



University Budget Office

2025-26 Campus Budget Update

Dear Campus Community,

The University Budget Office is pleased to share updates on Cal Poly Humboldt's finalized 2025–26 Operating Fund Budget, developed in alignment with our [budget principles and priorities](#) amid an increasingly constrained fiscal environment at both the state and California State University (CSU) system levels.

First, I want to thank the broader campus community for its dedication and diligence in helping implement \$7.7 million in reductions necessary to achieve a balanced operating budget. Your commitment to collaborative and thoughtful decision-making helped us protect our core mission while managing resource constraints.

Because of these collective efforts, we are able to present a financial plan that underscores the need for careful prioritization as we navigate a challenging fiscal landscape. The finalized budget, now available on the public-facing budget dashboard, [OpenBook](#), totals \$175.3 million, reflecting a \$2.9 million, or 1.6% reduction from the prior year.

This reduction is primarily driven by two factors: a \$3 million (3%) decrease in base General Fund appropriation; and a \$2.1 million reduction tied to a 3% reallocation of our system-funded enrollment target, as part of the CSU's broader enrollment recalibration efforts. These reductions are partially offset by a projected 4.9% increase in enrollment over last year's Fall census, as outlined in the [Spring 2025 Revision](#) of the Strategic Enrollment Management Plan. Since last year's actual enrollment fell short of the budgeted target, this growth equates to a 3.5% increase relative to the prior year's budget. Even with the overall reduction, the budget reflects strategic planning and collaboration across divisions to ensure resources are used effectively.

We extend our sincere appreciation to the University Resources & Planning Committee (URPC) for their thoughtful and strategic [budget recommendation](#). The finalized budget closely mirrors URPC's guidance, with a few adjustments made as

directed in the [CSU's 2025-26 Final Budget Allocation Memo](#) and in response to ongoing changes in financial conditions as outlined in more detail in [Appendix A](#).

2025-26 CSU and State Budget Context

While the CSU avoided the initially proposed \$375 million reduction, the [State Budget Act of 2025](#) includes a \$143.8 million ongoing reduction to the CSU's base General Fund appropriation, with intended restoration beginning in 2026-27. Additionally, the compact increase of 5%, or \$252.3 million, originally scheduled for 2025-26, has been deferred over the next three fiscal years through 2028-29. These changes have resulted in a \$164 million systemwide budget shortfall for 2025-26. The CSU has been offered a \$143.8 million zero-interest loan to help address the immediate impact; that option remains under review by the Chancellor's Office.

Beginning in the 2024-25 fiscal year, the California State University implemented a multi-year, systemwide tuition. The plan raises tuition by 6% annually for five years, with the goal of strengthening the CSU's financial foundation and supporting academic quality. While a 6% tuition increase will generate additional revenue, it will only partially offset rising operating costs, including employee compensation and benefits, and other mandatory expenses. As a result, campuses must continue aligning spending with available state and tuition resources to manage this funding gap responsibly.

California's broader fiscal outlook remains unstable, with the state projecting annual budget deficits ranging from \$13 billion to \$20 billion each year through 2028-29. The state budget depends on economic assumptions and General Fund conditions that are subject to rapid change, requiring continuous monitoring. At the federal level, budget uncertainty presents additional risks, particularly related to student financial aid, research funding, and essential student support programs. These pressures may prompt a Special Session of the California Legislature this fall, potentially affecting current CSU funding commitments.

In light of these uncertainties, campuses are being advised to continue exercising fiscal caution and strategic planning in managing limited resources.

Planning for 2026-27 and Beyond

As we look ahead, we await the 2026-27 CSU budget request that will help inform our initial budget planning efforts this fall. The budget request funding plan is typically presented to the CSU Board of Trustees in September, marking an

important milestone in the budget planning process. We also look forward to engaging with the campus community during URPC meetings throughout the upcoming fiscal year as we begin to shape the 2026–27 budget and address the challenges that lie ahead.

We will continue to provide updates as new information becomes available and invite all members of the campus community to participate in upcoming URPC meetings, which are open to everyone and co-chaired by Provost Jenn Capps and faculty member Jaime Lancaster. Leadership from each division will present strategic updates at open forums in September, followed by a Budget 101 open forum on October 22, noon – 1:30 p.m. In addition, progress on the 2025 Voluntary Separation Incentive Program (VSIP), intended as a savings opportunity for 2026–27 budget planning, will be shared throughout the budget planning year. For information or questions related to University planning or budgeting, please visit the [URPC](#) or [University Budget Office](#) websites or contact us at urpc@humboldt.edu or budget@humboldt.edu.

Thank you for your continued commitment to the success of our students and the future of Cal Poly Humboldt.

Sincerely,

Michael Fisher

Acting Vice President for Administrative Affairs and Chief Financial Officer

APPENDIX A

2025-26 Final Budget

Cal Poly Humboldt's 2025-26 operating budget totals \$175.3 million, reflecting a decrease of \$2.9 million, or 1.6%, compared to the prior year. Initial projections in Spring 2025 anticipated an \$11.6 million deficit, with plans to use approximately \$3.9 million in one-time funds to bridge the budget gap. However, thanks to projected enrollment growth, significant advocacy efforts at both the state and California State University (CSU) system levels, combined with a collaborative, campus-wide approach and strong shared governance through the University Resources & Planning Committee (URPC) in addressing reductions, the University successfully developed a balanced operating budget for the fiscal year.

2025-26			
	Increase (Decrease)		
	URPC Recommendation	Change	Final Budget
Prior Year Revenue (Sources) Budget	\$ 178,141,357	\$ -	\$ 178,141,357
State Appropriation			
State Cut to CSU	\$ (7,928,000)	\$ 4,888,000	\$ (3,040,000)
Enrollment Reallocation	\$ (2,089,000)	\$ (48,000)	\$ (2,137,000)
Polytechnic Funding	\$ 3,729,000	\$ (3,729,000)	\$ -
CSU Mandatory Cost & Program Earmarks	\$ 933,000	\$ (3,746,000)	\$ (2,813,000)
State Tuition from 6% Rate Increase	\$ 1,970,000	\$ 181,000	\$ 2,151,000
State Tuition from Growth	\$ (123,000)	\$ 1,943,353	\$ 1,820,353
Other Tuition & Fees	\$ (8,357)	\$ 1,156,468	\$ 1,148,111
Total 2025-26 Revenue (Sources) Budget	\$ 174,625,000	\$ 645,821	\$ 175,270,821
Prior Year Expenditure (Uses) Budget	\$ 178,141,357	\$ -	\$ 178,141,357
Compensation Costs	\$ 400,000	\$ 1,994,000	\$ 2,394,000
Financial Aid	\$ 650,000	\$ (2,403,000)	\$ (1,753,000)
CSU Mandatory Costs	\$ 2,253,000	\$ (1,162,000)	\$ 1,091,000
Polytechnic Allocations	\$ 3,729,000	\$ (3,729,000)	\$ -
Campus Mandatory Costs & Priorities	\$ 1,007,000	\$ 2,060,464	\$ 3,067,464
Budget Reduction	\$ (7,670,000)	\$ -	\$ (7,670,000)
Total 2025-26 Expenditure (Uses) Budget	\$ 178,510,357	\$ (3,239,536)	\$ 175,270,821
2025-26 Base Budget Surplus (Deficit)	\$ (3,885,357)	\$ 3,885,357	\$ -

Budget Assumptions

Revenue projections and expenditure allocations have been updated to align with the [2025-26 Final Budget Allocation Memo](#) from the Chancellor's Office (CO), the [Spring 2025 Revision](#) of the Strategic Enrollment Management Plan and the university's mandatory cost obligations and institutional priorities.

State Funding

The CSU initially projected a 7.95% reduction, which was reduced to 3% following advocacy efforts by CSU and systemwide stakeholders to alleviate the impact on campuses. As a result, Cal Poly Humboldt's base funding was reduced by approximately \$3 million instead of nearly \$8 million.

Additionally, Cal Poly Humboldt faced a 3% reallocation of our system-funded enrollment target, as part of the CSU's broader enrollment recalibration efforts resulting in a \$2.1 million reduction.

Lastly, while the final \$3.7 million installment of ongoing polytechnic base funding was not included in the 2025–26 CSU Budget Allocation Memo, it is expected to be received during the fiscal year and will appear as a base funding adjustment in the 2026–27 Final Budget Allocation Memo.

Tuition & Fees

The 2025–26 budget reflects an increase of approximately \$5.1 million in tuition and fee revenue, driven by the systemwide 6% tuition rate increase and updated enrollment projections. This represents strong projected growth of 4.9% over the prior year's actual fall census, as outlined in the [Spring 2025 Revision](#) of the Strategic Enrollment Management Plan. Since last year's actual enrollment fell short of the budgeted target, this growth equates to a 3.5% increase relative to the prior year's budget.

Compensation

The 2025–26 budget reflects an increase of approximately \$2.94 million in the compensation pool, primarily driven by the anticipated implementation of CSUEU steps in fall 2025, with employees placed on the step closest above their current salary or retained at their current rate if it exceeds the top step. Additional contributing factors include planned changes in dependent coverage and adjustments from prior year compensation funding, all of which support maintaining an adequate compensation pool.

Financial Aid

For 2025–26, Cal Poly Humboldt's State University Grant (SUG) allocation decreased by approximately \$1.75 million. This reduction is due to changes in the CSU's SUG

allocation methodology, which now distributes funds based on each university's relative share of students with financial need, as measured by the Student Aid Index (SAI). These allocations are designed to help campuses offset the impact of the 2025–26 tuition increase.

Under the revised model, universities were guaranteed a minimum of 85% of their 2024–25 SUG allocation. Cal Poly Humboldt's reduction reflects a shift in the distribution of need across the CSU system. While system-wide SUG funding increased due to additional revenue from tuition rate increases, Cal Poly Humboldt's relative share of students with need resulted in a lower allocation.

However, while not included in the CSU 2025–26 Budget Allocation Memo, Cal Poly Humboldt will receive \$1.1 million in one-time general fund resources, an outcome of campus advocacy efforts and recognition of the need to support implementation of the new SUG policy while continuing to serve students. The one-time funds will be used to award SUG to continuing undergraduate students during the 2025–26 financial aid year.

CSU Mandatory Costs

The increase in CSU mandatory costs for Cal Poly Humboldt now total \$1.0 million. This includes increases in utilities, health premiums, insurance premiums, and the maintenance of new state-operated facilities coming online in FY 2025–26. These cost pressures are expected to total approximately \$4.6 million. However, they are largely offset by a \$3.5 million adjustment related to employer-paid retirement contribution rate changes, based on actual CSU 2013–14 pensionable salaries as reported by the State Controller's Office.

Campus Mandatory Costs

Campus mandatory costs have increased by \$3.1 million. Utilities are expected to increase by 5%, adding approximately \$300 thousand in expenses. Insurance costs are anticipated to grow by 13%, an estimated \$700 thousand increase. In addition, contingency funding has been increased by \$1.0 million to provide budgetary flexibility should enrollment targets fall short or other unforeseen circumstances occur.

Budget Reduction

The budget reduction remains consistent with the URPC's spring 2025 budget recommendation and is reflected in the divisional breakdown shown in the table below.

Division	2025-26	
	% Reduction	\$ Reduction
President's Office	0.00%	\$ -
University Advancement	5.63%	\$ 219,000
Academic Affairs	6.00%	\$ 5,091,000
Administrative Affairs	5.21%	\$ 1,037,000
Enrollment Management & Student Success	5.00%	\$ 656,000
Athletics & Recreation	7.00%	\$ 242,000
University Wide	5.00%	\$ 425,000
Total Proposed Reductions	5.68%	\$ 7,670,000

Note: Reduction percentages are applied to the adjusted operating budget which is net of restricted programs, financial aid, compensation pool, and prior year Polytechnic funding.

One-time Funds

The URPC's previously recommended use of one-time funds to bridge an anticipated budget gap has been reduced to zero. Cal Poly Humboldt has successfully achieved a balanced operating budget through a combination of anticipated enrollment growth, effective advocacy at both the state and CSU system levels, and a collaborative, campus-wide effort, anchored by strong shared governance through the URPC.