

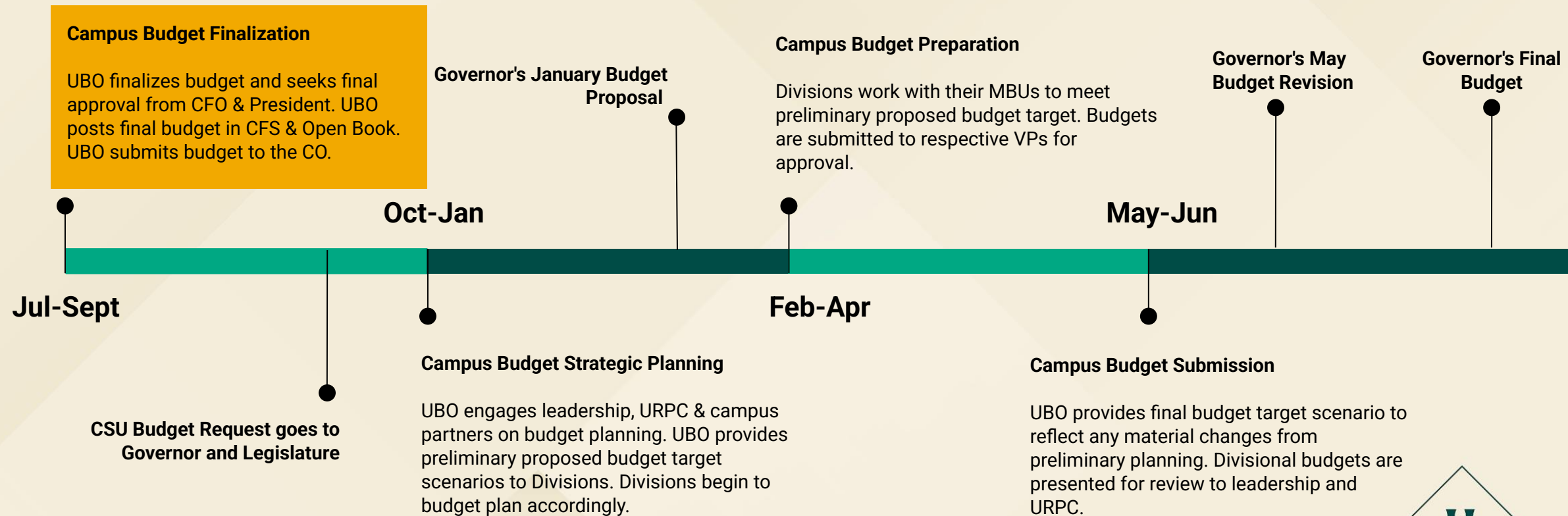
URPC Budget Update



Agenda

- Campus Budget Timeline
- Campus 2024-25 Year End Recap
- CSU & State 2025-26 and Beyond Budget Update
- Campus 2025-26 Budget Update
- Next Steps
- Questions

> Campus Budget Timeline



Cal Poly Humboldt 2024-25 Year-End Recap

➤ 2024-25 Operating Fund Revenue

Revenue	Original Budget	Revised Budget	Actuals	Encumbrances	(Over)/Under Original Budget	Actual % to Original Budget
State Appropriation	\$ 128,931,000	\$ 123,994,000	\$ 123,994,000	\$ -	\$ 4,937,000	96%
Higher Education Fees	\$ 38,774,000	\$ 40,226,000	\$ 40,226,000	\$ -	\$ (1,452,000)	104%
Cost Recovery & Misc Revenue	\$ 10,437,000	\$ 14,798,000	\$ 14,798,000	\$ -	\$ (4,362,000)	142%
Total Revenue	\$ 178,141,000	\$ 179,018,000	\$ 179,018,000	\$ -	\$ (877,000)	100%

Key Takeaways:

- State Appropriation (\$4.9m) - One Time funding reductions and Retirement Adjustment from the Chancellor's Office
- Higher Education Fees \$1.4m- Resident Tuition Fee \$1.5m higher than budget, offset by 17 other fee types netting to \$74,000 under budget including Non Resident Fee, Other Mandatory, Miscellaneous and Application Fees.
- Misc. Revenue & Cost Recovery \$4.4m - Poly One-Time and CO funding for various programs and initiatives

➤ 2024-25 Operating Fund Expenditures

Expenditures	Original Budget	Revised Budget	Actuals	Encumbrances	(Over)/Under Revised Budget	Actual % to Revised Budget
Salaries & Wages	\$ 90,937,000	\$ 96,720,000	\$ 90,946,000	\$ -	\$ 5,773,000	94%
Benefits	\$ 49,191,000	\$ 47,811,000	\$ 45,063,000	\$ -	\$ 2,747,000	94%
Financial Aid	\$ 12,437,000	\$ 12,954,000	\$ 12,879,000	\$ -	\$ 75,000	99%
Operating Expenses	\$ 25,576,000	\$ 45,637,000	\$ 27,206,000	\$ 1,982,000	\$ 16,450,000	60%
Total Expenditures	\$ 178,141,000	\$ 203,122,000	\$ 176,094,000	\$ 1,982,000	\$ 25,045,000	87%

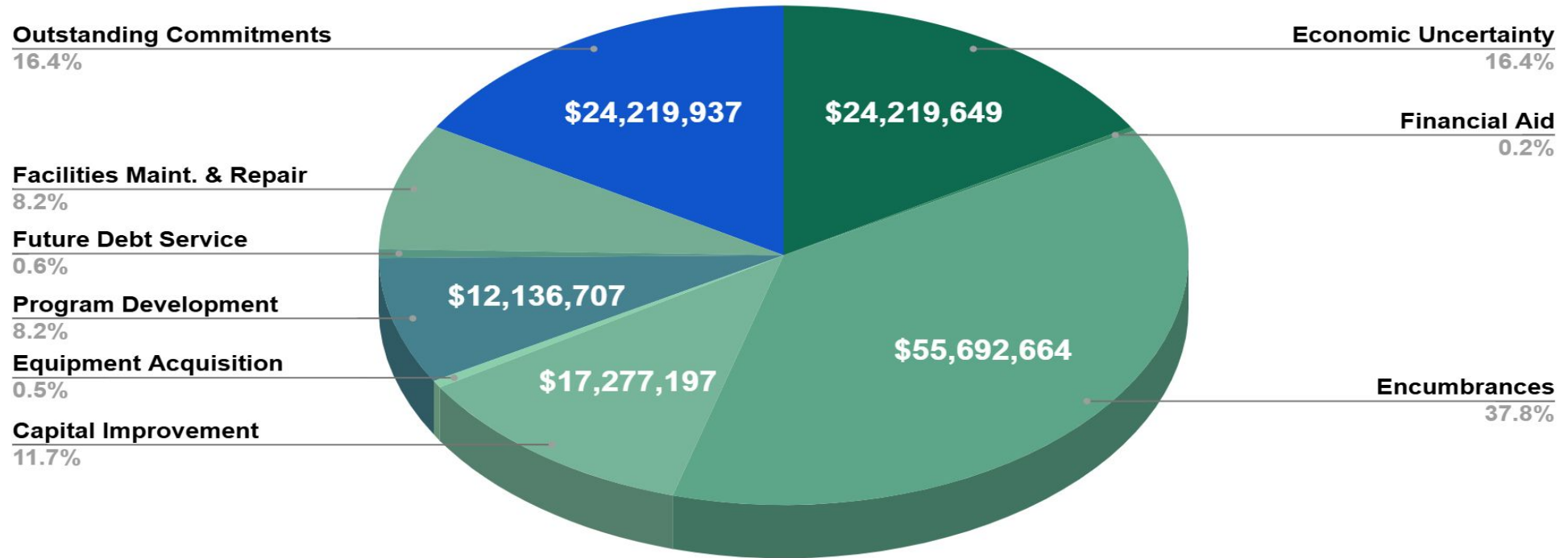
Key Takeaways:

- Salaries, Wages & Benefits - savings due to vacancies, timing of recruitments/new hires (eg \$1.3m infusion for Poly tenure track).
- Operating Expenses - primarily reflects remaining one-time savings rolled forward remaining unspent, including earmarked funding to bridge future reductions, offset by some over budget expenses including Electricity and Insurance Premiums.

> 2024-25 Campus Wide Reserves

2024-25 Year End Reserve Designations

Total Reserves \$147,512,542



2024-25 Change in Campus Wide Reserves

Year Over Year Change by Designation	2023-24	2024-25	Change
Designated for Future Debt Service	\$206,785	\$840,000	\$633,215
Designated for Encumbrances	92,435,519	55,692,664	(36,742,854)
Designated for Financial Aid	310,093	361,558	51,465
Designated for Outstanding Commitments	25,083,798	24,219,937	(863,861)
Designated for Program Development	17,773,158	12,136,707	(5,636,451)
Total Short Term Obligations	\$135,809,353	\$93,250,866	\$ (42,558,487)
Designated for Capital Improvement/Construction	\$7,126,418	\$17,277,197	\$10,150,779
Designated for Equipment Acquisition	490,000	690,000	200,000
Designated for Facilities Maintenance and Repairs	9,677,703	12,074,830	2,397,126
Capital	\$17,294,121	\$30,042,027	\$12,747,905
Designated for Catastrophic Events	-	-	-
Reserve for Economic Uncertainty	\$19,964,580	\$24,219,649	\$4,255,069
Total Fund Balances & Reserves	\$173,068,054	\$147,512,542	\$ (25,555,512)

All Campus Funds Including:

- HM500 Operating Fund
- Lottery
- IRA
- Housing
- Dining
- SAC
- Health
- Parking
- Campus Recreation

HM500 University Operating Reserve

Economic Uncertainty: Balance of \$8,907,068, meets minimum 5% (18.5 days) required by CO Policy and will increase in 2025-26 due to \$162,435 Roll Forward Allocation bringing it up to 18.9 days.

Overall decrease largely related to progress on construction projects reducing encumbrances and the continuing spend down of Poly Program Development funds.

➤ 2024-25 Roll Forward Distributions

	Final Amount
2023-24 Ending Operating Fund Balance	24,103,082
2024-25 Net Increase to Operating Fund Balance	2,923,822
2024-25 Ending Operating Fund Balance	27,026,904
Less Encumbrances (All Divisions)	(1,982,090)
Operating Fund Balance Available for Roll Forward to 2025-26	25,044,814
Operating Fund Balance Roll Forward Distribution	
Restricted/Dedicated Activity (All Divisions)	14,308,737
Strategic Investments (University Wide Division)	2,357,960
Unrestricted Rollforward (All Divisions)	8,378,117
Total Operating Fund Balance Roll Forward Distribution	25,044,814

➤ 2024-25 Roll Forward - Allocations

Division	Restricted/ Dedicated	Strategic Investments	Unrestricted*	Total
President's Office	364,172	158,960	5,412	528,544
University Advancement	354,027	765,000	562,334	1,681,361
Academic Affairs	3,904,071	-	4,431,169	8,335,240
Administrative Affairs	363,780	110,000	722,596	1,196,376
Enrollment Management & Student Success	2,328,612	275,000	791,929	3,395,541
Athletics & Recreation	3,559	924,000	565,197	1,492,756
University Wide*	6,990,516	125,000	1,299,480	8,414,996
Total Roll Forward Allocation	14,308,737	2,357,960	8,378,117	25,044,814

***University Wide Division - Unrestricted Allocation → \$1,299,480**

- Strategic Initiatives Pool (25%) → \$324,870
- Deferred Maintenance Projects (25%) → \$324,870
- Operating Reserve (12.5%) → \$162,435
- Equipment Reserve (12.5%) → \$162,435
- Maintenance Reserve (12.5%) → \$162,435
- Capital Reserve (12.5%) → \$162,435

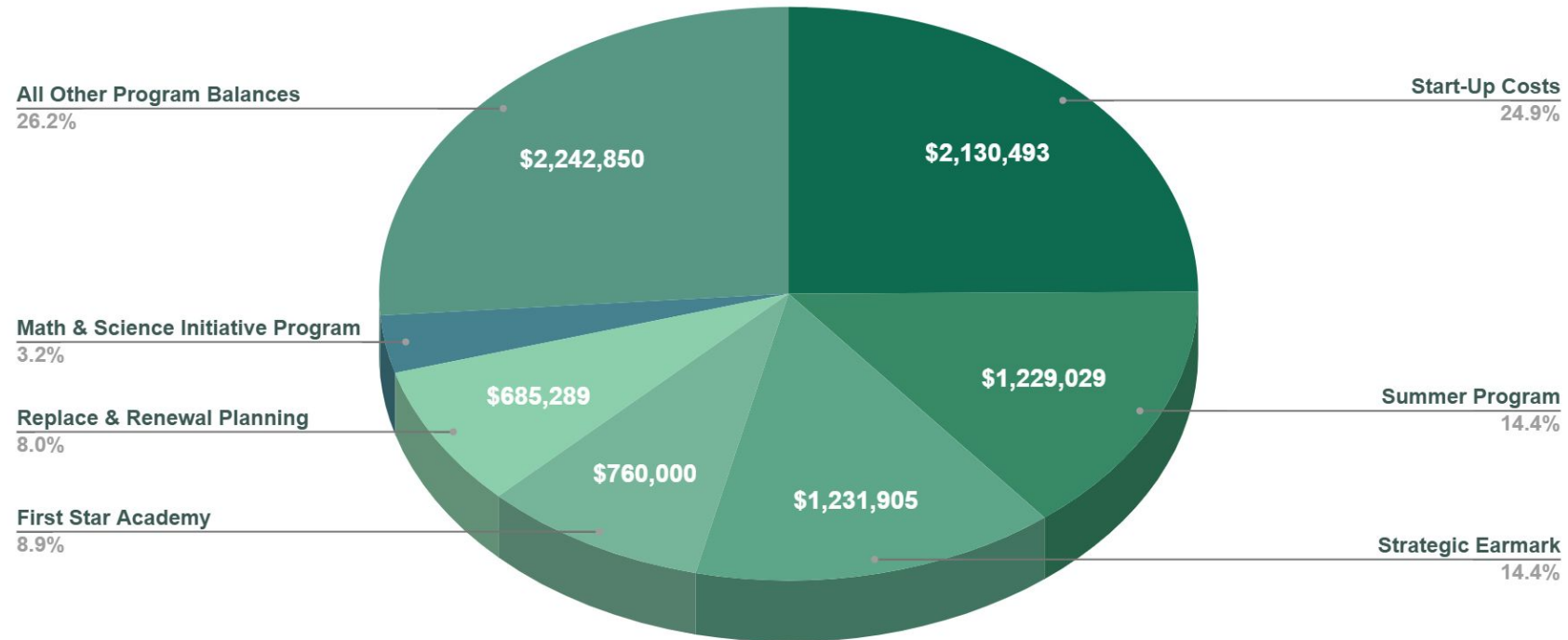
➤ 2024-25 Roll Forward - Restricted / Dedicated Activity

Restricted/Dedicated Activity	Final Amount
Restricted Projects & Programs	6,096,420
Strategic Earmarks	2,460,934
Risk Pool	750,000
Financial Aid	76,110
GI 2025	561,173
Pension Loan Repayment for SB84	364,100
FY23-24 Set Aside - Reductions & VSIP Pmts*	4,000,000
Total Strategic Investments	14,308,737

*Remaining 2025 VSIP payments estimated to be ~\$250k

> 2024-25 Roll Forward - Restricted / Strategic Earmarks

2024-25 Roll Forward - Restricted / Strategic Earmarks
Total Restricted / Strategic Earmarks \$8,557,354



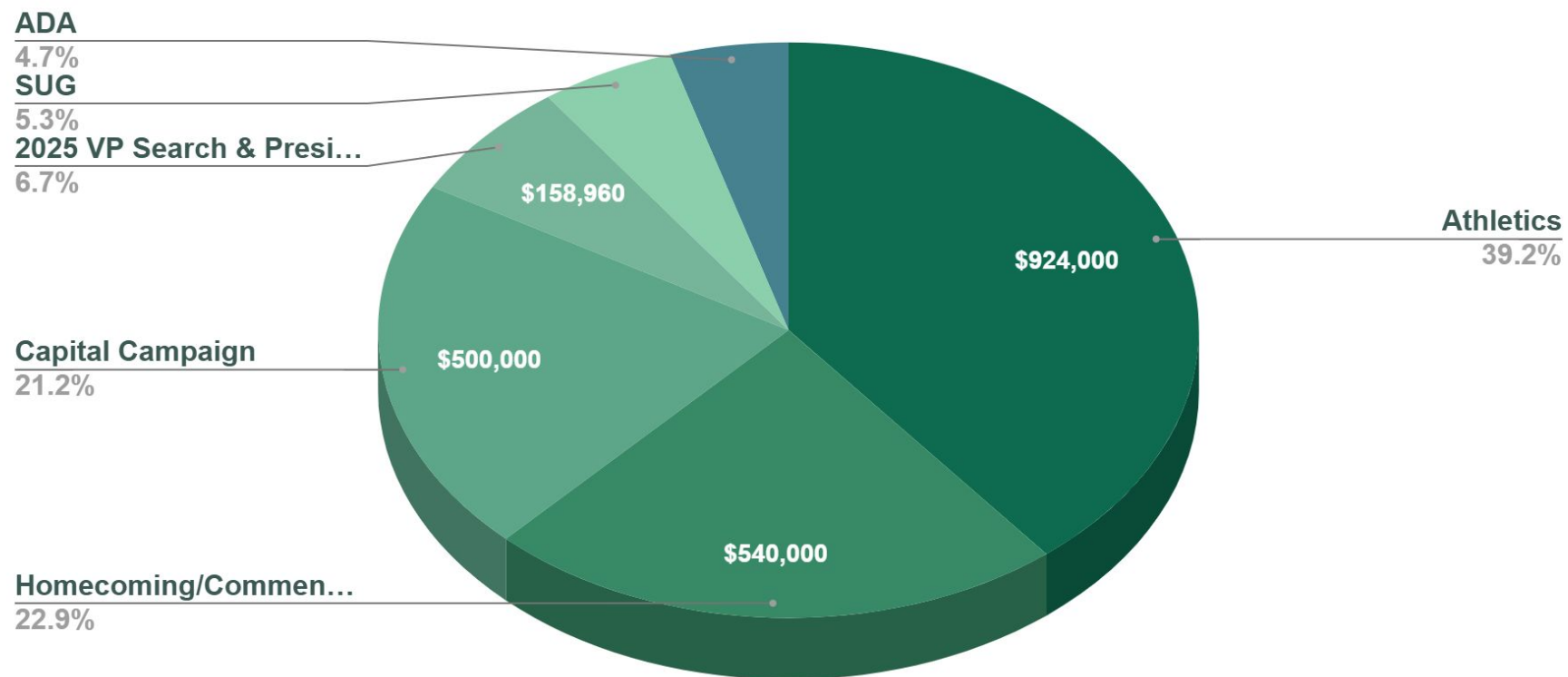
➤ 2024-25 Roll Forward - Strategic Investments

Strategic Investments	Final Amount
Athletics	924,000
Homecoming/Commencement	540,000
Capital Campaign	500,000
2025 VP Search & Pres. Office Position Funding Gaps	158,960
State University Grant (SUG)	125,000
Americans with Disabilities Act (ADA)	110,000
Total Strategic Investments	2,357,960

2024-25 Roll Forward - Strategic Investments

2024-25 Roll Forward - Strategic Investments

Total Strategic Investments \$2,357,960



CSU & State 2025-26 & Beyond Budget Update

➤ 2025-26 State Final Budget Bill

- **\$143.8 million reduction in ongoing base funding**
 - *Intended* restoration in 2026-27
 - Option for zero-interest loan to help address the immediate impact; remains under review by the CO.
- **Compact funding deferral for Year 4:**
 - 2026-27 - \$100.9 million, ongoing
 - 2027-28 - \$252.3 million, one-time
 - 2028-29 - \$151.4 million, ongoing

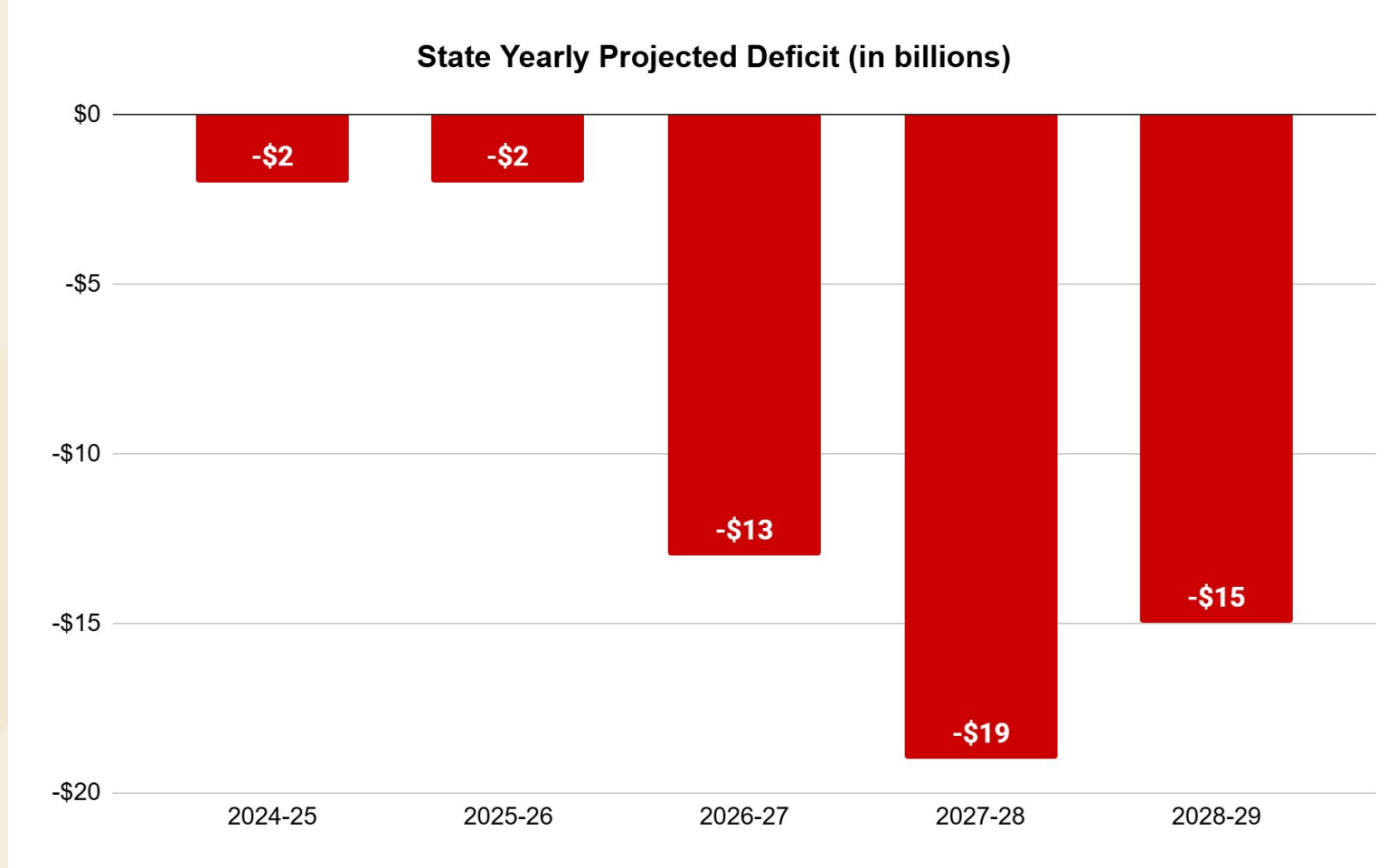
➤ 2025-26 CSU Operating Budget Gap

Incremental Change (in millions)	
Tuition Revenue from rate increase (+6%)	\$165.0
General Fund Reduction	(\$143.8)
New Revenue	\$21.2
Required Operational Costs & SUG	(\$165.0)
Projected Cost of CSUEU Steps Implementation	(\$20.2)
New Expenditures	(\$185.2)
Budget Gap (Increase) Decrease	(\$164.0)

Key Takeaways:

- Funding increases insufficient: 6% tuition increase adds \$165m, but a \$143.8m state cut + rising costs leave CSU in deficit
- Growing budget gap: Shortfall projected to increase by ~\$164m entering 2025-26
- Impact on CSU: Combined cuts and gaps threaten program quality, student services, and stability, even as growth is expected

> Overview on State Fiscal Condition



Key Takeaway:

- State outlook remains unstable: Projected annual deficits of \$13b–\$19b through 2028–29.

➤ Ongoing Uncertainties

- **State Budget Volatility**

- Economic assumptions can change dramatically
- Potential fall legislative session if federal decisions require budget revisions

- **Federal Funding Risks**

- Pell Grants: Potential eligibility/award reductions
- Research Funding: \$602 million supporting 3,000+ grants at risk
- Other Programs: Medicaid, food assistance reductions

- **Campuses are being advised to exercise fiscal caution and plan strategically**

Cal Poly Humboldt 2025-26 Budget Update

➤ Key Budget Assumptions

- Funding
 - Ongoing base budget cut: -3%
 - Resident FTES funding reallocation: -3%
- Enrollment
 - Fall Headcount: 6,347
 - +4.9% vs. PY fall census of 6,045 → +3.5% vs. PY budget of 6,131
 - Resident FTES: 5,420
 - -24.2% vs. CSU funding target of 7,154
- Compensation
 - Primarily - CSUEU step implementation
 - Step closest above current salary
 - Retained at current rate if it exceeds top step

2025-26 Operating Fund Revenue Budget

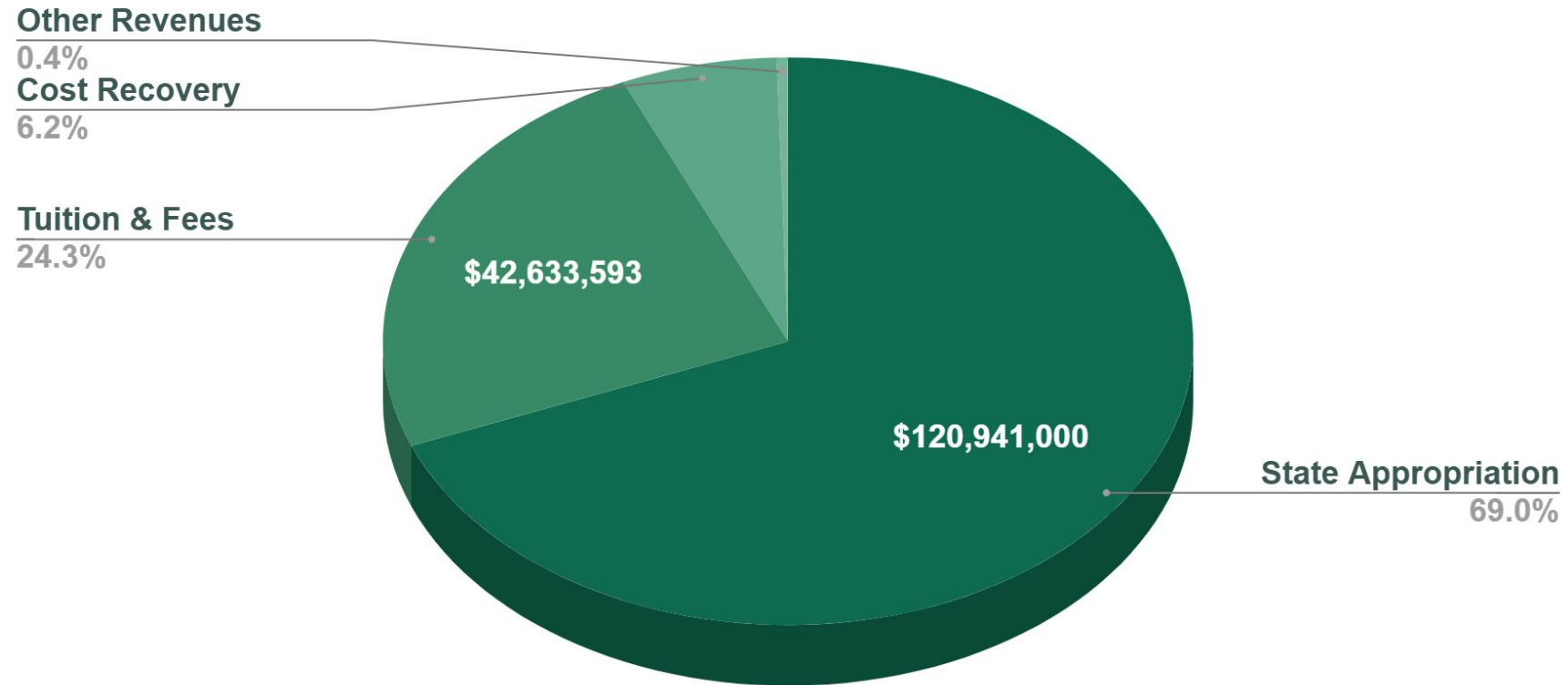
	URPC		
	Recommendation	Change	Final Budget
2024-25 Revenue Budget	178,141,357	-	178,141,357
State Appropriation - Cut to CSU (-3%)	(7,928,000)	4,888,000	(3,040,000)
State Appropriation - Enrollment Recalibration (-3%)	(2,089,000)	(48,000)	(2,137,000)
Tuition Rate Increase (+6%)	1,970,000	181,000	2,151,000
Tuition Increase from Growth (+3.5%)	(123,000)	1,943,353	1,820,353
Other Tuition, Fees & Revenue Adjustments	(8,357)	1,156,468	1,148,111
CSU Mandatory Cost & Program Earmark Funding	933,000	(3,746,000)	(2,813,000)
Polytechnic Funding	3,729,000	(3,729,000)	-
2025-26 Revenue Budget	174,625,000	645,821	175,270,821

Key Takeaways:

- New revenue neutralized: +6% tuition rate increase and +3.5% enrollment growth add +\$5.1m, but is offset by a -\$5.2m state cut
- Net Impact: New revenues/cuts offset, but lower retirement/SUG costs reduce CSU's funding allocation, driving a -\$2.9m overall revenue budget decrease

> 2025-26 Operating Fund Revenue Budget

2025-26 Operating Fund Revenue Budget
Total Operating Fund Revenue \$175,270,821



2025-26 Operating Fund Expenditure

	URPC Recommendation	Change	Final Budget
2024-25 Expenditure Budget	178,141,357	-	178,141,357
Compensation Costs	400,000	1,994,000	2,394,000
Financial Aid	650,000	(2,403,000)	(1,753,000)
CSU Mandatory Costs	2,253,000	(1,162,000)	1,091,000
Campus Mandatory Costs	1,007,000	2,060,464	3,067,464
Polytechnic Allocations	3,729,000	(3,729,000)	-
Budget Reduction	(7,670,000)	-	(7,670,000)
2025-26 Expenditure Budget	178,510,357	(3,239,536)	175,270,821

Key Takeaways:

- Rising costs: Compensation and other operating cost obligations (insurance, utilities, etc.), offset by financial aid, add +\$4.8m to expenditures
- Budget reductions: Divisional cuts of -5.68% (-\$7.7m) required to balance
- Net impact: Despite new cost pressures, the bulk of the budget gap is closed through campus-wide reductions

➤ 2025-26 Operating Fund Mandatory Costs & Program Earmarks

Mandatory Costs/Program Earmarks	CSU	Campus
Liability & Property Insurance Premiums	217,000	400,000
Health Premiums	1,434,000	-
Utilities	652,000	300,000
Maintenance of New Facilities	2,251,000	-
Retirement	(3,463,000)	-
Department Allocated Fees/Revenue	-	1,296,494
Unallocated (enrollment/contingency)	-	1,071,000
Total Mandatory Costs	1,091,000	3,067,464

➤ 2025-26 Operating Fund Reductions

Division	Reduction %	Reduction \$
President's Office	0.00%	-
University Advancement	5.63%	219,000
Academic Affairs	6.00%	5,091,000
Administrative Affairs	5.21%	1,037,000
Enrollment Management & Student Success	5.00%	656,000
Athletics & Recreation	7.00%	242,000
University Wide	5.00%	425,000
Total Proposed Reductions	5.68%	7,670,000

Key Takeaways:

- Aligns with [URPC recommendation](#) from Spring 2025
- President's office will assume responsibilities from at least two divisions to help offset costs in lieu of reductions

➤ 2025-26 Operating Fund Budget

	URPC		
	Recommendation	Change	Final Budget
Total Revenue Budget	174,625,000	645,821	175,270,821
Total Expenditure Budget	178,510,357	(3,239,536)	175,270,821
Total Operating Budget Surplus (Deficit)	(3,885,357)	3,885,357	-

Key Takeaways:

- 2025-26 Operating Budget is balanced!
 - Projected enrollment growth → 4th consecutive year!
 - Significant advocacy efforts at both the state and CSU system levels
 - Collaborative, campus-wide approach and strong shared governance through the URPC in addressing reductions
- \$4.0m originally intended to be used for 2025-26 budget gap is still available to help bridge future budget gap(s) and fund 2025 VSIP remaining payouts in 2025-26

Next Steps

➤ Next Steps

- **September**

- CSU 2026-27 Budget Request will go to CSU Board of Trustees for approval

- **October & Beyond**

- URPC Budget 101 Open Forum tentatively Oct 22nd (12:30-2pm, KBR)
- Divisional Updates → 2025-26 Budget Recap
- Campus 2026-27 Budget Strategic Planning kicks off
- CSU Fiscal Health Monitoring Framework - Financial Action Plan due Oct 15th

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Questions?

Resource Links

- [URPC Website](#)
- [UBO Website](#)
 - [OpenBook Interactive Budget Dashboard](#)
 - [2025-26 Campus Final Budget Update - August 2025](#)
- [2025-26 CSU Final Budget Update - July 2025](#)
- [2025-26 State of CA Final Budget](#)