

CAL POLY HUMBOLDT
University Senate

Resolution on the URPC Budget Recommendation 2026-2027

24-25/26-URPC — April 28, 2026 — Second Reading

RESOLVED: That the University Senate of Cal Poly Humboldt recommends that Chair Harmon forward the University Resource and Planning Committee's Budget Recommendation to President Carvajal in keeping with the CBC Guidance that outlines URPC Recommendations.

RATIONALE: The URPC has developed a budget recommendation based on existing budget assumptions and ask that this recommendation be forwarded to the President in order to inform budget decisions for the 2026-2027 fiscal year.

Date: April 28, 2026
TO: Senate Chair and General Faculty President Christopher Harmon, Cal Poly Humboldt
FROM: Shawna Young and Jaime Lancaster – Co-Chairs of the URPC
CC: URPC Committee Members
RE: 2026-27 Budget Recommendation to the President

Chair Harmon,

Below, please find the University Resources and Planning Committee's (URPC) Budget recommendation for FY 2026-27. After review and input from the Senate, we ask that you forward its contents to President Carvajal in order to inform his decisions regarding budgeting for next year, in accordance with the [CBC Guidance on Senate Ratification of URPC Recommendations](#).

Executive Summary

Cal Poly Humboldt enters the FY 2026–27 budget planning cycle during a period shaped by both statewide investment and systemwide change. At the state level, Governor Newsom's January 2026 budget proposal includes a significant investment in the California State University (CSU) system of more than \$509 million to support student success, workforce development, and institutional capacity across the CSU. While this proposal reflects strong support for public higher education, it remains subject to the state budget process, and the CSU will continue coordinated advocacy efforts throughout the spring as the Legislature works toward adoption of the State's final budget in June 2026.

At the CSU system level, funding changes and fiscal conditions continue to shape how resources are distributed across campuses. Under the CSU's enrollment target and budget reallocation framework, funding is increasingly tied to resident full-time equivalent student (FTES) enrollment levels. Because Cal Poly Humboldt remains more than 10% below its system-funded enrollment target, the campus continues to experience enrollment-based funding reallocations that reduce existing operating resources even as the CSU receives additional investment from the state.

Despite these systemwide pressures, Cal Poly Humboldt has built strong momentum in recent years, including four consecutive years of enrollment growth and an overall increase of almost 10% since receiving its polytechnic designation. During this same period, the campus has expanded its academic portfolio with new programs aligned with workforce needs and the polytechnic mission. With President Carvajal joining the campus in January 2026, the campus community will begin shaping the next phase of strategic planning to build on this momentum and support Humboldt's continued growth.

The University Resources and Planning Committee (URPC) plays a central role in the campus budget process. As a standing committee of the University Senate, URPC works with the University Budget Office and campus leadership to review fiscal conditions, engage the campus community, and develop recommendations regarding the allocation of General Fund resources. Each year, URPC provides a recommendation to the President, through the Senate Chair, to help inform campus budget decisions.

Current budget projections for 2026-27 range from a modest surplus of approximately \$290 thousand to a potential gap of up to \$5.27 million. The University's baseline planning assumption, based on current information, reflects a projected gap of approximately \$2.75 million, or about 1.5% of the total operating budget, while recognizing that conditions may shift. To ensure the campus is prepared, divisions were asked to plan for reductions up to the highest end of the projected range.

Through a strategic and collaborative review process, URPC worked to identify potential reductions that could be implemented while minimizing impacts to the committee's budget priorities. This process included divisions planning for reductions across the full range of projected scenarios and ultimately identified approximately \$2.6 million in reductions that could be implemented without significantly impacting these priorities.

Based on this analysis, URPC recommends a total reduction up to approximately (\$2.6 million) or (1.5%) of the University's total operating budget, allocated across divisions as follows:

- President's Office (\$0) or (0%);
- University Advancement (\$64 thousand) or (1.4%);
- Academic Affairs (\$1.68 million) or (2.0%);
- Administrative Affairs (\$256 thousand) or (1.2%);
- Enrollment Management & Student Success (\$230 thousand) or (1.5%);
- Athletics & Recreation (\$69 thousand) or (2.0%);
- University Wide (\$316 thousand) or (3.8%).

Percentages at the divisional level are calculated based on adjusted operating budgets, which exclude financial aid, self-generated revenue, first-year new base allocations, and centrally held funds (e.g., GI 2025, Polytechnic funding, and compensation).

URPC recommends that if the budget deficit is less than the proposed level of reductions, divisions would still implement the full amount of proposed reductions, and the difference between the actual budget gap and the reductions would be allocated to divisions as 2026-27 one-time funding. The ongoing difference would be held centrally for strategic use and considered through the University's established budget planning and shared governance processes.

URPC further recommends that if the budget deficit is more than the proposed level of reductions, one-time funding from prior roll forward, intentionally set aside for anticipated multi-year budget gaps, may be used to bridge any remaining difference.

In the event of a budget surplus, URPC recommends that divisions would not be required to implement the proposed reductions, and any excess resources would be held centrally for strategic use and considered through the University's established budget planning and shared governance processes.

Together, these recommendations reflect [URPC's guiding principles and budget priorities](#), centering student experience, supporting academic programming and enrollment growth, sustaining essential services, and advancing transparent, data-informed, and fiscally resilient resource decisions aligned with the [University's Strategic Plan](#).

Budget Recommendation

Guiding Principles, Priorities, and Planning Approach

This year's recommendation reflects the University's current fiscal environment, including enrollment, revenue, expenditure, and reserve assumptions. While navigating ongoing financial constraints, the University continues to benefit from state investment in polytechnic initiatives and sustained enrollment growth driven by both new students and improved retention. Together, these factors require a balanced approach that aligns fiscal responsibility with continued strategic growth.

In developing this recommendation, URPC applied a set of guiding principles and planning parameters to support a budget that is sustainable, aligned with the University’s Strategic Plan, and responsive to evolving fiscal conditions. This framework is data-informed, incorporates an equity lens, promotes efficiency, and reflects the University’s Purpose, Vision, and Core Values.

URPC’s approach centers on the student experience while supporting key institutional priorities, including academic programming, enrollment growth, and essential services. Within this framework, the committee prioritizes student success and well-being, seeks to minimize impacts to personnel, promotes long-term financial resiliency, and values transparent and meaningful campus engagement throughout the budget process.

To guide reduction planning, URPC established the following parameters:

- Reductions will be implemented strategically rather than applied uniformly across divisions.
- All divisions will be considered as part of the planning process.
- Units will be supported in planning efforts, with the goal of avoiding mid-year reductions whenever possible.
- Communication and engagement with the campus community will remain timely and transparent.

Budget Transparency and Communication Efforts

Since August, URPC has developed and shared its guiding principles and budget priorities to establish a clear framework for decision-making. In partnership with the University Budget Office, URPC supported the development and communication of budget planning scenarios to inform campus understanding of the University’s fiscal outlook. Throughout this process, URPC engaged the campus community to gather input through coordinated communications, open campus forums, and presentations to groups including the University Senate, Budget & Finance Group, Council of Chairs, and Executive Cabinet.

Communication & Engagement Activity	Timing
Budget Memos & Communications	August, September, December 2025; February 2026
Budget Open Forums	October 2025; February 2026
Budget Office Updates & Presentations	Monthly (August–November 2025; January–February 2026)
Divisional Budget Presentations	October–November 2025; March 2026

Budget Summary

As outlined in this table below, and discussed in more detail in [Appendix A: Budget Planning Assumptions](#), the University anticipates an ongoing budget deficit of up to approximately \$5.27 million in 2026-27. The University’s baseline planning assumption includes a projected deficit of approximately \$2.75 million, or about 1.5% of the total operating budget, while recognizing that actual outcomes may vary as the state budget process continues. This range informs the planning and reduction approach outlined below.

This year’s committee grounded its approach in the University’s baseline planning assumption, informed

by planning across the full range of projected scenarios, and focused on reductions aligned with the most likely outcome while remaining fiscally prudent and preserving the University’s ability to continue advancing its polytechnic designation. This approach reflects the guiding principles and priorities outlined above and allows the University to manage uncertainty while ensuring that any deeper reductions, if needed, are considered thoughtfully and in alignment with the University’s strategic priorities and the development of its next strategic plan.

2026 - 2027	Baseline	High
Incremental Changes	Increase (Decrease)	Increase (Decrease)
Prior Year Revenue/Sources Budget	\$175,270,821	\$175,270,821
State General Fund:		
Restoration of 2025-26 Cut to CSU	\$3,040,000	\$3,040,000
Enrollment Reallocation	(\$3,378,000)	(\$3,378,000)
Polytechnic Allocation	\$3,729,000	\$3,729,000
Compact Funding to CSU	\$4,549,000	\$2,031,000
Tuition: Enrollment Growth	\$2,681,000	\$2,681,000
Tuition: 6% Rate Increase	\$1,969,000	\$1,969,000
Other Tuition & Fees	\$26,000	\$26,000
Total 2026-27 Revenue/Sources Budget	\$187,886,821	\$185,368,821
Prior Year Expenditure/Uses Budget	\$175,270,821	\$175,270,821
CSU Mandatory Costs & Program Earmarks	\$9,558,000	\$9,558,000
Polytechnic Allocation	\$3,729,000	\$3,729,000
Campus Mandatory Costs & Priorities	\$2,079,000	\$2,079,000
Total 2026-27 Expenditure/Uses Budget	\$190,636,821	\$190,636,821
2026-2027 Projected Base Budget Surplus (Deficit)	(\$2,750,000)	(\$5,268,000)

Budget Reductions

As outlined in the Budget Summary section, the University anticipates an ongoing budget deficit of up to \$5.27 million in 2026–27, with a baseline planning assumption of approximately \$2.75 million. Consistent with this assumption, the University is proposing reductions aligned with the most likely

scenario. If the deficit exceeds this level, one-time funding from 2023–24 roll forward, with approximately \$3.75 million available, may be used to bridge the gap.

Following divisional planning and discussions, the URPC proposes the following distribution of reductions across divisions for 2026–27:

Division	2025-26		2026-27	
	Implemented Reductions		Proposed Reductions	
Presidents Office	\$0	0%	\$0	0%
University Advancement	\$219,000	5.6%	\$64,000	1.4%
Academic Affairs	\$5,091,000	6.0%	\$1,678,000	2.0%
Administrative Affairs	\$1,037,000	5.2%	\$256,000	1.2%
Enrollment Management & Student Success	\$656,000	5.0%	\$230,000	1.5%
Athletics & Recreation	\$242,000	7.0%	\$69,000	2.0%
University Wide	\$425,000	5.0%	\$316,000	3.8%
Total Reductions	\$7,670,000	5.7%	\$2,613,000	1.9%

Percentages shown at the divisional level are calculated based on adjusted operating budgets, which exclude financial aid, self-generated revenue, first-year new base allocations, and centrally held funds.

The proposed reductions reflect the strategic budget planning efforts of each division and are guided by the URPC’s guiding principles and priorities. These reductions were developed through divisional planning, campus engagement, and discussions with campus leadership, with a focus on identifying actions that minimize impacts to student experience, academic programming, enrollment growth, and essential services.

While the total proposed reductions of approximately \$2.6 million do not align exactly with the baseline planning assumption, that figure is an estimate, and the proposed reductions reflect the outcome of a planning process that evaluated the full range of scenarios and prioritized impact over achieving a specific dollar amount. Each division evaluated potential reductions to determine which could be implemented without significantly affecting these priorities, and this process informed the distribution of reductions across divisions. University Wide reductions reflect areas where the full target could be achieved without compromising core priorities, while other divisions balanced reductions with operational considerations and existing commitments.

Given its relatively small budget and limited flexibility, the President’s Office will not implement reductions in 2026–27. While the division did identify potential reductions, these were personnel-related and not feasible without significantly impacting core operations. This approach reflects the scale and structure of the division and is consistent with the University’s strategy to prioritize reductions where they

can be absorbed with the least impact.

Given projected budgetary shortfalls in the coming years, the committee recommends that the President's Office consider opportunities to contribute to future reductions, particularly through natural attrition or vacancy management, where feasible.

If needed, one-time funding from 2023–24 roll forward, with approximately \$3.75 million available and previously set aside for anticipated multi-year budget gaps, may be used to bridge any remaining gap between the proposed reductions and the final budget outcome.

University Budget Allocations

Roll Forward and One-Time Resource Planning

Each year, the University generates a level of one-time funding, referred to as “roll forward”, due to differences between budgeted and actual expenditures. These variances are driven by factors such as position vacancies, timing of hires, and underspending in operating expense budgets. As a result, unspent funds accumulate at year-end and are carried forward as one-time resources that can be used to support institutional priorities.

As each division may be asked to participate in reductions next year, it is important that any remaining available roll forward be returned to that division. Thus, the URPC recommends that the campus adheres to the [University Operating Fund Roll Forward Guidelines](#).

The University increased its operating reserve by \$162,435 in accordance with the University Roll Forward Guidelines. The reserve remains compliant with the minimum balance recommended under the CSU Policy on Designated Balances and Reserves. A portion of the 2025–26 roll forward, as calculated by the Guidelines, may be allocated to the reserve. If final 2026-27 budget outcomes result in additional operating reserve requirements, additional roll forward funds will be directed to the operating reserve to ensure continued compliance with CSU policy. Please see the [Reserve Assumptions](#) in Appendix A below for additional discussion.

Polytechnic Funding

The University will receive the final \$3.7 million installment in spring 2026, representing the last portion of the State's \$25 million ongoing base funding commitment associated with its polytechnic designation. This investment continues to support the University's transition through capital development, measured enrollment growth, and the expansion of new academic programs. As these efforts advance, it will be essential to align implementation with long-term financial sustainability and institutional priorities.

Additional Budget Requests

Despite the anticipated need for budget reductions in 2026–27, a call was issued to divisions for both ongoing base budget needs and one-time funding requests. While the University must remain disciplined in addressing its projected budget gap, this process ensures that critical needs and strategic opportunities are identified and considered.

These requests fall outside the URPC's established review timeline and will be evaluated separately. As

such, URPC recommends that one-time funds be used, whenever possible, to support approved strategic investments. For any requests that may require ongoing base funding, URPC requests that the committee be informed and provided an opportunity to offer feedback.

URPC Budget Planning Activities

Multi-Year Budget Planning Process

The University Budget Office (UBO) continues to develop and refine multi-year budget scenarios over a three-year planning horizon to inform planning and decision-making. These scenarios integrate financial projections with key variables, including state funding, enrollment trends, and anticipated cost increases, and are updated throughout the budget cycle as new information becomes available.

They are used to align resource planning with CSU system direction, state budget developments, and institutional priorities, and are regularly shared with campus leadership, the URPC, and the broader campus community through budget forums, meetings, and online resources.

The baseline scenario reflects where planning is currently focused based on available information, assuming that state and CSU funding levels generally align with current expectations and that enrollment continues to grow at a sustainable rate. Additional scenarios help ensure the University is prepared to respond as conditions evolve.

Given the projected budget gap in 2026–27 and continued pressure in subsequent years, multi-year planning remains essential. This approach allows the University to proactively identify strategies, phase in adjustments, and support divisions in planning for potential reductions over time. Establishing preliminary planning targets also provides divisions with the opportunity to evaluate operational changes, such as reorganization or restructuring, while maintaining flexibility as budget conditions evolve.

Conclusion

The University's budget planning assumptions are based on the most current information available, including campus enrollment projections, anticipated mandatory cost increases, guidance from the Chancellor's Office, and the Governor's January budget proposal. While the State budget remains subject to change through the legislative process, it is necessary to move forward with a 2026–27 budget recommendation based on current assumptions and planning scenarios.

Should there be any significant changes to the State of California budget or subsequent CSU allocations, URPC requests to be informed in a timely manner so that any necessary adjustments can be considered.

We appreciate your review of this recommendation and welcome your feedback and comments.

APPENDIX A

Budget Planning Assumptions

Enrollment Outlook & Trends

The University continues to make steady progress toward its long-term enrollment goals, with sustained growth across recent terms. Since Fall 2022, enrollment has increased each semester, including a 4.1% increase in Spring 2026 over Spring 2025 (+227 students), with Fall 2025 headcount enrollment reaching 6,276, the highest since Fall 2020. Growth has been driven by both new and continuing students, with continuing undergraduate enrollment increasing 4.2% (+201) and new student enrollment increasing 4% year-over-year.

Key enrollment indicators remain strong. Deposits for Fall continue to trend positively, with approximately 1,400 students committed and additional gains expected ahead of the May 1 national decision date. Yield rates have improved, with 88% of deposited students enrolling at census, and transfer enrollment continues to grow, including a 10.8% increase in new transfer students in Spring. These trends reflect the impact of targeted recruitment strategies, expanded transfer pipelines, and increased emphasis on affordability and student retention.

While these indicators are encouraging, enrollment projections used for budget planning remain conservative to account for potential variability. The University is currently budgeting 7.7% headcount enrollment growth for Fall 2026–27, consistent with the [Strategic Enrollment Plan](#), and includes a 3% contingency to account for potential variation. The University will continue to monitor application, yield, and retention trends as the budget cycle progresses.

Looking ahead, updated multi-year enrollment targets include a Fall 2026 goal of 6,837 students and a long-term goal of exceeding 11,000 students by Fall 2034. This trajectory reflects a measured and sustainable approach aligned with the University's polytechnic mission and capacity.

Despite this growth, the University is currently below its CSU-funded resident FTES target. In 2025–26, the target was reduced by 3% to 7,154, resulting in a funding decrease of approximately \$2.1 million. For 2026–27, the CSU will reduce the target by 5% to 6,796, with an associated funding reduction of approximately \$3.4 million.

For budget planning purposes, enrollment assumptions are translated into full-time equivalent students (FTES) using historical ratios of headcount to FTES and revenue generated per FTES.

Strategic efforts to increase resident FTES include the Green & Gold Guarantee, transfer outreach to targeted academic programs and feeder community colleges, and new direct admissions programs across seven school districts. In addition, the transition of summer to state-supported instruction allows summer FTES to count toward the annual target, helping to mitigate future enrollment recalibrations.

	2024-25	2025-26	2026-27
	Actuals	Actuals	Budget
Total Fall Headcount	6,045	6,276	6,837
Annual CSU Funded Target Resident FTES	7,375	7,154	6,796
Annual Resident FTES	5,045	5,241	5,851
% Shortfall from CSU Funded Target Resident FTES	-32%	-27%	-14%

Revenue Assumptions

Under the baseline planning assumption, the University’s 2026–27 revenue outlook reflects a combination of new state investment and ongoing systemwide funding pressures. While the Governor’s January 2026 proposal includes significant funding for the CSU system, much of this support is allocated toward systemwide costs, resulting in limited new discretionary resources at the campus level.

At the campus level, revenue assumptions are driven by the following key factors:

- **State Appropriation (+\$7.6 million)**
 - State funding remains the most significant source of revenue variability. While the Governor’s proposal restores prior reductions and includes new compact funding, a portion of this funding is deferred and largely absorbed by systemwide mandatory costs. As a result, limited new discretionary funding is available to support campus operations.
- **Enrollment-Based Reallocation (-\$3.4 million)**
 - Under the CSU’s enrollment target and budget reallocation framework, funding continues to be redistributed based on resident FTES performance. Because Cal Poly Humboldt remains more than 10% below its enrollment target, the campus continues to experience reductions in base funding.
- **Tuition & Fee Revenue (+\$4.7 million)**
 - Tuition revenue is projected to increase due to the systemwide tuition rate increase of 6% and enrollment growth assumptions. This funding is also largely absorbed by systemwide mandatory costs.
- **Polytechnic Funding (+\$3.7 million)**
 - The University will receive the final \$3.7 million installment of the State’s ongoing \$25 million base funding commitment associated with its polytechnic designation.

Expenditure Assumptions

The University’s 2026–27 expenditure outlook, under the baseline planning scenario, reflects a combination of systemwide mandatory cost increases, campus-specific cost pressures, and strategic investments. While some costs are offset by corresponding revenue, others represent ongoing impacts to the University’s operating budget.

At the campus level, expenditure assumptions are driven by the following key factors:

- **CSU Mandatory Costs (+\$9.6 million)**
 - As noted in the State Appropriation and Tuition & Fees Revenue section above, the University will receive additional funding to support CSU-mandated cost increases, including the State University Grant (SUG), compensation, utilities, insurance, and health premiums. These costs are determined at the system level and funded through corresponding state appropriation and the systemwide tuition rate increase, resulting in a net neutral impact to the University's operating budget, as the revenue is provided specifically to cover these required expenditures.
- **Polytechnic Funding (+\$3.7 million)**
 - The University will receive the final \$3.7 million installment of ongoing funding associated with its polytechnic designation. These funds support continued implementation of polytechnic initiatives, including academic program development and institutional capacity.
- **Campus Mandatory Costs (+\$725 thousand)**
 - Campus-specific cost increases include utilities, projected to increase by approximately \$600 thousand (10%), and insurance, projected to increase by approximately \$125 thousand (4%). These costs represent ongoing budget pressures that must be absorbed within the University's operating budget.
- **Campus Strategic Investments (+\$268 thousand)**
 - The University will invest approximately \$268 thousand to support the Green & Gold Guarantee, a campus initiative that guarantees eligible California students' tuition and mandatory fees are fully covered after financial aid. By reducing financial uncertainty, the program supports access, enrollment, and student success.
- **Enrollment Contingency (+\$1.1 million)**
 - A 3% enrollment contingency of approximately \$1.1 million is included to provide flexibility in the event enrollment assumptions are not met or conditions change during the fiscal year.

For 2026–27, the University anticipates a budget deficit based on current revenue and expenditure assumptions. The proposed reductions, while aligned with the most likely scenario, do not fully eliminate the projected gap. Consistent with this approach, one-time funding from 2023–24 roll forward may be used, as needed and up to \$3.75 million, to bridge any remaining difference.

This reflects a deliberate strategy to align reductions with institutional priorities while maintaining flexibility to respond to final budget outcomes.

Reserves Assumptions

It is the goal of the campus and URPC to work toward establishing reserves at the levels outlined in the [University Operating Fund Reserve Policy](#) in the following categories: Equipment Reserve, Maintenance Reserve, and Operating Reserve. With the exception of the Operating Reserve described below, campuses have the authority to determine target levels based on individual needs and plans. Current reserve balances for each category are provided below for reference.

Reserves Category	Ending Balance		
	2023-24	2024-25	2025-26
Capital Reserves	\$1,109,686	\$1,109,686	\$2,149,218
Equipment Reserves	\$240,000	\$240,000	\$402,435
Maintenance Reserves	\$616,716	\$616,716	\$1,104,021
Operating Reserves - <i>Reserve for Economic Uncertainty</i>	\$8,126,935	\$8,907,068	\$9,069,503
<i># of days supported by Operating Reserves</i>	19	18	18

The 2026–27 Operating Reserve, referred to as the Reserve for Economic Uncertainty under the CSU Policy on Designated Balances and Reserves (June 2, 2025), is projected to begin at \$9 million, or approximately 5% of the projected Operating Fund Budget. This meets the CSU’s minimum requirement. However, this level would cover only 18 days of annual operating expenditures, compared to the CSU’s recommended reserve level of three to six months.

The Reserve for Economic Uncertainty provides flexibility to absorb temporary changes in fiscal conditions and to support mission-aligned investments. Insufficient reserves can create cash flow challenges and limit the University’s ability to make strategic, long-term decisions. Any use of Operating Reserve funds should include a plan for replenishment.

The University Operating Fund Reserve Policy will be updated to align with the [CSU Policy on Designated Balances and Reserves](#), which replaced ICSUAM Section 2001.00.