enrollments as that proposed by the Governor. This new formula will result in increased funding over 2005-06 levels of approximately $10 million for UC and $13 million for CSU.

• $2 million for the new UC – CCC “Joint Transfer Initiative for Access and Success,” a comprehensive program of services designed to increase the enrollment of prospective transfer students from educationally disadvantaged backgrounds into the University of California.