



**University Budget Advisory Committee (UBAC)**

**February 28, 2025**

**1:00PM-2:30PM**

**UEC-Boardroom**

<https://csusb.zoom.us/j/86863271396>

**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. John Reitzel, Dr. Mark Groen, Dr. Jordan Fullam, Dr. Zachary Powell, Dr. Edna Martinez, Dr. Tomas Gomez-Arias, Dr. Christina Hassija, Dr. Jenna Aguirre, Heather Hopkins and Andreina Dominguez.

**Absent:**

**Welcome**

Dr. Sudhakar explained the timeline and cycle for the approved budget as set forth by the Governor; preliminary budget plan is released in January and then revised budget is released in May.

**FY 2025-2026 Operating Budget (Preliminary)**

The 2025-26 Governor's Budget proposes spending \$322.2 billion from the following state funds:

- \$228.9 billion from the General Fund
- \$86.8 billion from special funds, and
- \$6.5 billion from bond funds

Higher Education budget is 7.4% (\$24 billion)

CSU's total budget is 21.3% (\$5.1 billion)

Despite greater-than-expected state revenue, the State is forecasting operating deficits through FY 28/29.

The CSU's budget outlook for FY 25/26 remains unchanged as indicated in FY 24/25 enacted budget.

- 7.95% Base Budget Reduction – CSUSB Share - \$15.4M
- Additionally, the FY 25/26 compact funding (\$252M) will be deferred to FY 27/28
- CSUSB's budget impact will be substantial for FY 25/26
- CSUSB plans to manage the budget deficit with various mitigation strategies:
  - Hiring reductions and the elimination of positions (including 10 MPPs)
  - Incremental increases in class sizes and cancellation of under enrolled class sections
  - Reduced discretionary faculty reassigned time
  - Reduced tenure-line faculty recruitment and contingent faculty workforce
  - Reduction of service levels due to staffing reductions
  - Reduction of state-funded travel
  - Organizational restructuring because of reductions in administrative personnel

- Reductions in OE&E funding, increased scrutiny of non-essential purchases, limited funds for new initiatives, deferral of capital and maintenance projects, etc.

### **Multi-Year Budget**

Dr. Sudhakar reviewed the multi-year budget and mentioned a deficit of \$18.1M .

Assumptions:

1. \$375M State Base Budget Reduction (CSUSB's share: \$15.3M)
2. Deferral of the \$252M FY 2025-26 CSU Compact to FY 2027-28

Dr. Powell asked if there is a rollover of funds from last year to next Fiscal Year and will be added to the FY 25/26 deficit? If so, I want to see that.

Ms. Masoud explained that the purpose of the presentation is to present the fiscal year 2025/26 projected budget where the resources are comprised of general fund appropriation and tuition and fee revenues. She noted that the fiscal year base expenses will be planned against these two revenue sources. Additionally, she confirmed that the FY 25/26 deficit will be added to the rollover BBA balance from FY 24/25, and that a separate report with further details can be provided later.

Dr. Sudhakar reviewed the proposed deficit mitigations per division for FY 25/26:

- President (\$104K)
  - Academic Affairs Division (\$8.5M)
  - Student Affairs Division (\$895K)
  - Finance, Tech, & Ops Division (\$3M)
  - University Advancement Div (\$448K)
  - Central - Salary Related Benefit (\$5.1M)
- Total Budget Reductions: (\$18.M)**

Dr. Groen commented that compact funding is deferred until at least FY 27/28, however, the State is projecting a deficit through FY 28/29, are there any developing contingencies plans under various revenue scenarios?

Dr. Sudhakar noted that due to changes in the budget and ongoing decision-making processes, it is challenging to predict future outcomes; they are working on a multi-year budget projections.

Dr. Groen suggested looking into 2-3 years of the budget to be able to plan ahead and notify faculty.

### **Budget Mitigation Options for 2025-2026 – Divisional Presentations**

- **Academic Affairs – Dr. Rafik Mohamed**
  - Reviewed FY 26 reduction breakdown:
    - MPP Salary \$298K
    - Staff Salary \$1,4M
    - Faculty \$4,2M
    - Student Assistant \$150K
    - OE&E \$2.3M
    - Total \$8.5M**

- **Student Affairs – Paz Oliverez**

- Reviewed FY 26 reduction breakdown:
  - MPP Salary \$103K
  - Staff Salary \$305K
  - Student Assistant \$7K
  - Division Reserve \$202K
  - OE&E \$22K
  - Total \$639K**
  
- Budget Reductions:
  - OE&E reductions to various student programs and services (including SAIL, USSC, CARE, SCED, VPSA)
  - Reduction of MPP position in the Career Center impacting career related programs, development, and services
  - Reduction of the (vacant) Greek Advisor position with the Office of Student Engagement & Leadership
  - Reduction of stateside support to the Children’s Center and SMSU Affinity Centers
  - Utilizing one-time funding sources to support equity-based services, including student case management

- **Finance, Technology, & Operations – Dr. Samuel Sudhakar**

- Reviewed FY 26 reduction breakdown:
  - MPP Salary \$ 438K (4 MPPs)
  - Staff Salary \$ 983K (20 Staff)
  - Student Assistant \$ 45K (7 Students)
  - Division Reserve \$ 1M
  - OE&E \$ 578K
  - Total \$ 3M**
  
- Significant Limitations: Future supplies-related expenses, professional development, and new projects will be significantly limited across the division.
- Service and Technology Reductions: Contractual maintenance services, chatbot hosting, certain data exchange services, and technology support for new projects and initiatives will be reduced or not renewed.
- Workload Redistribution: The redistribution of work will lead to increased workloads and reduced support in some areas.
- Temporary Significant Impacts: Several departments will face significant temporary impacts, including the elimination of student assistant positions and reduced response times for services across campus.

- **University Advancement**

- Reviewed FY 26 reduction breakdown:
  - MPP Salary \$ 196K
  - Staff Salary \$ 250K
  - Division Reserve \$ 3K
  - Total \$ 449K**

- The planned budget reductions, including the permanent elimination of two MPP positions and freezing five staff roles, will significantly impact University Advancement, especially as we approach the final phase of the comprehensive campaign.
  
- **Impact:**
  1. The loss of key positions may lead to gaps in workflow and project completion, potentially hindering the execution of critical advancement initiatives.
  2. With fewer staff members, remaining employees are likely to experience an increased workload, which may affect morale and productivity.
  3. Staff reductions during the crucial closing phase of our comprehensive campaign may impede our ability to maintain donor and community engagement and to secure financial support for the university.
  
- **Mitigation Strategies:**
  1. Focus on high-impact activities that directly contribute to our strategic plan and campaign goals.
  2. Employ cross training to equip remaining staff with the skills to cover multiple roles, within the constraints of the union.

UBAC will reconvene once a preliminary budget allocation memo is received from the chancellor's office, which is anticipated in late March to early April, however, due to uncertainty regarding the exact timing of when the memo will be received, subsequent meetings will be scheduled based on when the preliminary budget figures are available. At that time the projected budget balances will be presented, specifically addressing inquiries about the anticipated budget status as of June 30, 2025.