

CSU Budget 101

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ASSOCIATE BUDGET DIRECTOR

CHANCELLOR'S OFFICE

Agenda

- State Budget Overview
- CSU Operating Fund
- CSU Budget Cycle
- Allocations to Campuses
- Budget Submissions
- Annual Budget Request
- Governor's Budget
- Preliminary Allocations
- Campus Budget Decisions
- Resources

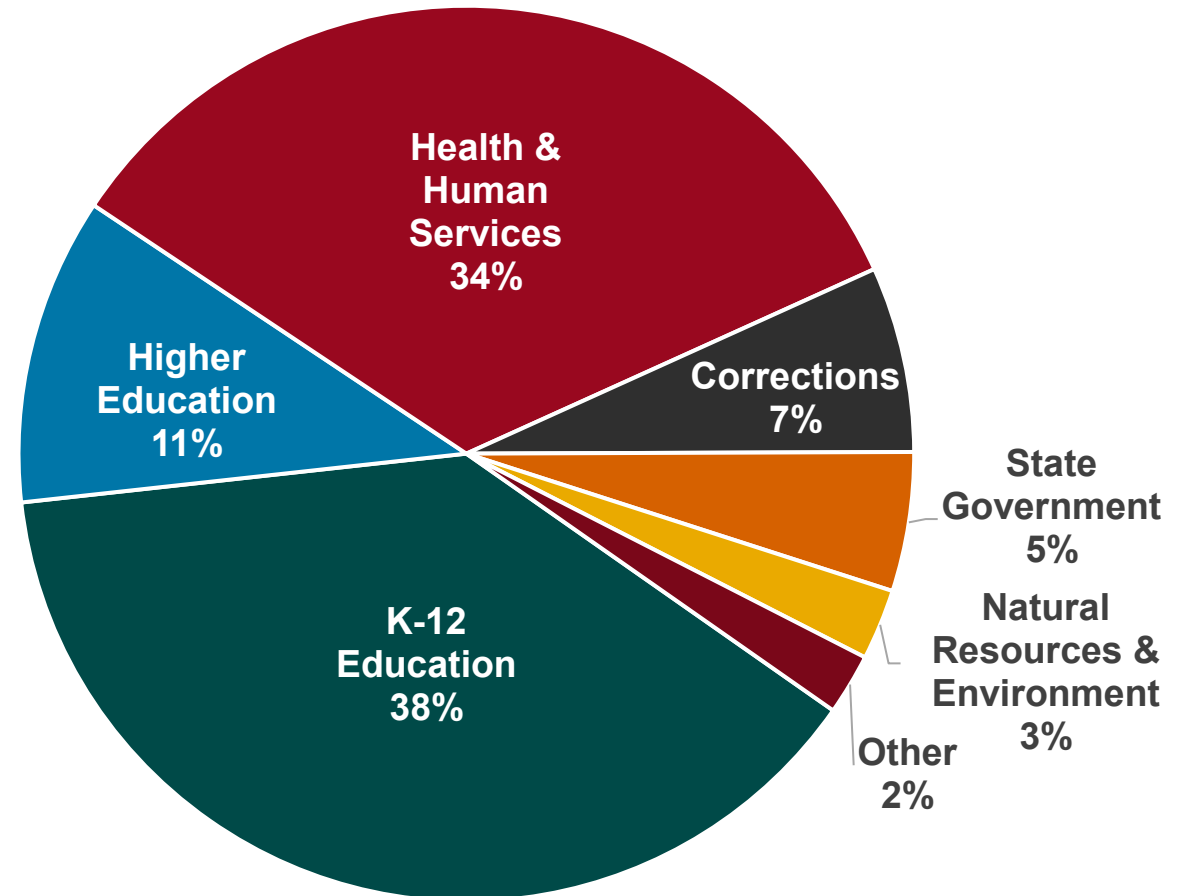
State Budget

- Approved in late June
- Fiscal year: July 1 to June 30
- State's basic approach is incremental budgeting*
- Current state agency base funding amounts are adjusted by change proposals

*State Department of Finance website: "California's Budget Process"

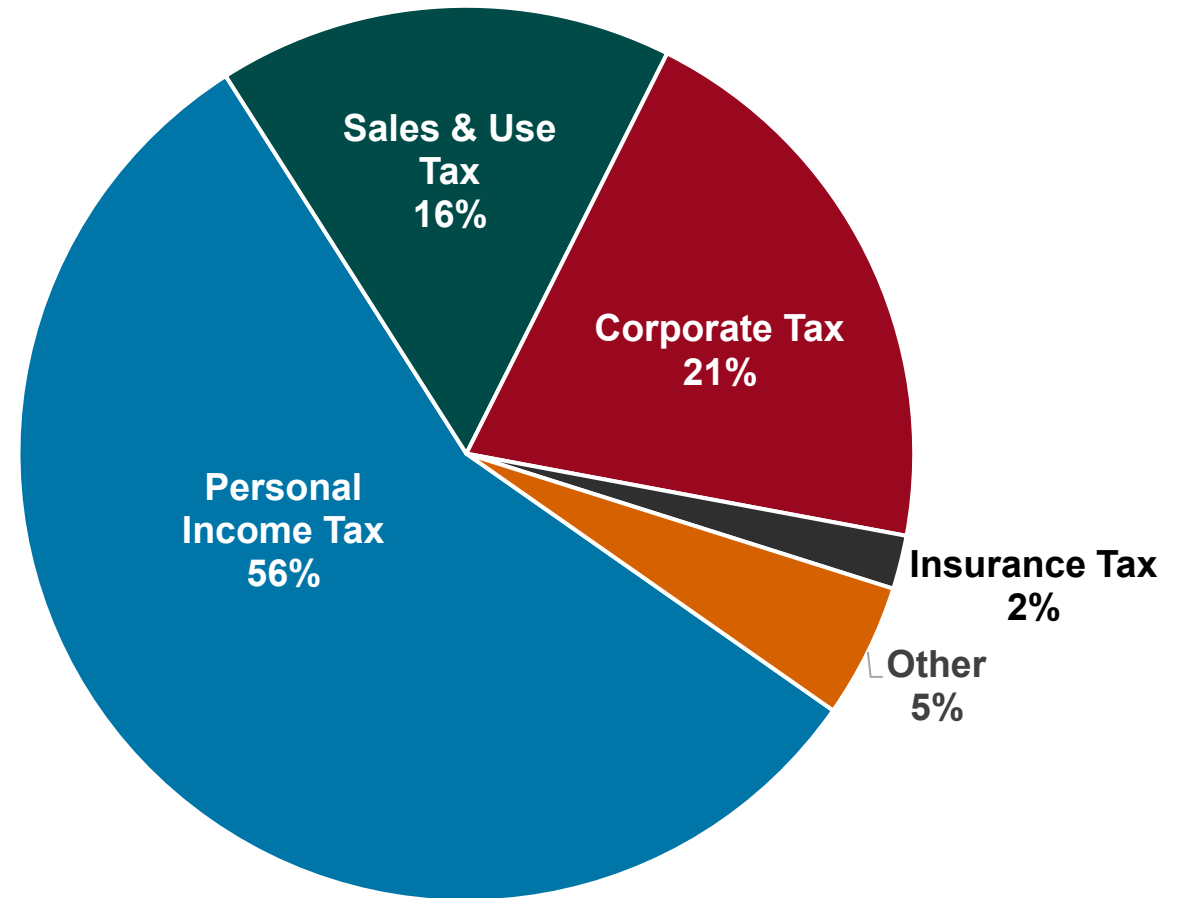
State Budget - General Fund Expenditures

\$212 Billion
2024-25



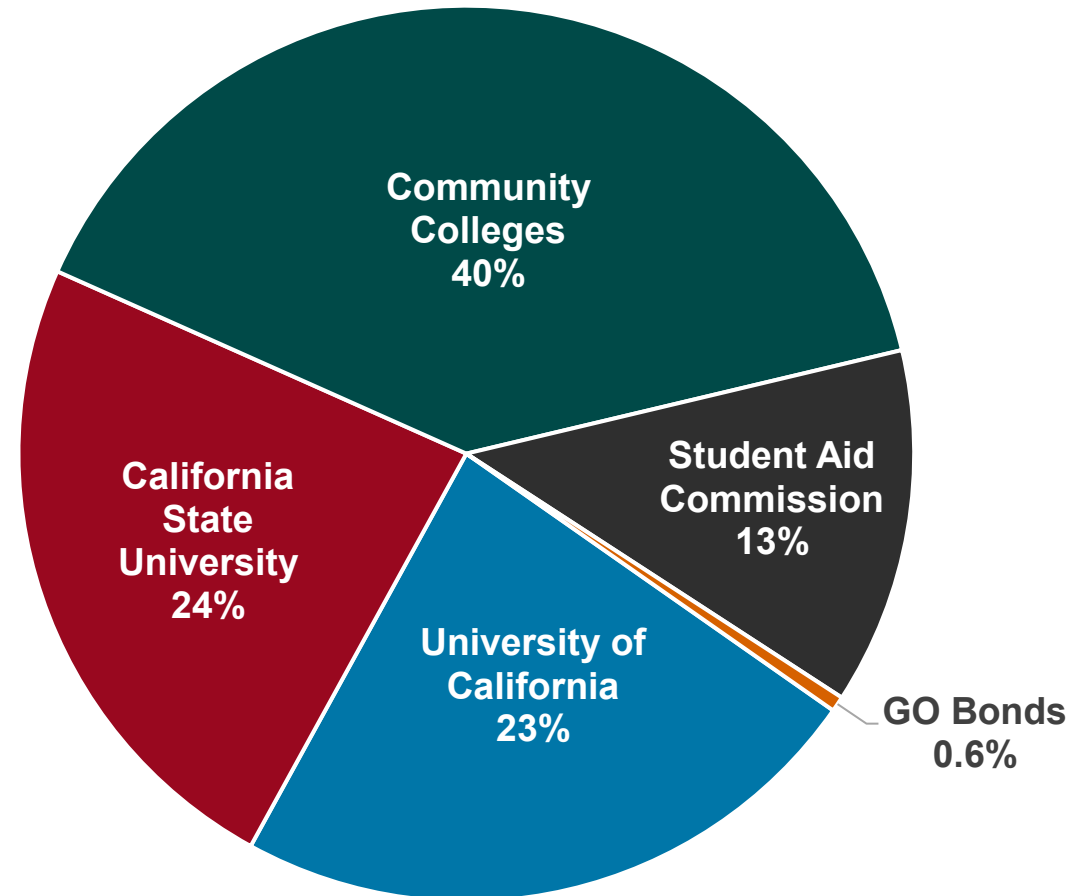
State Budget - General Fund Revenue

\$207 Billion
2024-25



State Budget - Higher Education Funding

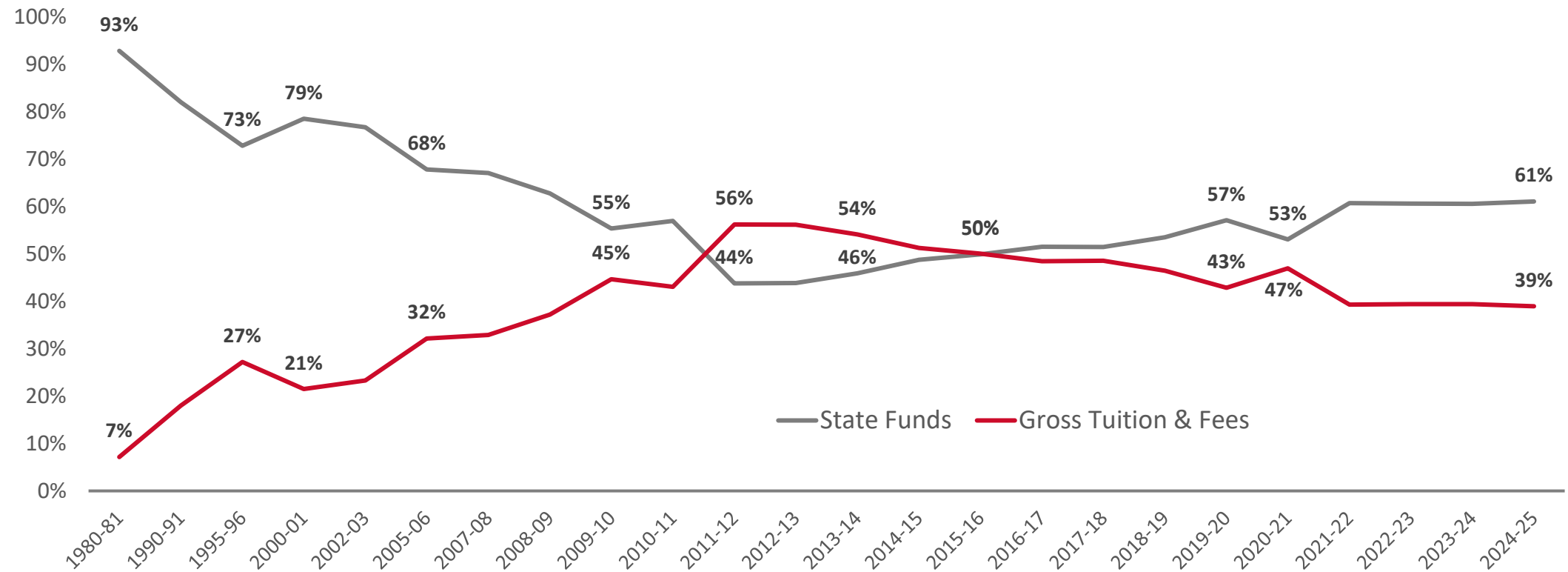
\$24.2 Billion
2024-25



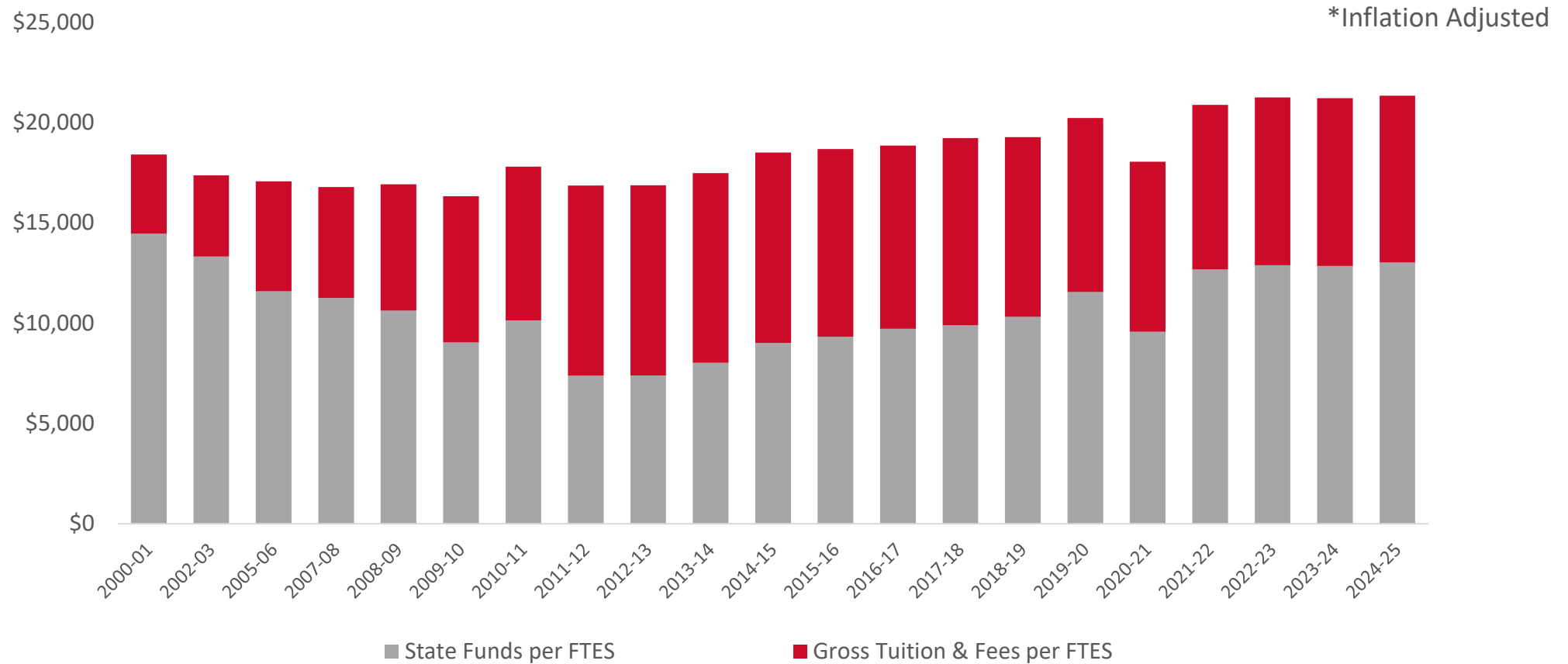
CSU Operating Fund

- State General Fund Allocation
- Tuition Revenue
- Other Revenues
 - Nonresident tuition
 - Campus mandatory fees
 - Course fees
 - Other miscellaneous fees and revenue

Historical CSU Funding

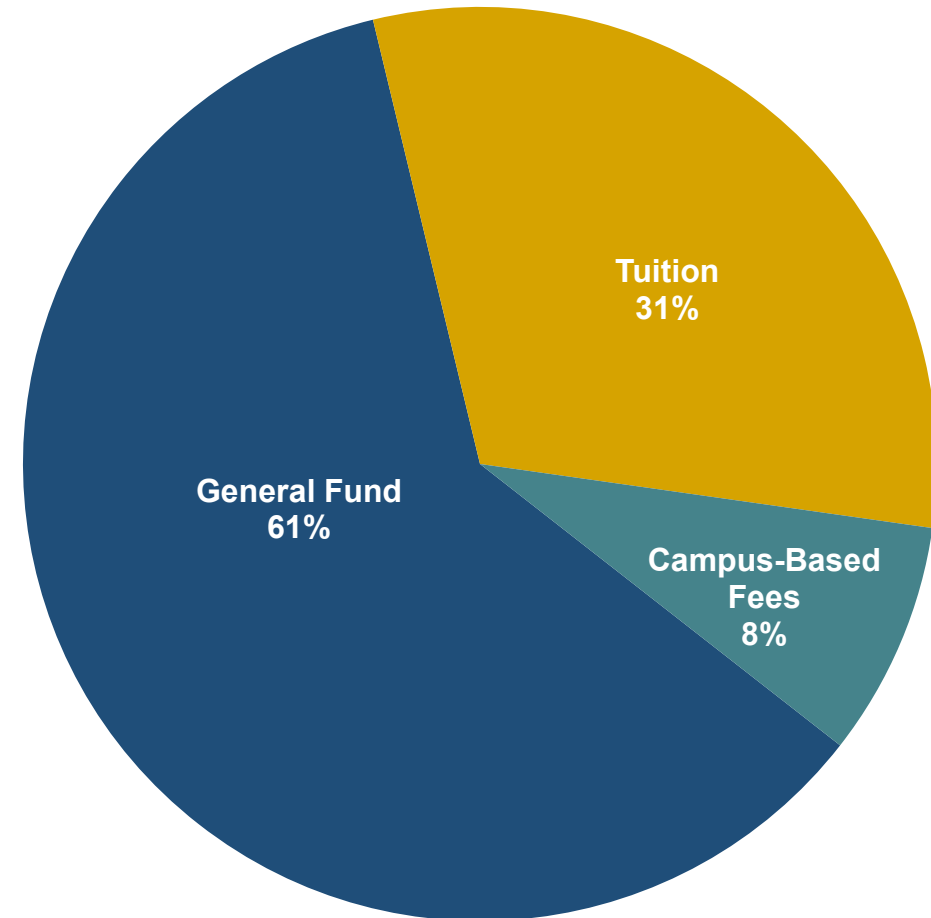


Total Funding per FTES



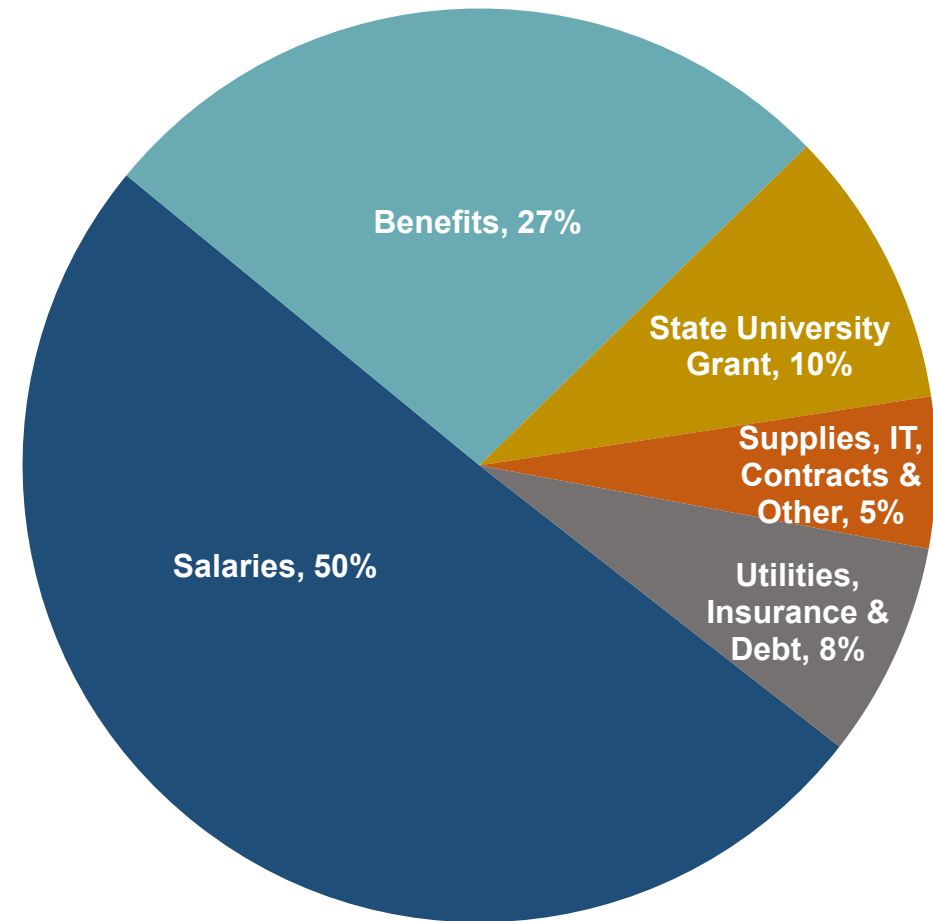
CSU Operating Budget

\$8.5 Billion
2024-25
Funding Sources



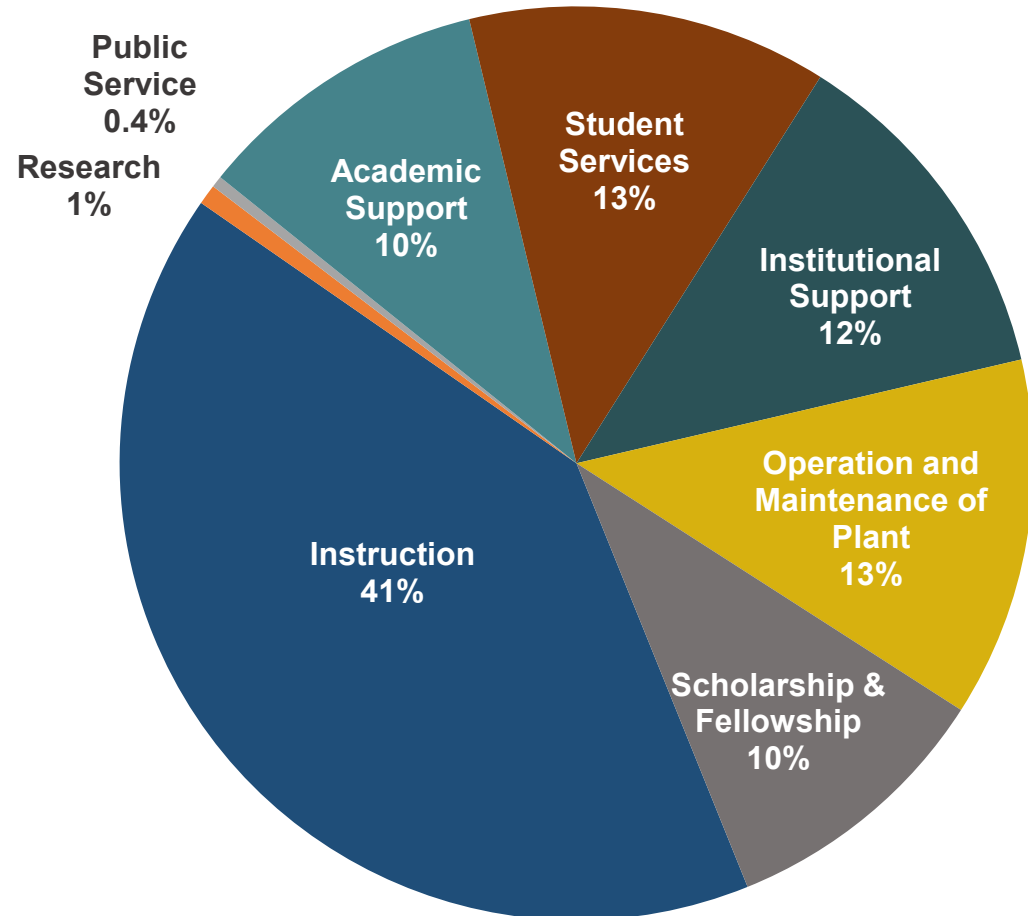
CSU Expenses by Category

\$8.5 Billion
2024-25
Funding Uses

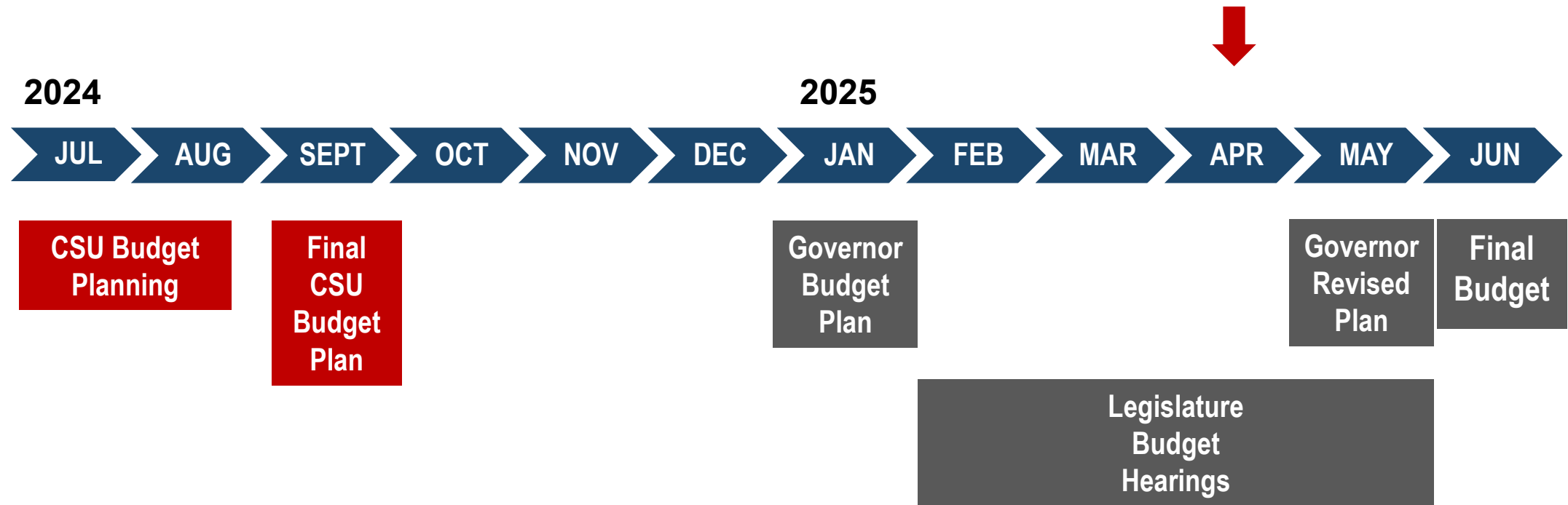


CSU Expenses by Program

\$8.5 Billion
2024-25
Funding Uses



2025-26 Budget Timeline



Allocation to Campuses

- Memo released in July following signing of Budget Act
- Provides details needed for campuses to finalize budgets
- Shows increases in ongoing funding
- Sometimes accompanied by one-time funding allocations
- Three main parts to the allocation memo:
 - Revisions to prior year's General Fund (GF) allocations
 - Expenditure adjustments
 - Revenue adjustments

Expenditure Adjustments

- Mandatory Costs (*e.g., health, new facilities, and federal & state mandates*)
- Compensation
- Enrollment Growth
- Graduation Initiative
- Other Program Adjustments

Revenues

- Display of campus-submitted revenues
- Tuition revenue (adjustments)
 - Tuition rate increase
 - Revenue from funded enrollment growth
- Other revenues (not adjusted, campus-based)

Enrollment Growth - Systemwide

- FTES basis
- Systemwide target changes determined by new GF available and state budget bill expectations
- Campus targets are set after consultation between Chancellor and Presidents
 - Local demand, campus impact decisions and overall capacity
 - Balance Average Unit Load increases with ongoing new student demand

Enrollment Growth - Campus

- Campus Resident FTES Target provided by CO
- Campus Enrollment Planning examines
 - Returning students at all levels
 - Nonresident student enrollment
 - New first-time students and new transfers
 - Average Unit Load changes
- Drives conversations about sections and changes in tuition revenue

Campus Total Budget

2024-25 General Fund Base

+/- General Fund Adjustments (2024-25)

+/- Change in General Fund Allocations (2025-26)

+/- Projected Tuition Revenue

+/- Campus Based Fee Revenue

2025-26 Total Campus Operating Budget

Budget Submissions - CO

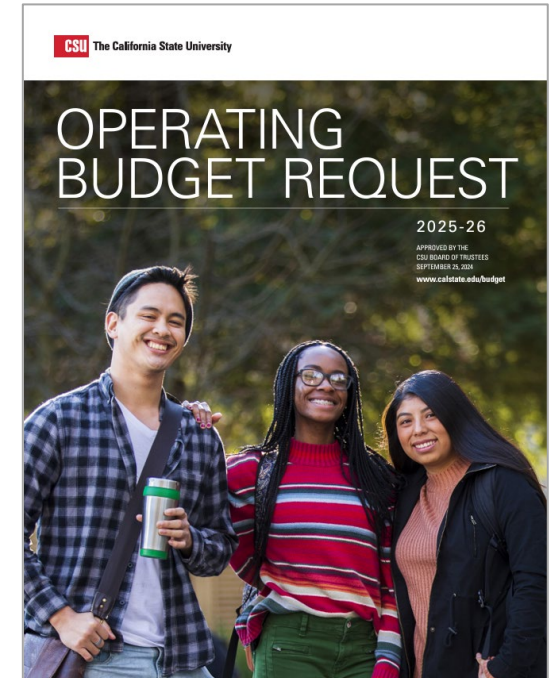
- Consolidate Campus data for review, analysis and use
- Allows Chancellor's Office to:
 - Develop operating budget request
 - Fulfill systemwide financial and reporting requirements
 - Determine future funding allocations
- Instructions and training in July
- Due mid-August

Budget Submissions - Campus

- Campus prepares submission based on prior year plus adjustments
- Campus projected enrollment
- Campus projected tuition and fee increases
- Campus projected cost recovery
- Salaries and positions by program group

CSU Operating Budget Request

- Built from campus projections
- Priorities planned by CO and campuses
- Consultation with CSU constituency groups
- First discussion with Board of Trustees in July
- Final Board approval in September
- Submitted to state once approved



2025-26 PROPOSED OPERATING BUDGET

BASELINE COMMITMENTS

- Financial Aid: SUG – Tuition Rate Increase
\$55M
- Health Premiums
\$60M
- Maintenance of New Facilities
\$7M
- Liability and Property Insurance Premiums
\$10M
- Utilities
\$32M

TOTAL: \$164M



ESSENTIAL PRIORITIES

- Student Access / Graduation Initiative
\$20M
- Beyond Completion
\$2M
- Student Access and Enrollment
\$56M
- Financial Aid: SUG – Enrollment Increase
\$8M
- Faculty and Staff Compensation Pool
\$296M
- Title IX and NAGPRA Compliance Programs
\$10M
- Student Basic Needs and Mental Health
\$5M
- CSU Artificial Intelligence Initiative
\$7M
- Capital Infrastructure Investments
\$25M

TOTAL: \$429M

Governor's Budget

- Released in early January
- Comprehensive look at all state-funded areas
- Legislative Analyst's Office releases a report

CSU Operating Budget Request vs State Funding

Fiscal Year	State Plan	CSU Request	Actual Allocation
2018-19	\$92 million	\$263 million	\$197 million
2019-20	\$300 million	\$456 million	\$333 million
2020-21	\$199 million	\$564 million	-\$299 million
2021-22	\$145 million	\$556 million	\$550 million
2022-23	\$304 million	\$673 million	\$366 million
2023-24	\$254 million	\$514 million	\$331 million
2024-25	\$0 million	\$385 million	\$348 million
2025-26	-\$375 million	\$405 million	\$XXX million

Preliminary Allocations to Campuses

- Memo distributed in spring
- Estimated general fund allocations for July – for campus budget planning
- Based on Governor's January Budget funding levels
- Format is same as final budget allocations memo
- Not all funding decisions have been made
- Some funding held systemwide for later allocation decisions

2025-26 Preliminary Budget Planning

- Required Operating Costs
 - Health Benefits
 - Maintenance of New Facilities
 - Liability & Property Insurance Premiums
 - Utilities
- Compensation
- State University Grant (SUG)

Campus Budget Decisions

- Governed by the President and leadership team
- Often have a campus-level budget committee provide budget recommendations to the President
- Allocations are largely designated, limited flexibility at a campus level
- Most campus-based fee revenue has a dedicated purpose

Campus Budget Decisions

- Challenge: Sources of funding are limited, and many mandatory cost increases are beyond campus control
 - Benefit rates are established at the state level
 - Collective bargaining is conducted at the system level (union negotiated salary increases)
- Opportunity: Graduation Initiative funding provides campuses with new resources to invest in high priority initiatives to advance student success

Campus Decisions

- Each campus like a small city:
 - Utilities
 - Repairs and Maintenance
 - Police
 - Health Services
 - Library
 - Capital Outlay
 - Risk Pool



Campus Budget Planning

- Common approach in the CSU is to utilize priority-based incremental budgeting practices
- Centralized vs Decentralized budget approaches used
- Campuses are implementing enterprise budgeting systems to improve planning and management
- Trend toward more robust position management
- Timing of campus decision points will vary

Resources

calstate.edu/budget

CSU Budget

The California State University budget represents our commitment to providing a high-quality education to all students, ensuring access and affordability through **Graduation Initiative 2025** and additional programs aimed at student success. The Systemwide Budget Office develops and administers the budget for the 23 campuses and the Office of the Chancellor, where it sets systemwide tuition and fees and provides strategic financial planning that guides the CSU's operations.



Operating Budget Request

Each year, the CSU submits an operating budget plan for the following academic year to the state Legislature.

[2025-26 Operating Budget Plan](#)

[Past Operating Budget Requests »](#)

Resources

CSU Budget

calstate.edu/csu-system/about-the-csu/budget

Budget Allocation Memos

calstate.edu/csu-system/about-the-csu/budget/Pages/coded-memos

Financial Transparency Portal

csu.opengov.com/transparency

California Budget

ebudget.ca.gov

Budget Oversight

calstate.policystat.com/policy/12377871/latest

Designated Balances and Reserves

calstate.policystat.com/policy/15644789/latest

Student Tuition and Fee Policy

calstate.policystat.com/policy/16681992/latest

Summer Tuition Rates

csyou.calstate.edu/Divisions-Orgs/bus-fin/budget/Pages/summer-fees

Resources

Compensation Matrix

csyou.calstate.edu/Tools/HR/SalaryProgram/Pages/performance-matrix

Collective Bargaining Agreements & Updates

calstate.edu/csu-system/faculty-staff/labor-and-employee-relations/Pages/collective-bargaining-agreements

Lottery

csyou.calstate.edu/Divisions-Orgs/bus-fin/budget/lottery

CSU Editorial Style Guide

calstate.edu/csu-system/csu-branding-standards/editorial-style-guide/Pages/default

CSU Glossary of Terms

csyou.calstate.edu/Divisions-Orgs/bus-fin/Financial-%09Services/sfsr/CSYouDocs/Appendix_12_Glossary_of_Terms_FINAL

Other CSU Glossary of Terms

csyou.calstate.edu/Divisions-Orgs/AGA/FOA/Documents/CSU_Acronyms

Questions and Discussion



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[CALSTATE.EDU/BUDGET](https://calstate.edu/budget)