

# Fiscal Year 2024-25 Budget Update



# ➤ **Current State of the Budget**

## **This is going to be a challenging budget cycle**

- State of CA budget position has worsened
  - Estimated \$38 billion deficit in 2024-25
- CSU Enrollment Recalibration is happening for 2024-25
- Compensation - significant portion will be funded by campuses
- Unfunded Costs and Emerging Needs - utilities, insurance, Title IX, etc.
- Enrollment - modest growth for two straight years is a positive sign
- Poly - earmarked poly funding available to continue to support polytechnic transformation

\*FTES=full-time equivalent students

# ➤ Enrollment - Annual Resident FTES (with Summer)

Current Target

**7,603**

Recalibration

**-3%**

2024-25 Target

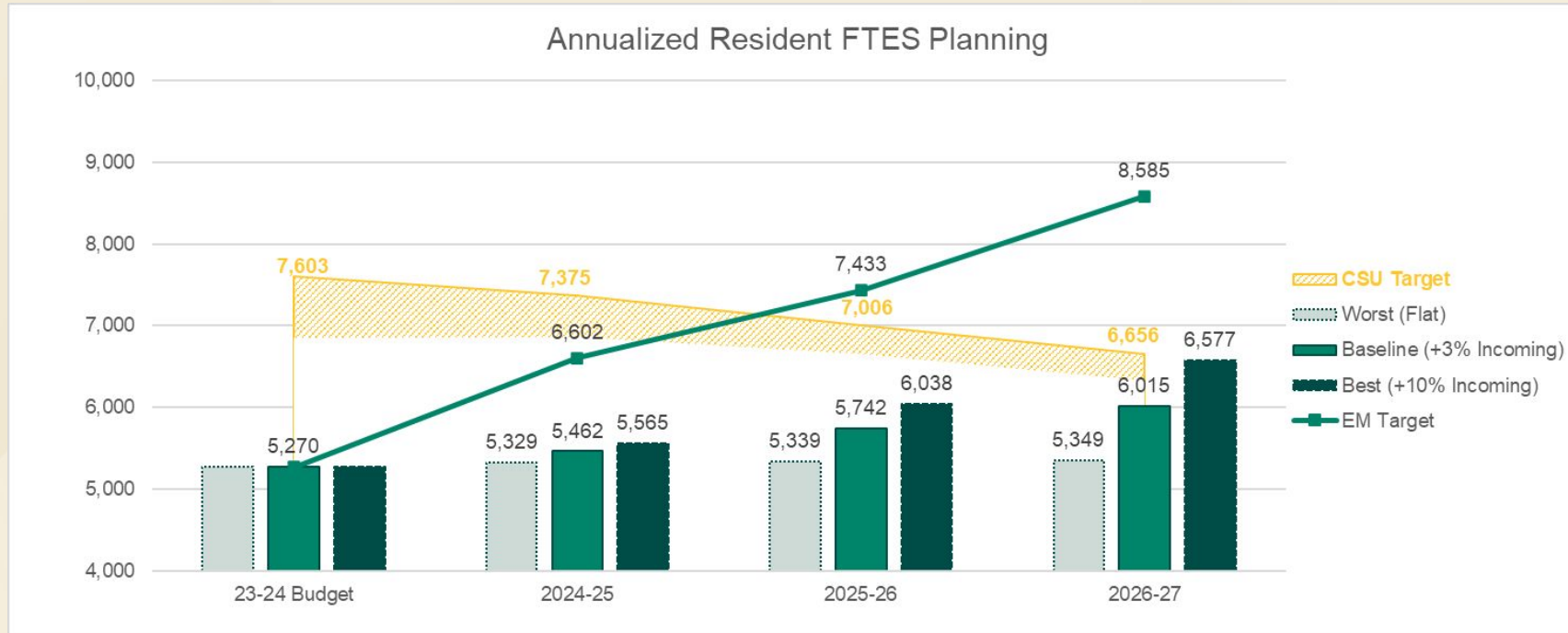
**7,375**

2024-25 Threshold

**6,859**

- **1% Enrollment Recalibration = \$720,000\***

*\*Amount increases annually based on CSU marginal cost per FTES formula*



Recalibration Threshold	
2023-24	-10%
2024-25	-7%
2025-26	-5%

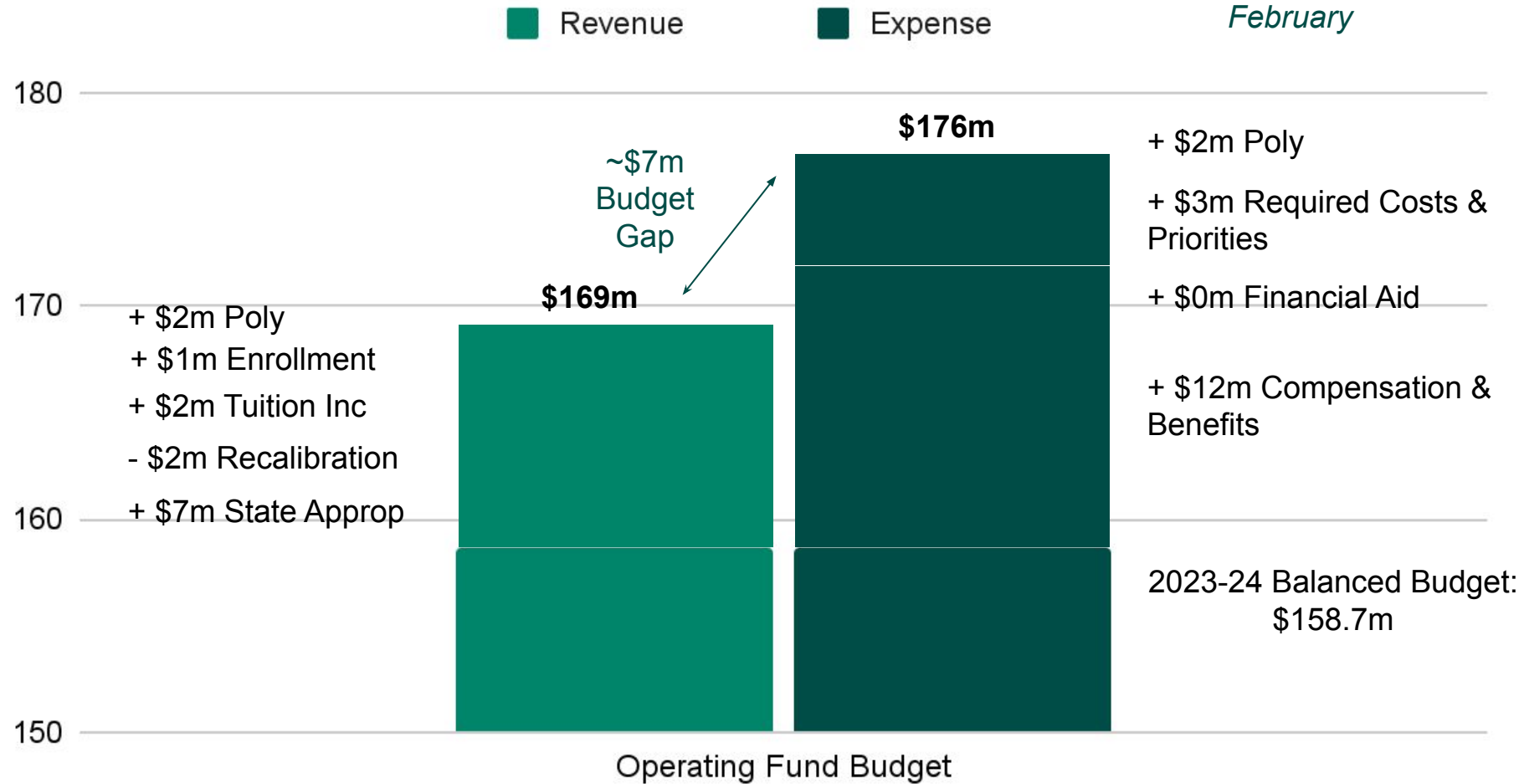


# FY2024-25 Budget Planning Parameters

Parameter	Best Case Scenario	Baseline Scenario	Worst Case Scenario
State Funding (one-time year 1)	5% increase	5% increase	5% increase
Tuition Rate Increase	6% increase	6% increase	6% increase
Enrollment – first-time undergraduate and transfers	10% increase	3% increase	Flat enrollment
Enrollment – continuing undergraduate	2.2% increase	2.2% increase	Flat enrollment
First Year Retention	76.5% retention	76.5% retention	Flat 75.3% retention
<i>Total Enrollment</i>	<i>4.6%</i>	<i>2.6%</i>	<i>0%</i>
State Funding Claw Back (enrollment recalibration)	3% in 24/25, then 0%	3% in 24/25, 5% next 2 years	3% in 24/25, 5% until within threshold
Compensation Increase*	5% increase	5% increase	7% increase

# 2024-25 Estimated Budget Increases at Baseline

*Estimates will be further refined in February*



# **> What's Next**

- **Continue to refine budget planning scenarios**
- **Initial reduction scenario planning at 3%, 5%, and 8%**
- **Refine polytechnic plans**
- **Campus-wide communication and engagement**
- **Meetings with division leaders and groups**

# **> URPC Guiding Principles**

- **Students First**
- **Value Personnel**
- **Financial Resiliency**
- **Campus Engagement**

\*URPC=University Resources & Planning Committee



**H.**

# **> Reduction Planning Parameters**

- **Approach reductions strategically and not across the board**
- **No division will be exempt**
- **Support units' ability to plan and avoid mid-year reductions unless absolutely necessary**
- **Commitment to transparency and timely communication**

\*URPC=University Resources & Planning Committee



**H.**



# › Planning Timeline

- **January - February**

- Finalize guiding principles (URPC)
- Develop budget reduction scenarios, templates and plans
- Meet with division leaders to review scenarios for impacts and other considerations

- **March**

- Finalize reduction targets
- URPC Recommendation - Senate 1st Read, March 26th

- **April**

- Campus Budget Forum (first week of April)
- URPC Recommendation - Senate 2nd Read, April 9th
- Finalize URPC budget recommendation for President approval

- **May**

- Governor's Budget Revision (mid-May)