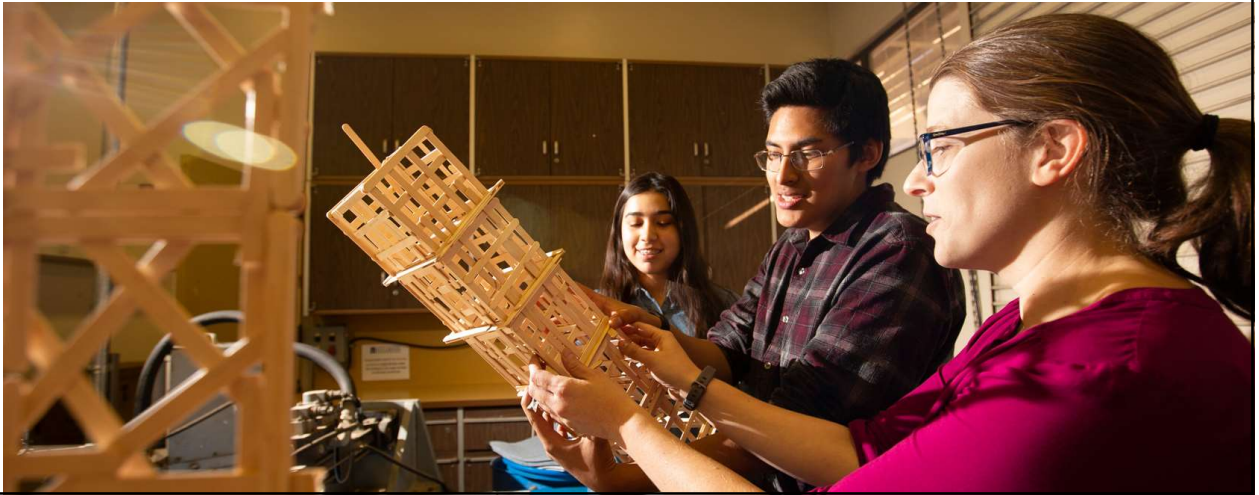


Approval of 2025-26 Operating Budget Request

Committee on Finance – Agenda Item 4
September 22-25, 2024



Overview

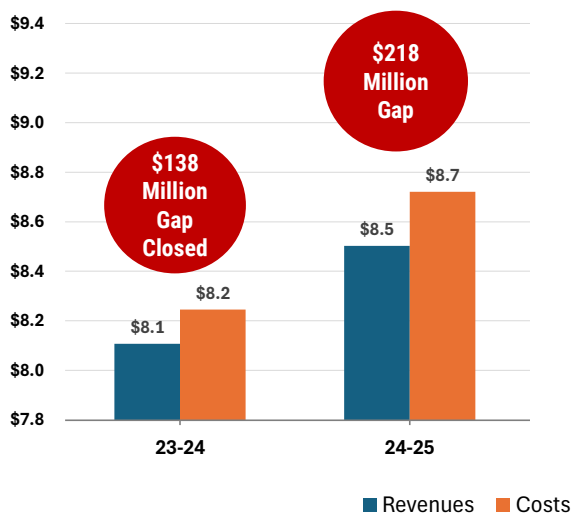
- Operating budget request approval
- Consequences of potential state budget cut

Key Takeaways for 2025-26

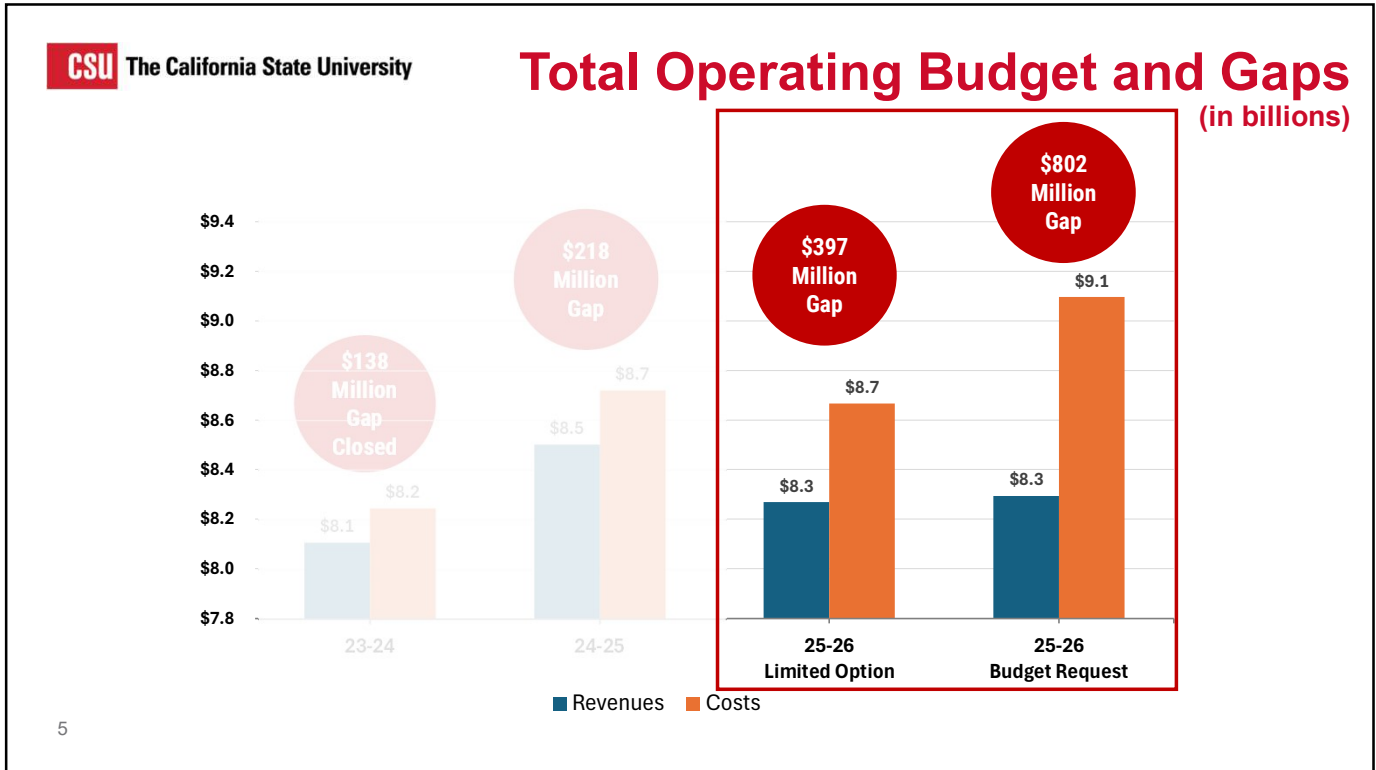
1. State intends to cut CSU budget
2. CSU has new, unavoidable costs
3. CSU budget request reflects mission and values
4. State plan and CSU request not aligned
5. Consequence is significant budget gap
6. Budget gap will be closed

3

Total Operating Budget and Gaps (in billions)



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CSU The California State University

Limited Option


(In millions)

	Budget Request	Limited Option
SOURCES OF FUNDS		
TOTAL NEW SOURCES	-\$209	-\$233
BASELINE COMMITMENTS	\$164	\$164
ESSENTIAL PRIORITIES	\$429	\$0
TOTAL NEW PRIORITIES	\$593	\$164
BUDGET GAP / REPRIORITIZATION	-\$802	-\$397

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Limited Option Baseline Commitments (In millions)		Budget Request	Limited Option
		BASELINE COMMITMENTS	\$164
	State University Grant - Tuition Rate Increase	\$55	\$55
	Health Premiums	\$60	\$60
	Maintenance of New Facilities	\$7	\$7
	Liability & Property Insurance Premiums	\$10	\$10
	Utilities	\$32	\$32

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Limited Option Essential Priorities (In millions)		Budget Request	Limited Option
		ESSENTIAL PRIORITIES	\$429
	Student Success / Graduation Initiative	\$20	
	Student Access & Enrollment	\$56	
	State University Grant - Enrollment Increase	\$8	
	Faculty & Staff Compensation Pool	\$296	
	Title IX and NAGPRA Compliance Programs	\$11	
	Student Basic Needs & Mental Health	\$5	
	Beyond Completion	\$2	
	CSU Artificial Intelligence Initiative	\$7	
	Capital Infrastructure Investments	\$25	

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**Limited
Option**

**Sources
of Funds**
(In millions)


SOURCES OF FUNDS	Limited Option
Tuition from Rate Increase	\$164
State General Fund	-397
TOTAL NEW SOURCES	-\$233

Budget Gap of \$397 million


**Budget
Request**

(In millions)

SOURCES OF FUNDS	Budget Request	Limited Option
TOTAL NEW SOURCES	-\$209	-\$233
BASELINE COMMITMENTS		
	\$164	\$164
ESSENTIAL PRIORITIES		
	\$429	\$0
TOTAL NEW PRIORITIES	\$593	\$164
BUDGET GAP / REPRIORITIZATION	-\$802	-\$397

 <h2 style="color: red;">Budget Request</h2> <h2 style="color: red;">Priorities</h2> <p style="color: red;">(In millions)</p>	<p>BASELINE COMMITMENTS \$164</p> <p>State University Grant - Tuition Rate Increase 55</p> <p>Health Premiums 60</p> <p>Maintenance of New Facilities 7</p> <p>Liability & Property Insurance Premiums 10</p> <p>Utilities 32</p>
	<p>ESSENTIAL PRIORITIES \$429</p> <p>Student Success / Graduation Initiative 20</p> <p>Beyond Completion Project 2</p> <p>Student Access & Enrollment 56</p> <p style="padding-left: 20px;">State University Grant - Enrollment Increase 8</p> <p>Faculty & Staff Compensation Pool 296</p> <p>Title IX and NAGPRA Compliance Programs 11</p> <p>Student Basic Needs & Mental Health 5</p> <p>CSU Artificial Intelligence Initiative 7</p> <p>Capital Infrastructure Investments 25</p>
	<hr/> <p>TOTAL NEW PRIORITIES \$593</p>

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 <h2 style="color: red;">Budget Request</h2> <h2 style="color: red;">Baseline Commitments</h2> <p style="color: red;">(In millions)</p>	<p>BASELINE COMMITMENTS \$164</p> <p>State University Grant - Tuition Rate Increase 55</p> <p>Health Premiums 60</p> <p>Maintenance of New Facilities 7</p> <p>Liability & Property Insurance Premiums 10</p> <p>Utilities 32</p>
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Budget Request

Essential Priorities (In millions)

ESSENTIAL PRIORITIES	\$429
Student Success / Graduation Initiative	20
Beyond Completion Project	2
Student Access & Enrollment	56
State University Grant - Enrollment Increase	8
Faculty & Staff Compensation Pool	296
Title IX and NAGPRA Compliance Programs	11
Student Basic Needs & Mental Health	5
CSU Artificial Intelligence Initiative	7
Capital Infrastructure Investments	25

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Budget Request

Sources of Funds (In millions)

SOURCES OF FUNDS

Tuition from Rate Increase	\$164
Tuition from Student Access & Enrollment	24
State General Fund	-397
TOTAL NEW SOURCES	-\$209

Budget Gap of \$802 million

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Overview

- Operating budget request approval
- Consequences of potential state budget cut

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Consequences of State Budget Cut in 2025-26

1. Forego many budget priorities
2. Reprioritize resources for current programs and services to unavoidable baseline commitments
3. Make permanent budget reductions to current programs and services
4. Utilize one-time designated balances and reserves to bridge to 2026-27

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Budget Strategies

- Guided by Strategic Plan and mission of student success
- Reduced spending with set-aside
- Strategic allocation of enrollment growth funds

Challenges and Opportunities

- Capacity to serve reduced as enrollment grows
- Prioritizing funding to enrollment (recruitment, retention, and classes)
- Steadfast in vision of social mobility
- Philanthropic efforts

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People Centered Excellence

- Shared Services of Administrative Functions
- Campus Collaborations

Enrollment Growth Strategies

Improving the Bottom Line

- Revenue Diversification
- Cost Reductions

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Key Takeaways for 2025-26

1. State intends to cut CSU budget
2. CSU has new, unavoidable costs
3. CSU budget request reflects mission and values
4. State plan and CSU request not aligned
5. Consequence is significant budget gap
6. Budget gap will be closed

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