# CSU 2027-28
# Budget Request Update



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URPC | 10/09/26

# What Is the CSU Budget Request?

The CSU's annual operating budget plan for the coming fiscal year. The CSU Board of Trustees approves it each fall and sends it to the Governor, Department of Finance and Legislature for consideration in the state budget process.

### 1. A request to the State

Shows what the CSU needs and asks the State to fund. The Governor and Legislature decide what the CSU actually receives.

### 2. Systemwide, all 22 campuses

Request covers the full CSU system. Campus-level amounts come later through the CSU budget allocation memo.

### 3. An early planning signal

Shows CSU priorities and cost pressures for the year ahead, so campuses can start planning before State numbers are known.

**BOT approves (Sept 2026)** → **Sent to Governor, DOF & Legislature** → **Governor's Budget Proposal (Jan 2027)** → **Governor's Budget Revision (May 2027)** → **Final State Budget Act (Jun 2027)**

Source: CSU, Past Operating Budget Requests (calstate.edu); CSU Board of Trustees, Committee on Finance, Sept. 22-23, 2026

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# 2027-28 CSU Operating Budget Plan

**CURRENT BUDGET**

**$9.4B**

2026-27 base funding

+

**PROPOSED INCREASE**

**$618M**

New ongoing funding
for strategic investments

=

**NEW TOTAL BUDGET**

**$10.0B**

2027-28 base funding request
+6.6% growth

**Systemwide budget** covering all 22 CSU campuses and the CO.

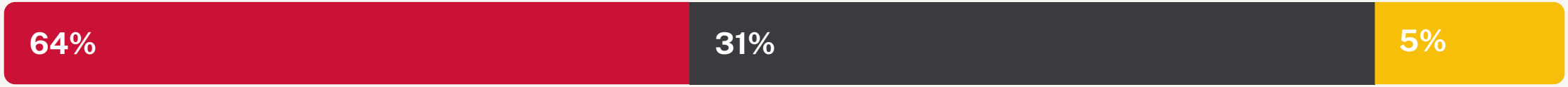
**For scale,** Cal Poly Humboldt's 2026-27 operating fund budget is $184.3M.

**Separate one-time ask** of $407M per year for 3 years for deferred maintenance, outside the $618M.

Source: CSU Board of Trustees, Committee on Finance, Sept. 22-23, 2026, Agenda Item 3

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# $618M in New Revenue by Source




## $396M

**State General Fund Increase (64%)**

7% above the 2026-27 General Fund base of $5.6B. Requires approval by the new administration and Legislature.

## $192M

**Tuition: 6% Rate Increase (31%)**

Scheduled increase under the CSU's multi-year tuition strategy.

## $30M

**Tuition: 1% Enrollment Growth (5%)**

3,941 additional California resident FTES systemwide.

Nearly two-thirds of the increase depends on the State. The five-year compact has ended and a new governor takes office in January 2027.

Source: CSU Board of Trustees, Committee on Finance, Sept. 22-23, 2026, Agenda Item 3, Attachment A

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# CSU Forward Performance Objectives

The CSU's strategic plan. The **$618M** in new expenditures is organized around its four objectives.

1

## Economic Mobility Engine

Flexible, technology-enhanced learning, smoother transfer pathways and stronger post-graduation outcomes.

2

## Sustainable Affordability

Debt-free education for lower-income students, shared services and using CSU scale to keep costs low.

3

## Employer of Choice

Attracting, developing and retaining the CSU's 63,000+ faculty and staff.

4

## Statewide Impact

Using the collective strength of 22 universities, including facilities and infrastructure.

Source: CSU Board of Trustees, Committee on Finance, Sept. 22-23, 2026, Agenda Item 3

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# $618M in New Expenditures by Objective

## 1. Economic Mobility Engine — $82M

| | | |
|---|---|---|
| Enrollment Growth (1%) | Essential | $67M |
| Innovative Academic Programs | Essential | $10M |
| Bachelor of Education Degree | Essential | $5M |

## 2. Sustainable Affordability — $151M

| | | |
|---|---|---|
| SUG: Tuition Increase | Baseline | $64M |
| Inflation on Non-Personnel Costs | Baseline | $34M |
| Digital Software Tax | Baseline | $17M |
| Liability & Property Insurance | Baseline | $16M |
| SUG: Enrollment Growth | Essential | $10M |
| Data and Infrastructure | Essential | $10M |

## 3. Employer of Choice — $313M

| | | |
|---|---|---|
| Compensation Pool (4%) | Essential | $232M |
| Health Care Premiums | Baseline | $81M |

## 4. Statewide Impact — $72M

| | | |
|---|---|---|
| Debt Service: Facilities | Essential | $50M |
| Maintenance of New Facilities | Baseline | $22M |

**Baseline $234M:** unavoidable increases to mandatory costs

**Essential $384M:** contingent on new State funding

SUG = State University Grant.

Source: CSU Board of Trustees, Committee on Finance, Sept. 22-23, 2026

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# Key Takeaways

### Strong 2026-27, uncertain 2027-28

The compact with Governor Newsom has ended and a new governor takes office in January. Trustees cautioned campuses against building ongoing expectations from one favorable year.

### The plan relies on new State funding

$384M in Essential Priorities, moves forward only if the State funds the $396M request. CSU held the ask to 7% given likely limits on State funding.

### Mandatory costs keep climbing

$234M in Baseline Commitments must be covered either way: health premiums up 9.8%, insurance up 12%, inflation and the new digital software tax.

**If State funding falls short,** CSU's options include forgoing new priorities, redirecting existing resources to mandatory costs or making permanent reductions.

Source: CSU Board of Trustees, Committee on Finance, Sept. 22-23, 2026, Agenda Items 1 and 3

# Next Steps

## October & Beyond

Campus 2027-28 budget strategic planning kicks off, informed by the signals in the CSU request.

## January 2027

The new administration releases the Governor's 2027-28 Budget Proposal, our first look at potential State funding for the CSU.

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# Questions?



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