

# 2026-27 Budget Strategic Planning Update: January 2026



# **Agenda**

- Timeline
- Governor's January Budget Proposal
- 2026-27 Scenarios
- Budget Reduction Planning
- Next steps

# > Budget Timeline

## Campus Budget Finalization (2025-26)

UBO finalizes budget and seeks final approval from CFO & President. UBO posts final budget in CFS & Open Book. UBO submits budget to the CO.

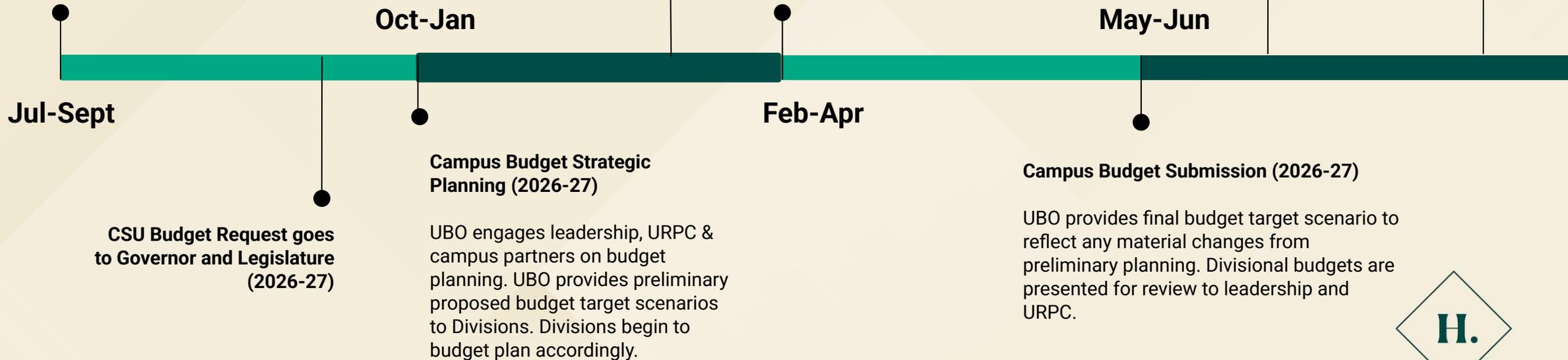
## Governor's January Budget Proposal (2026-27)

## Campus Budget Preparation (2026-27)

Divisions work with their MBUs to meet preliminary proposed budget target. Budgets are submitted to respective VPs for approval.

## Governor's May Budget Revision (2026-27)

## Governor's Final Budget (2026-27)



# **Governor's January Budget Proposal**

- **\$365.7 million in new ongoing funding**
  - \$100.9 million toward Year 4 Compact funding (partial)
  - \$264.8 million for Year 5 Compact funding (full)
  - Defers remaining \$151.4 million Year 4 Compact funding to future fiscal years
- **No restoration of the \$143.8 million 2025-26 base reduction**
  - Defers restoration to future fiscal years
  - Additional year of the zero-interest loan opportunity to offset the cut

# > CSU Budget Request vs. Gov's Proposal

## 2026-2027 OPERATING BUDGET REQUEST (in millions)

Reflects Governor's January Proposal

	Budget Request	Governor's Proposal
<b>REVENUE</b>		
State General Fund: Restore 2025-26 Reduction	\$144	\$0
State General Fund: Compact Year 4	\$252	101
State General Fund: Compact Year 5		265
Tuition: 6% Rate Increase	\$176	176
Tuition: 1% Enrollment Growth	25	25
<b>Subtotal, New Revenue</b>	<b>\$597</b>	<b>\$567</b>

If adopted, the Governor's budget proposals would create a \$30M shortfall in the 2026–27 CSU Budget Plan, as \$597M in proposed expenditures exceed \$567M in proposed revenues, requiring spending reprioritization

## BASELINE COMMITMENTS

	Budget Request	Governor's Proposal
State University Grant - Tuition Rate Increase	\$59	\$59
Health Premiums	22	22
Maintenance of New Facilities	13	13
Liability & Property Insurance Premiums	5	5
Utilities	18	18
Inflation of Non-Personnel Costs	28	28
2024-2025 Faculty & Staff Compensation	159	159
2025-2026 CSUEU Steps Implementation	20	20

## ESSENTIAL PRIORITIES

Enrollment Growth (1%)	58	58
State University Grant - Enrollment Growth	8	8
Faculty & Staff Compensation Pool (3%)	177	177
Debt Service: Facilities & Infrastructure	25	25
CSU Strategic Plan Priorities	5	5

<b>Subtotal, New Uses</b>	<b>\$597</b>	<b>\$597</b>
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<b>Budget Gap / Reprioritization</b>	<b>\$0</b>	<b>(\$30)</b>
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# Gov's Proposal vs. Dec 2025 Campus Planning

## Scenario 1

**+0.2%**

**+\$290 thousand**

Aligns with 2026-27 Indications from the State's Final 2025-26 Budget

1. Enrollment growth of +7.72% to 6,837
2. +2.71m increase in tuition & fee revenue
3. -\$1.09m (-3%) enrollment contingency
4. -\$3.38m (-5%) enrollment reallocation
5. -\$993k campus mandatory costs & allocations
6. ~~+3.04m our portion of \$144m general fund reinstatement~~

## Scenario 2

**-1.1%**

**-\$2.1 million**

Aligns with 2026-27 CSU Budget Request

1. Enrollment growth of +7.72% to 6,837
2. +2.71m increase in tuition & fee revenue
3. -\$1.09m (-3%) enrollment contingency
4. -\$3.38m (-5%) enrollment reallocation
5. -\$993k campus mandatory costs & allocations
6. ~~+3.04m our portion of \$144m general fund reinstatement~~
7. -\$2.36m campus funded compensation increases (+\$252m compact received)

## Scenario 3

**-1.5%**

**-\$2.75 million**

Aligns with 2026-27 Known Campus Factors

1. Enrollment growth of +7.72% to 6,837
2. +2.71m increase in tuition & fee revenue
3. -\$1.09m (-3%) enrollment contingency
4. -\$3.38m (-5%) enrollment reallocation
5. -\$993k campus mandatory costs & allocations

Reduction amounts and percentages herein are calculated based on the total operating budget.

# ➤ 2026-27 Scenarios - Jan 2026

## Scenario 3

**-1.5%**

**-\$2.75 million**

Aligns with Governor's  
January Budget Proposal  
(Assumes CSU mandatory costs  
fully funded by CSU)

1. Enrollment growth of +7.7% to 6,837
2. +2.7m increase in tuition & fee revenue
3. -\$1.1m (-3%) enrollment contingency
4. -\$3.4m (-5%) enrollment reallocation
5. -\$993k campus mandatory costs & allocations
6. +\$365m compact funding to CSU

## Scenario 4

**-3.0%**

**-\$5.27 million**

Aligns with Governor's  
January Budget Proposal  
(Assumes CSU mandatory costs  
partially funded by campus)

1. Enrollment growth of +7.7% to 6,837
2. +2.7m increase in tuition & fee revenue
3. -\$1.1m (-3%) enrollment contingency
4. -\$3.4m (-5%) enrollment reallocation
5. -\$993k campus mandatory costs & allocations
6. +\$365m compact funding to CSU
7. -\$2.5m (2%) campus funded compensation increases

Reduction amounts and percentages herein are calculated based on the total operating budget.

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# > Developing a Reduction Range

	Scenario 3 (Low)		Scenario 4 (High)	
Projected Budget Deficit	\$2,750,000	2.0%	\$5,270,000	3.8%
VSIP Estimated Savings	(\$1,100,000)	0.8%	(\$0)	0.0%
Remaining Reductions to Achieve	\$1,650,000	1.2%	\$5,270,000	3.8%

Notes:

- VSIP Estimated Reductions represents the potential ongoing budget savings based on an estimated backfill rate of 75%.
- Reduction amounts and percentages herein are preliminary and calculated based on divisional adjusted operating budgets, which exclude financial aid, self-generated revenue, first year new base allocations and funding held centrally for future allocations (GI 2025, Poly, Compensation).

# > 2026-27 Reduction Planning

Division	Reduction Range			
	Low		High	
President	\$17,000	1.2%	\$55,000	3.8%
University Advancement	\$55,000	1.2%	\$176,000	3.8%
Academic Affairs	\$1,008,000	1.2%	\$3,217,000	3.8%
Administrative Affairs	\$249,000	1.2%	\$796,000	3.8%
Enrollment Management	\$181,000	1.2%	\$578,000	3.8%
Athletics	\$41,000	1.2%	\$132,000	3.8%
University Wide	\$99,000	1.2%	\$316,000	3.8%
<b>Total</b>	<b>\$1,650,000</b>	<b>1.2%</b>	<b>\$5,270,000</b>	<b>3.8%</b>

Notes:

- Divisions are being asked to plan for reductions within a range from 1.2% up to 3.8%, to account for remaining budget uncertainty including state volatility, collective bargaining negotiations and enrollment projections.
- Reduction amounts and percentages herein are preliminary and calculated based on divisional adjusted operating budgets, which exclude financial aid, self-generated revenue, first year new base allocations and funding held centrally for future allocations (GI 2025, Poly, Compensation).



# Next Steps

OCTOBER

## 2025-26 Budget Divisional Recap Presentations

**October 24th**

- Advancement
- Administrative Affairs
- University Wide
- President's Office

NOVEMBER

## 2025-26 Budget Divisional Recap Presentations

**November 7th**

- Enrollment Management & Student Success
- Academic Affairs
- Athletics & Recreation

## 2026-27 Budget Preliminary Planning Scenarios

**November 21st**

- UBO to finalize & share with leadership & URPC

DECEMBER

## 2026-27 Budget Preliminary Planning Scenarios

**December 15th**

- UBO to distribute preliminary scenarios & targets to the campus

JANUARY

## State January Budget Proposal

**January 9th**

- CA Governor to release 2026-27 Budget Proposal

## 2026-27 Budget Preliminary Planning Scenarios

- UBO will provide updated planning scenarios if budget proposal varies significantly from preliminary planning.

FEBRUARY

## Spring Open Budget Forum

- URPC & UBO to host Spring Open Budget Forum

## 2026-27 Campus Budget Preparation

- UBO to provide planning tools to support divisional reduction scenarios across the planning range.
- Divisions will work with MBUs to align plans with preliminary budget targets.

MARCH

## 2026-27 Budget Divisional Presentations

- Advancement
- Administrative Affairs
- University Wide
- President's Office
- Enrollment Management & Student Success
- Academic Affairs
- Athletics & Recreation