University Budget Advisory Committee (UBAC)
May 28, 2025
10:00AM-11:30PM
CGI-204
https://csusb.zoom.us/j/83423696284
Minutes

Attendees: Dr. Samuel Sudhakar, Dr. Rafik Mohamed, Dr. Paz Oliverez, Robert Nava, Robin Phillips, Dr. David Dufault-Hunter, Sesar Morfin, Homaira Masoud, Carson Fajardo, Dr. Jordan Fullam, Dr. Zachary Powell, Dr. Edna Martinez, Dr. Tomas Gomez-Arias, Dr. Christina Hassija, Dr. Jenna Aguirre, Heather Hopkins and Naomi Rodriguez.

Absent: Dr. John Reitzel and Dr. Mark Groen

Welcome

Dr. Mohamed welcomed everyone

Dr. Sudhakar explained that the campus has not yet received a preliminary budget allocation memo from the Chancellor's Office and emphasized that the state budget will not be finalized until the Governor signs it at the end of June. This is only a draft of the FY 25/26 operating budget.

FY 2025-26 Governor's May Revision

The Governor's May Revision (released May 14) shows a $12 billion state deficit, largely due to reduced federal funding and rising social service costs:

- Federal cuts, especially to health and human services (like Medi-Cal), are putting added pressure on California's budget.
- State revenue projections were lowered by $5.2 billion, and total state expenditures are now projected at $321.9 billion, with $226.4 billion from the General Fund.
- In January, CSU was facing a 7.95% cut; the May Revision reduced this to 3%, resulting in a $143.8 million CSU-wide cut.
- CSUSB's share of the reduction is estimated at $5.6 million.
- The previously promised five-year funding compact (including potential one-time funding in 2026–27) has been removed, leading to an additional $9–$10 million potential impact for CSUSB.
- Final budget details will be confirmed in June, followed by the allocation memo.

Vice President Robert Nava acknowledged the significant advocacy efforts across the CSU system that helped reduce the proposed budget cut from 7.95% to 3%. He credited this outcome to coordinated mobilization efforts from multiple stakeholders.

FY 2025-2026 Operating Budget (Draft)

Dr. Sudhakar reviewed the Governor's proposed FY 2025–26 budget, noting projected spending and anticipated impacts on higher education and CSUSB:

- CSUSB started with FY 24/25 General Fund appropriation of $185 million. With 3% GF reduction, restoration of FY 24/25 $75 million reduction and retirement adjustment, CSUSB GF appropriation is $179 million.
- The budget consists of two major funding sources: state allocation (60%) and tuition revenue (40%).
- FY 24/25 Tuition revenue was projected at $106 million. CSUSB did not realize the projected fee revenue in FY 24/25 due to lower than expected enrollment. With an additional $3.3 million from the 6% tuition increase, which incorporated the FY 24/25 revenue loss, the total FY 25/26 fee revenue is projected at $110 million.
- The tuition revenue increase did not incorporate enrollment growth—though enrollment is forecasted to increase, which may provide further support.

David Dufault shared that enrollment is trending positively, with summer and spring numbers up from last year and fall new student enrollment projected to increase by 10%. While re-enrollment is improving, the campus still has work to do to reach the 16,489 FTES (Full-Time Equivalent Student) target set by the Chancellor's Office.

Question:

Zachary Powel asked about the rollover deficit from the previous academic year.

Sam confirmed that Academic Affairs is projected to carry a $14 million deficit, with $8 million of that rolled over from the prior year, while all other divisions are expected to break even for the current fiscal year.

FY2025-26 CSUSB Budget Outlook (Draft)

CSUSB's projected $12.4 million deficit represents approximately 4% of its $301 million operating budget, which is an improvement from the previously projected $21 million deficit:

- The operating budget is comprised of 59% state funding, 36% tuition revenue, and 1% tuition revenue from rate increase.
- February estimates showed a proposed deficit of $18.1 million, with base reductions totaling $7.9 million across divisions.
- With improved budget projections, the reduction target has been lowered to $12 million, and Academic Affairs' base reduction has decreased from $8 million to $5.4 million.
- There is some concern that if the Chancellor's Office updates the cut from 3% to 5%, adjusted division reductions may increase.

FY 2025-26 One-Time Budget

CSUSB's one-time budget revenue totals $5.6 million, sourced from the Central Swept Fund ($633K), Summer 2024 revenue ($2 million), and projected Summer 2025 revenue ($3 million).

- One-time commitments include the IHUB and CGI agreements, cell tower lease allocation, Title IX and Student with Disabilities Services reserves, various deficit mitigations and obligations (~$600K), summer student incentive funding ($500K), and a $1.2 million campus match for a $3 million flood mitigation project, co-funded by the Chancellor's Office.

- The flood mitigation project addresses past damage and aims to prevent future costs, though it remains discretionary and subject to June budget updates.

CSUSB

Comments

ASI successfully passed a student referendum approving a $96 annual fee increase, the first in 13 years, marking a major achievement in student-led initiatives:

- $48 allocated to support the athletics program
- $32 designated for special events and large-scale programming (e.g., Coyote Fest)
- $16 for general ASI operations and student scholarships

This initiative aims to enhance student life, campus engagement, and long-term programming capacity starting Fall 2025.

Special thanks to Carson Fajardo, who concluded his service as ASI President. Carson was recognized for his exceptional leadership, advocacy, and dedication to the student body. The committee extended their gratitude and best wishes.