

FY 2025-26 Financial Update

May 2026



CAL POLY

Overview

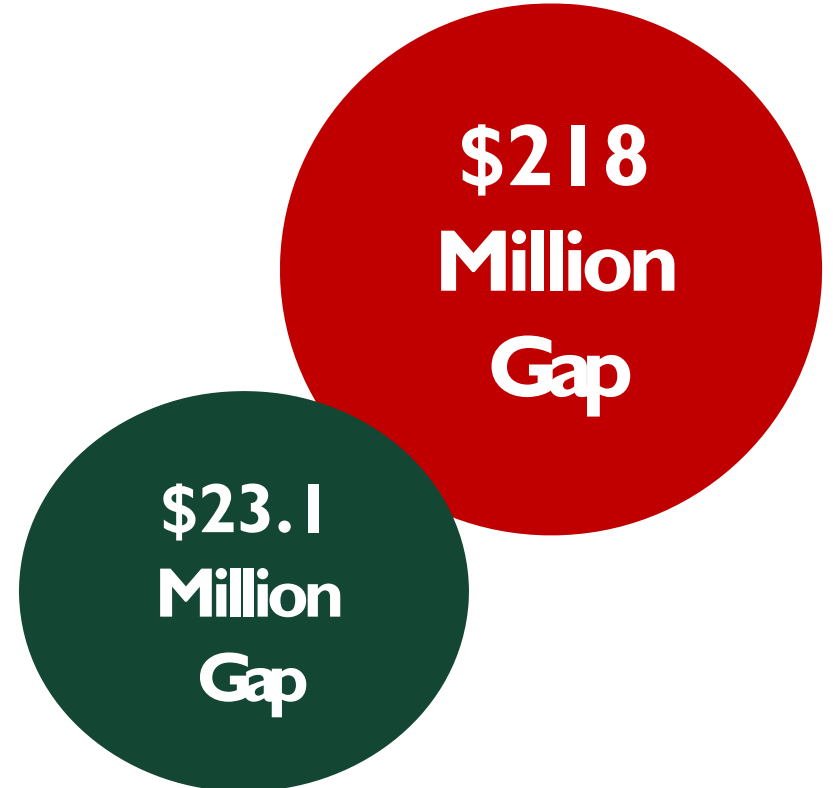
1. FY 2024-2025 Recap
2. FY 2025-2026 Allocations
3. Budget Timeline
4. FY 2026-2027 and Beyond
5. MPP Report

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2024-25 Actions Taken to Mitigate Challenges

- Increased enrollment
- Implemented additional cost reduction strategies
- Used designated balances & reserves



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2025-26 State Budget Highlights Impacting CSU Operations

- CSU Funding Reduction: \$143.8 million
- Funding Deferral for Year 4:
 - 2026-27 - \$100.9 million, ongoing
 - 2027-28 - \$252.3 million, one-time
 - 2028-29 - \$151.4 million, ongoing

2025-26 State Budget Highlights Impacting CSU Operations

Increasing Budget Gap in 2025-26

	(in millions)
Tuition Revenue from Rate Increase	\$165.0
General Fund Reduction	(\$143.8)
New Revenue	\$21.2
Required Operational Costs and SUG	(\$165.0)
Projected Cost of CSUEU Steps Implementation	(\$20.2)
Increasing Budget Gap 2025-26	(\$164.0)

2025-26 Budget Situation

- Implementing additional cost reduction strategies, use of balances & reserves, increase enrollment
- Three main challenges:
 1. Funding gap
 2. Compensation costs
 3. Enrollment



**\$164
Million
Gap**

FY 2025-26 Budget

(\$ in millions)

2025 Final Budget Allocations	CSU	Cal Poly (incl. Maritime)
Sources		
Estimated Tuition Rate Revenue Increase	165.0	9.0
General Fund Reallocation for increased costs	1.8	2.4
General Fund Reduction	(143.8)	(9.7)
Subtotal - Sources	\$ 23.0	\$ 1.7
Uses		
Health Care Premiums	60.3	4.0
Operations & Maintenance New Facilities	6.6	1.6
Liability & Property Insurance Premiums	10.0	0.8
Utilities	31.7	2.6
State University Grant Redistribution (SUG)	55.0	2.4
Projected compensation*	20.2	0.9
Other Program Adjustments	3.2	-
Subtotal - Uses	\$ 187.0	\$ 12.3
FY 2025-26 General Fund Budget Gap	(\$164.0)	(\$10.6)

*For reference only, not allocated to campuses

FY 2025-26 Sources and Uses

(\$ in millions)

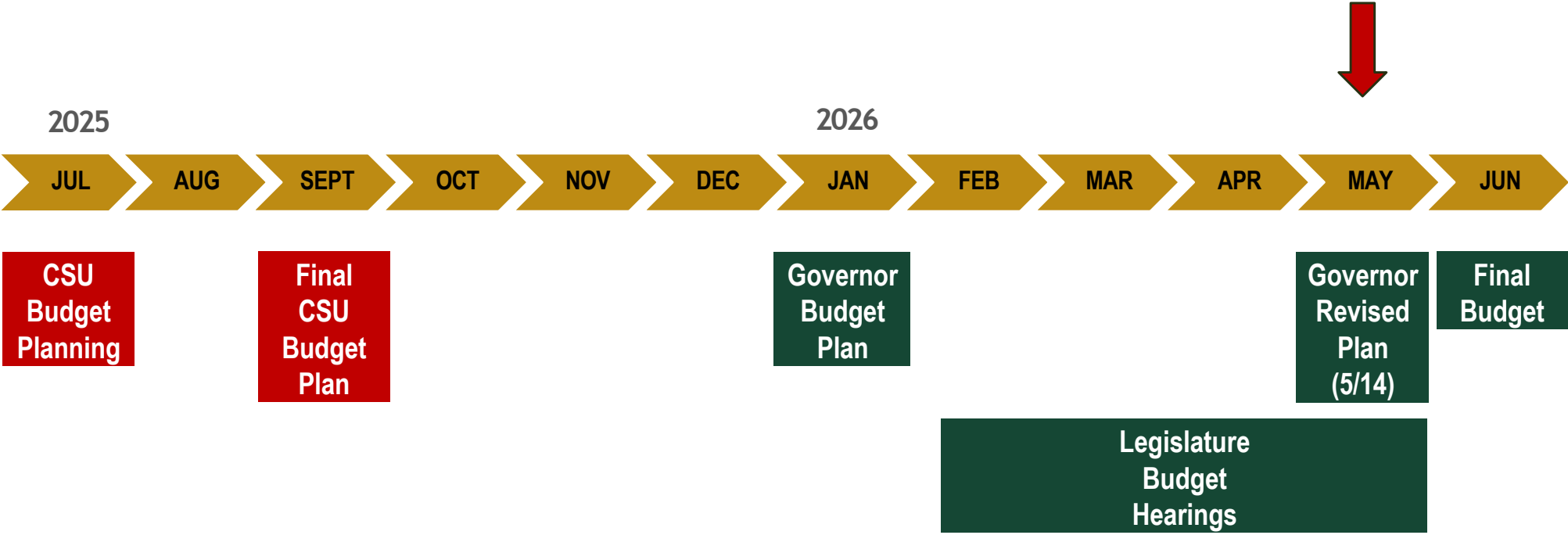
	FY 2024-25	Changes*	FY 2025-26
Sources			
State Appropriation	\$ 250.4	\$ 0.4	\$ 250.8
Tuition	179.9	12.4	192.3
Fees	124.1	23.2	147.3
Other Campus Receipts	8.3	-	8.3
Total Sources	\$ 562.7	\$ 36.0	\$ 598.7
Uses			
Division Allocations	\$ 364.5	\$ (4.4)	\$ 360.1
Financial Aid	52.4	13.3	65.7
Centrally Managed Costs	166.6	8.4	175.0
Compensation	0.5	6.1	6.6
Strategic Initiatives	1.9	22.0	23.9
Total Uses	\$ 585.9	\$ 45.4	\$ 631.3
Projected Budget Surplus/(Deficit)	(\$23.2)	(\$9.4)	(\$32.6)

*Change differs to CO budget allocation due to campus tuition revenue estimates and uses of funds

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2026-27 Budget Timeline



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2026-27 CSU Operating Budget Proposal

2026-27 CSU Budget Proposal

	(in millions)
Total 2026-27 CSU Revenue Proposal	\$710.5
Restoration of 2025-26 General Fund Reduction	143.8
Year 4 Compact Commitment (partial)	100.9
Year 5 Compact Commitment	264.8
Tuition Revenue	201.0
Total 2026-27 CSU Expenditures	\$597.1
CSU Baseline Commitments	323.7
CSU Essential Budget Priorities	273.4
Net Funding	\$113.4

2026-27 CSU Operating Budget Proposal

Key Takeaways

- State revenue assumptions remain uncertain and the final budget is not guaranteed
- CSU funding will compete with other legislative priorities in the final budget process
- Strong advocacy by CSU stakeholders is essential to ensure the full amount is appropriated in the final budget

2026-27 and Beyond Budget Situation

State Leader Intentions

2026-27

Final year of compact:

- Restoration of \$143.8M cut (from 25-26)
- \$100.9M Partial Year 4 compact funding (from 25-26)
- \$151.4M Remainder Year 4 compact funding deferred to future years
- \$264.8 M Full Year 5 compact funding (final year)

2027-28

Shifts back to annual budget decisions

- \$252M back payment (for deferred funding)
- Uncertain commitments

2028-29

3% base increase, approximately \$151M

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MPP Report

Cal Poly is strategically reshaping its management structure to support growth, integration, and financial sustainability.

- Growing conservatively, tied to campus growth initiatives
- Reallocating leadership roles rather than expanding broadly, reducing redundancies and identifying efficiencies
- Investing in fundraising, infrastructure/operations, and integration
- Managing budget pressure through eliminations and restructuring

MPP Report

MPP Changes from Fall 2024 to Fall 2025

The University experienced a net increase of 9.00 FTE in MPP positions, as outlined below:

Reason for Action	Admin I	Admin II	Admin III	Admin IV	Pres	Totals
New Position	12.00	3.00	6.00	1.00	0.00	22.00
Position Eliminated	(2.00)	(4.00)	(5.00)	(4.00)	(1.00)	(16.00)
Reclass Staff	4.00	(1.00)	0.00	0.00	0.00	3.00
Reclass within MPP	(5.00)	0.00	5.00	0.00	0.00	0.00
Reorganization	0.00	0.00	0.00	0.00	0.00	0.00
Workload Adjustment	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total	9.00	(2.00)	6.00	(3.00)	(1.00)	9.00

Note – Maritime positions and divisional reorganizations reflected in both years for comparability.

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Thank You