



The California State University

2021-2022 Budget Update

CSU Advocacy Week Kick-Off
February 1, 2021



Overview

- State Budget Outlook
- CSU Fiscal Context & Request
- Governor's Preliminary Proposal for CSU
- The Additional Ask

State Budget Outlook

State Budget Outlook

Short Term

- State tax revenues up
- \$15 billion revenue surplus
- Governor proposes mostly one-time spending

Long Term

- Tax revenue estimate = +1.9% annually through 2024-2025
- State operating budget deficits growing

Governor's administration is cautiously optimistic

CSU Fiscal Context and Request

CSU Financial Considerations

State general fund recurring reduction—\$299 million

- Expenditure savings like hiring chill and limited travel

Revenue losses & costs for enterprise & auxiliary programs

Planned use of designated balances and reserves

- Revised = over \$200 million (est.)

One-time federal help—Higher Ed Emergency Relief Fund I & II

Operating Budget Request

Incremental Expenditures

in millions

Graduation Initiative 2025

\$150.0

Highest Campus Priorities

120.0

Basic Needs Initiative

30.0

Restoration of 2020-21 General Fund Reductions

299.0

Academic Facilities & Infrastructure Needs

50.0

Mandatory Costs

57.0

AB 1460 Ethnic Studies Requirement

16.5

Health Benefits

23.8

Maintenance of New Facilities

11.3

Minimum Wage

5.4

Total Incremental Expenditures

\$556.0

Governor's Preliminary Proposal for CSU

2021-22 Governor's Proposals for CSU

Recurring Funding	
General Operating Costs	\$111.5 million
Graduation Initiative 2025 – Basic Needs Initiative	15.0 million
Student Mental Health and Technology Needs	15.0 million
Common Learning Management System	2.0 million
Stanislaus State, Stockton Center Enrollment Growth	1.0 million
Total, Recurring	\$144.5 million

2021-22 Governor's Proposals for CSU

One-Time Funding	
Deferred Maintenance	\$175.0 million
Emergency Financial Assistance Grants to Students	30.0 million
Computing Talent Initiative at Monterey Bay	10.0 million
Faculty Professional Development	10.0 million
Total, One-Time	\$225.0 million

The Additional Ask

\$365 Million Recurring | \$565 Million One-time

RECURRING



RESTORATION OF CUTS \$299 MILLION

- Through prudent fiscal management and use of reserves, the CSU has largely avoided systemwide layoffs and furloughs of our 53,000 faculty and staff.
- Restoration of cuts will ensure long term stability and protect our employees.



GRADUATION INITIATIVE 2025 \$66 MILLION

- While grad rates have improved by 63%, equity gaps have remained stubborn, making only incremental changes.
- Being able to close equity gaps is essential to creating a diverse workforce and rebuilding a middle class that includes all Californians.
- This investment would fully fund the Trustees' 2021-22 budget request for GI 2025.

ONE-TIME



ACADEMIC FACILITIES AND INFRASTRUCTURE \$565 MILLION

- The CSU has an identified need of \$740 million in 2021-22 for academic facilities and infrastructure projects.
- Of this, \$480 million in approved projects can immediately proceed to design and/or construction.
- Investment in these projects could create jobs immediately and help stimulate the economy.

