

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

BUDGET OPEN FORUM

OCTOBER 23, 2025



CSUSB WE DEFINE THE *Future*

Dr. Tomás D. Morales
President

CURRENT FOCUS



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CURRENT STATE OF AFFAIRS

- State Budget Challenges
- Inflation and Cost of Doing Business
- Changes and Mandates from the Federal Government
- Geopolitical Events
- CSU and CSUSB's Commitment to Student Access and Success Continue to Remain Strong



CAMPUS PRIORITIES

Strategic Plan 2023-2028

FY 2024-25 Achievements:

- Student Success
- Faculty and Staff Success
- Diversity, Equity, and Inclusion (DEI)
- Internationalization



CAMPUS PRIORITIES

Strategic Plan 2024-2025 & 2025-26 Budget

Goals	Approved Budget FY 2024-25	Approved Budget FY 2025-26
Goal 1	\$830,000	\$1,002,180
Goal 2	211,000	171,500
Goal 3	170,800	113,930
Goal 4	55,000	42,000
Grand Total	\$1,266,800	\$1,329,610



CAMPUS PRIORITIES

Faculty and Staff Success

- 58 faculty were supported for international travel - \$152.6K
- 231 faculty were supported for domestic travel - \$368.3K

CAMPUS PRIORITIES – CONT.

FY 2025-26 Priorities:

- Diversity, Equity, and Inclusion
- Enrollment Management
- Student Retention and Graduation
- Resource Management



CAMPUS PRIORITIES – CONT.

Capital Projects:

- **Performing Arts Expansion Project** - The nearly \$127M project will add a 500-seat, state-of-the-art theater at the campus entry – First State Funded Academic Building in over 20 years
- **Palm Desert Student Success Center**- The \$79M state-funded Student Success Center is under construction
- **Lot N and CGI Solar Project** - The solar project (Lot N covered parking and CGI building rooftop solar) - The construction phase of the project is scheduled to begin in 2026 – Funded through a Guaranteed Energy Savings Project
- **Flood Mitigation Phase 1** – The \$3M project to increase storm water drainage capacity from the north end of campus near Lot N will begin this academic year. This project is mostly funded by the Chancellor's Office



CAMPUS PRIORITIES – CONT.

Performing Arts Expansion Project



PDC Student Success Center

FY 2025-26 BUDGET FACTS

Revenue Challenges

- CSUSB received a General Fund budget reduction of \$12.8 million, including budget augmentation for mandatory costs.
- FY 2025-26 FTES remains below the Chancellor's Office target.



FY 2025-26 BUDGET FACTS

Mandatory Costs in FY 2025-26

- Health care premium costs increased by 8% in FY 2025-26
- Retirement rate increases
- Inflationary Cost Increases for Products and Services
- Maintenance of new facilities increased significantly
- Insurance Premium Increases for Liability and Property Insurance increased by 9%
- Utility cost increased by approximately 24%. Rates continue to climb in both electric and natural gas



Dr. Samuel Sudhakar
Vice President & Chief Financial Officer
Finance, Technology and Operations

BUDGET UPDATE

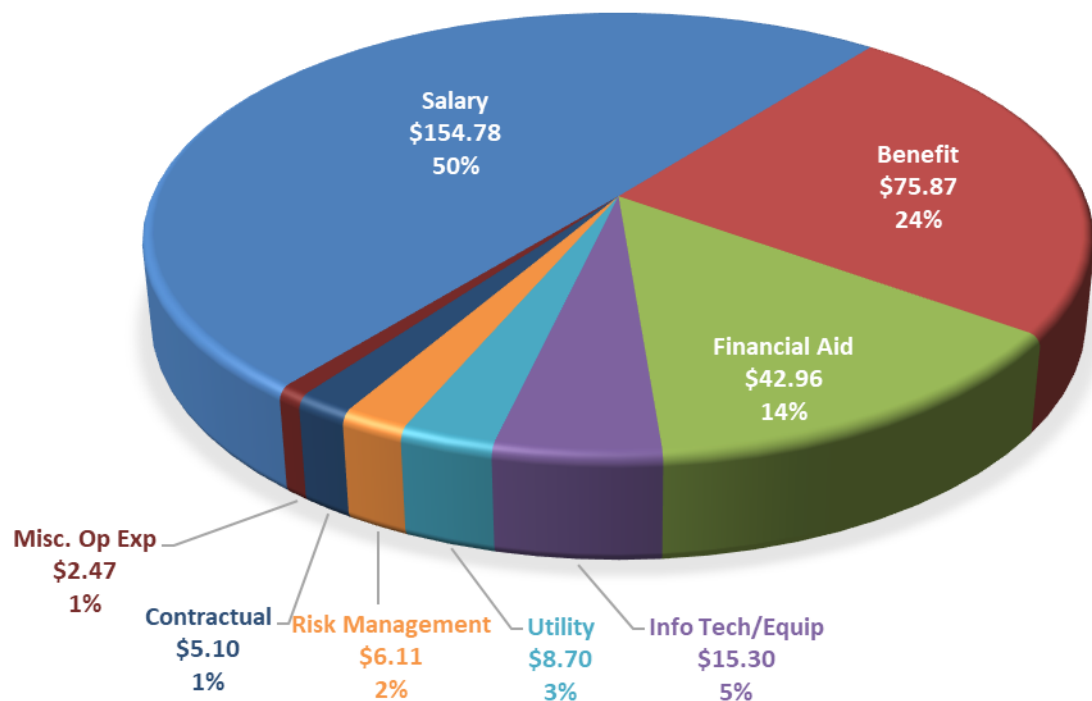


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OPERATING FUND EXPENSES IN FY 2024-25

Total Expense: \$311.3 M

Salary & Benefit Expense: 74% of total expense



CSUSB's total FY 24/25 budget was **\$293 million** with state General Fund allocation of \$185M & campus revenue of \$108 million

University faced a budget deficit of **\$20.4M**, which was mitigated by an across-the-board budget reduction for all Divisions and the Central Budget



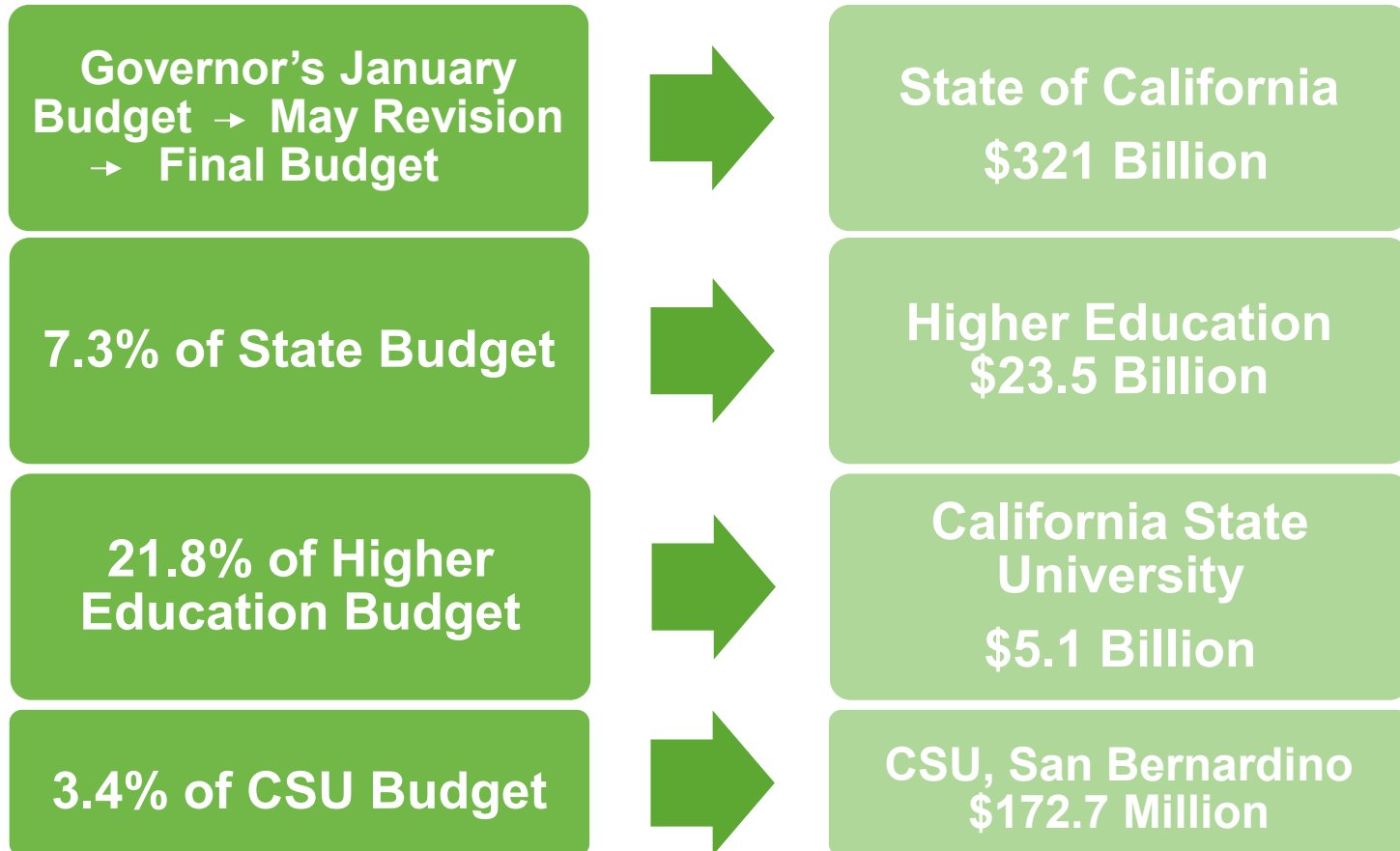
2025-26 Budget Update



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FY 2025-26 STATE BUDGET FLOW

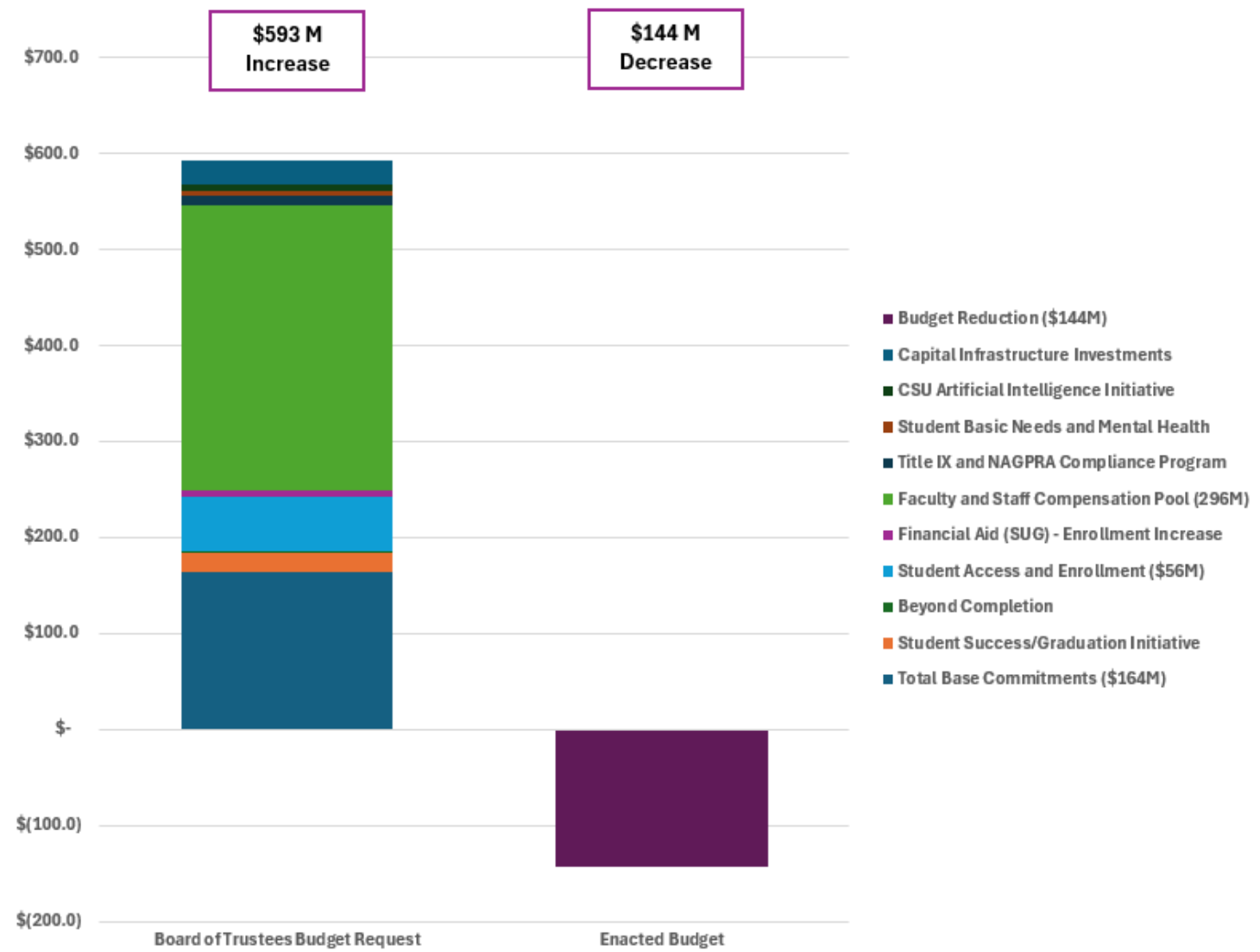
FY 2025-26 Allocations



FY 2025-26 GOVERNOR'S FINAL BUDGET

- Governor Newsom signed the Budget Act of 2025 on June 27, 2025
 - The Budget Act includes a \$143.8 million reduction in base GF appropriation for the California State University, with restoration intended in 2026-27
 - Deferral of FY 25-26 Compact funding of \$252.3M to FY 26-27 and FY 28/29 as follows:
 - \$100.9M in FY 26/27
 - \$151.4M in FY 28/29
 - One-time allocation of \$252.3M in FY 27/28
 - Revised FTES growth expectation to 7,152 FTES
 - \$45M one-time to Sonoma and \$5M to low-enrollment Universities

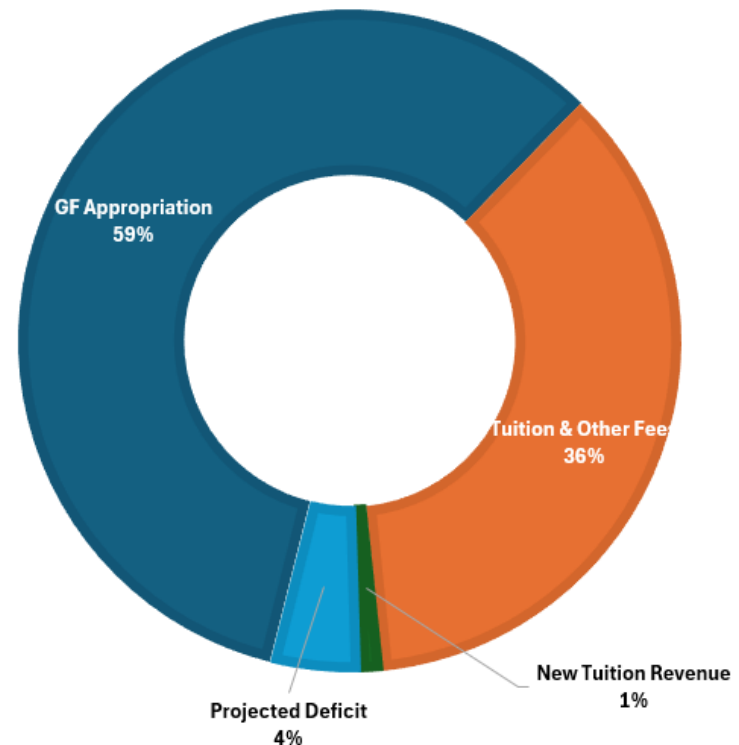
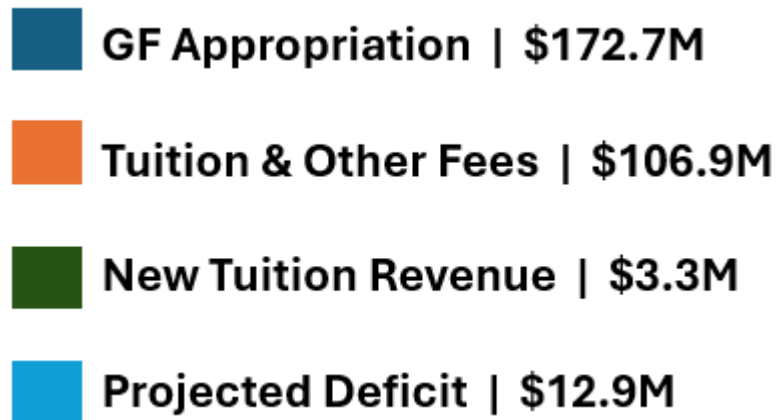
FY 2025-26 CSU BUDGET REQUEST VS. APPROVED BUDGET



CSUSB FY 25-26 BUDGET OUTLOOK

FY 2025-26 budget deficit represents about 4% of CSUSB's overall 2025-26 operating budget.

FY 2025-26 Operating Budget - \$296 M



FY 2025-26 CSUSB FINAL BUDGET

New Revenue (Reduction)

FY 2025-26 General Fund Adjustment	(\$12.80)
Tuition and Fees	<u>3.33</u>
Total	(\$9.47)

New Expenses

Bargained Compensation Increases	\$2.36
Retirement Adjustment	(5.27)
Campus Mandatory Benefit Costs	5.28
Utilities Cost Increase	1.20
2023-24 SUG Adjustment	(3.42)
Strategic Planning	1.33
Base Commitments Allocated in 1x In FY 24/25	<u>1.47</u>
Total	\$3.43

Total Projected Deficit	(\$12.90)
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STEPS TO MITIGATE DEFICIT

Deficit Mitigation Strategies

- Hiring reduction and elimination of positions no longer needed
- Increased class sizes and cancellation of underenrolled classes
- Reduced tenure-line and contingent faculty recruitment
- Organizational streamlining with projects such as Process Improvement and Lean Operations Team (PILOT) initiative, and Operational Expense Controls, prioritizing the academic mission of CSUSB
- Partnership with the CSU System on Multi-University Collaboration projects such as CSU Buy, CONCUR standardization, and Cyber Fusion Center
- Deferment of non-essential purchases and capital projects
- New revenues received through the fiscal year, enrollment, grants, or philanthropy, managed strategically to offset reductions and strengthen reserves
- Leveraging Professional and Continuing Education (PaCE) dollars

FY 2025-26 ALL UNIVERSITY BUDGET

Operating Fund Budget (Base + One-time)	\$ 301.69
Lottery Education Fund	2.91
<i>Fee Funds</i>	
Student Success Initiatives (SSI) ¹	3.62
Instructionally Related Activities (IRA) Fees	0.56
<i>Self-Support Entities</i>	
Extended and Global Education	13.02
Student Health Center	8.22
Housing and Residential Education (DHRE)	15.40
Parking and Transportation Services	6.52
Associated Students, Inc. (ASI)	1.65
Philanthropic Foundation	1.24
Santos Manuel Student Union (SMSU)	19.38
University Enterprises Corporation (UEC)	7.36
Total	\$ 381.56

¹ *Restricted for Student Success Initiatives*

2026-27 CSU BUDGET REQUEST



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FY 2026-27 BOT BUDGET REQUESTS

The CSU's Board of Trustees budget request for 26-27 focuses on protecting and strengthening existing commitments rather than pursuing new initiatives.

- These include:
 - Maintaining Student Access,
 - Sustaining Progress on Equity & Graduation goals, and
 - Continuing Critical Investments in the Academic Core.

FY 2026-27 BOT BUDGET REQUESTS

Proposed Revenue Budget (\$597.1M)

- Restoration of FY 25/26 base reduction: \$143.8 million
- Fund the year 4 Compact: \$252.3 million
- Tuition Revenue from 6% Rate Increase: \$175.8 million
- Tuition from 1% Enrollment Growth: \$25.2 million

Expenditure Plan (\$597.1M)

- State University Grant (SUG): \$56.6 million
- Health Insurance, Utilities, Liability & Property Insurance: \$44.4 million
- Maintenance of New Facilities & Inflationary Costs: \$41.3 million
- FY 24-25 Faculty & Staff and 25-26 CSUEU Step Increase: \$179.5 million
- Essential Priorities: \$273.4 million ¹

¹ Enrollment Growth (1%), Faculty Staff Compensation (3%), Debt Service, CSU Strategic Plan Priorities

FY 26-27 CSUSB'S PROJECTED BUDGET

With FY 24-25 and FY 25-26 Budget Reference

	FY 2024-25	FY 2025-26	FY 2026-27
Prior Year General Fund (GF) Appropriation	\$168,188,000	\$185,489,000	\$172,686,000
Budget Year GF Allocation (De-allocation)	17,301,000	(16,851,000)	3,531,500
Reinstatement of Budget Reduction	-	4,048,000	5,556,000
Total GF Appropriation	185,489,000	172,686,000	181,773,500
Total Campus-generated Tuition & Fee Revenue	107,514,297	110,269,507	115,842,507
Total Fiscal Year Revenue (CO + Campus)	293,003,297	282,955,507	297,616,007
Planning Year Budget Increase (Decrease)	20,362,429	(9,470,435)	14,660,500
Planning Year Commitment	40,779,662	3,432,445	11,105,531
Budget Surplus/ (Deficit)	(20,417,233)	(12,902,880)	3,554,969
Deficit Mitigation	(20,417,233)	(17,075,878)	-
Ending Balance	\$0	\$4,172,998	\$3,554,969





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