

California State Assembly



Background

CSU system, critical to the state economy, faces significant challenges. The 22-campus California State University system is the largest four-year public university system in the country, and its importance to the California economy and to individual families cannot be overstated: nearly one-half of all bachelor's degrees issued in the state are CSU degrees, campuses generate more than \$31 billion in statewide industry activity, according to a recent economic impact report, and CSU campuses dominate national rankings of universities that enhance students' upward social mobility.

After steady growth in enrollment and revenue for much of the 2010s, CSU in the 2020s faces numerous challenges that threaten campus and system health. Significant declines in enrollment at some campuses that began either before or during the COVID-19 pandemic have not been recovered. Most campuses face budget deficits and are enacting reductions, including some layoffs and the ending of academic programs (73 degree programs were suspended and 63 degree programs were discontinued by the Board of Trustees in 2024). While some campuses are reporting strong demand and are turning away thousands of qualified students, others are struggling to attract enough students. This variance is leading to challenges within the system to balance support for under-enrolled campuses with appropriate funding for campuses poised for growth. Enrollment and budget issues are exacerbated by changes in federal spending and policy that are reducing federal support. Projected state demographic changes likely pose an even greater threat than a pandemic: California is expected to see a 15 percent decline in the number of high school graduates between 2019 and 2037, and a 10 percent decline in birth rate between 2013 and 2030. CSU campuses will need to look beyond the typical 18- to 24-year old age group for more students.

Hearing intended to focus on challenges and solutions. CSU is in the midst of several efforts to balance budgets and grow enrollment. Initiatives range from consolidating administrative functions at some campuses, integrating two campuses into one, streamlining admissions processes, and a reallocation effort that is shifting some resources to campuses with sustained demand. The system unveiled a new strategic plan in September.

This hearing is intended to focus on CSU and its plans to address system challenges and attract more students. The first panel will include opening comments from a student, faculty member and member of the Board of Trustees. Other panels will include campus and system leaders as they discuss enrollment trends and issues, efforts to reduce or constrain administrative costs,

and how a few specific campuses and the Chancellor's Office are using additional state funding provided to support particularly challenged campuses.

The Legislature has already taken budget actions to help some campuses, while the Chancellor's Office has also allocated additional funding. The state has provided nearly \$500 million in one-time General Fund and \$25 million in ongoing General Fund to support the Humboldt and Sonoma campuses, and the Chancellor's Office has distributed or plans to distribute another \$45 million in one-time funding to support other reform efforts. This hearing is intended to spark discussion to determine what budget and policy actions are needed during the next legislative year to best support CSU. This background paper is designed to provide brief summaries of issues that will be raised with each panel, and includes information on the CSU budget, enrollment trends, and various reform efforts, and includes questions the committees could ask witnesses.

CSU BUDGET

CSU is funded by the state General Fund and student tuition and fee revenue. CSU's overall budget is about \$9.5 billion in 2025-26, with about 60 percent of funding from the state General Fund and about 39 percent from student tuition and fees. The 2025 Budget Act included a deferral of about \$143.8 million ongoing General Fund, meaning the Legislature intends to repay the deferral. The Budget Act also included an option for CSU to take out an interest-free loan from the state for \$143.8 million in 2025-26, which CSU has accepted. The chart below was created by the Legislative Analyst's Office and displays CSU's budget over the last three years. It does not reflect the loan CSU will receive from the state. The 2025 Budget Act also included additional state funding for Sonoma State University and a smaller amount to support other declining-enrollment campuses, and budget language requires CSU to develop turnaround plans for declining-enrollment campuses that are due to the Legislature on March 1.

California State University Core Funding by Source

(Dollars in Millions Except Funding Per Student)

	2023-24 Actual	2024-25 Revised	2025-26 Enacted	Change From 2024-25	
				Amount	Percent
Ongoing Core Funds					
General Fund ^a	\$5,391	\$5,488	\$5,622	\$133	2.4%
Tuition and fees ^b	3,267	3,486	3,703	217	6.2
Lottery	78	71	67	-4	-6.0
Subtotals	(\$8,736)	(\$9,045)	(\$9,392)	(\$346)	(3.8%)
One-Time General Fund	\$36	\$6	\$66	\$60	1,075.9
Totals	\$8,772	\$9,051	\$9,457	\$406	4.5%
Enrollment ^c					
Resident undergraduates	333,609	342,847	349,999	7,152	2.1%
All other	57,659	58,536	58,688	152	— ^d
Totals	391,267	401,383	408,687	7,304	1.8%
Ongoing Core Funding Per Student	\$22,328	\$22,535	\$22,980	\$445	2.0%

^a Includes funding for pensions and retiree health benefits.

^b Includes funds used for student financial aid.

^c Reflects budgeted enrollment on a full-time equivalent (FTE) basis. The resident undergraduate enrollment amounts for 2024-25 and 2025-26 are the amounts included in the 2025-26 Budget Act. The "All other" category consists of resident graduate students as well as all nonresident students.

^d Less than 0.5 percent.

Enrollment Trends and Issues

State typically supports enrollment growth and sets enrollment growth targets in the Budget Act. A key part of state funding for CSU supports enrollment of California students. In most years, the state sets enrollment growth expectations for CSU in the annual budget act. In some years, the state sets expectations for total CSU resident enrollment. In other years, it sets expectations only for resident undergraduates, with no expectation for resident graduate students. CSU tracks a running total of these growth expectations, which it commonly refers to as its enrollment target. Typically, the state supports resident enrollment growth at CSU by providing a General Fund augmentation based on the number of additional students CSU is to enroll. The per-student funding rate is derived using a "marginal cost" formula. This formula estimates the cost of the additional faculty, support services, and other resources required to serve each additional student. Those costs are shared between state General Fund and student tuition revenue. In 2024-25, for example, the total marginal cost per student was \$15,774, with a state share of \$10,995.

While the state sets a systemwide enrollment target, the Chancellor's Office and campuses work together to set targets for each campus that meet the systemwide target.

CSU suffered major enrollment declines during pandemic, and enrollment trends since then have varied widely among campuses. After relatively steady enrollment growth at most campuses during the 2010s, enrollment began to decline at some campuses – mostly in Northern California – just before the COVID-19 pandemic. The pandemic led to declines at most campuses, with CSU reporting a reduction of about 35,000 full-time equivalent students (FTES) systemwide between Fall 2020 and Fall 2022. Many campuses have recovered since then, although some have not. The following chart depicts FTES by campus for Fall 2020 through Fall 2025, and shows campuses from largest 2025 enrollment to smallest. It should be noted that Fall 2025 data is preliminary.

As the chart indicates, there is significant variation among campuses, with 10 campuses reporting double-digit percentage declines during this six-year period, and three campuses reporting double-digit percentage increases during the same period.

CSU Full-Time Equivalent Students Fall 2020 – Fall 2025

Campus	2020	2021	2022	2023	2024	2025	Percent Change
Fullerton	34,563	32,731	32,498	34,385	36,157	38,484	11%
San Diego	32,943	32,540	33,402	34,355	36,459	38,283	16%
Long Beach	33,837	33,336	32,411	33,506	35,069	36,370	7%
Northridge	33,093	32,214	29,866	30,277	31,191	31,609	-4%
San Jose	28,599	28,609	27,164	27,186	28,201	30,257	6%
Sacramento	27,535	27,182	26,254	25,872	26,660	27,018	-2%
Pomona	26,203	25,136	23,387	22,847	23,839	24,086	-8%
San Luis Obispo	21,674	21,180	20,892	21,870	22,657	23,149	7%
Fresno	22,413	21,773	20,692	20,811	21,270	21,849	-3%
Los Angeles	22,746	22,885	21,910	20,931	19,261	18,391	-19%
San Francisco	23,179	22,121	20,850	19,954	18,738	17,701	-24%
San Bernardino	16,757	16,057	16,146	15,499	15,169	15,820	-6%
Chico	15,608	14,231	12,869	13,012	13,504	13,821	-11%
San Marcos	12,688	12,427	11,465	12,137	12,853	13,428	6%
Dominguez Hills	14,574	13,679	12,456	11,569	11,551	11,593	-20%
East Bay	12,910	11,757	10,322	10,100	9,349	9,402	-27%
Bakersfield	10,186	9,050	7,957	8,107	8,543	9,051	-11%
Stanislaus	9,374	8,475	8,073	7,878	7,792	7,946	-15%
Monterey Bay	6,380	6,419	6,012	5,820	6,710	7,243	14%
Humboldt	5,942	5,285	5,280	5,449	5,525	5,754	-3%
Sonoma	7,429	6,630	5,849	5,388	5,314	4,598	-38%
Channel Islands	6,195	5,581	4,768	4,386	4,154	4,245	-31%
CalStateTEACH	893	781	785	725	754	902	1%
Maritime	972	938	868	812	850	862	-11%
International Program	29	259	413	346	422	421	1352%
Grand Total	426,719	411,276	392,589	393,223	401,990	412,283	-3%

Note: Data includes all students, including graduate students and non-residents.

Campuses receive differing amounts of state funding per student. While the state provides the same marginal cost per student for enrollment growth, the Chancellor's Office distributes differing amounts of state funding per student to individual campuses, based largely on each campus' tuition revenue. Campuses with an average lower tuition revenue due to tuition waivers or student characteristics typically receive more state funding per-student to offset lower tuition revenue. Other issues impacting per-student revenue include campuses with high campus-based fees or larger numbers of nonresident students, who pay higher tuition. Larger campuses receive less state funding per student due to economies of scale that smaller campuses do not enjoy.

State continued funding enrollment growth and setting targets despite major declines at some campuses. In most recent years, the state has continued to set an annual enrollment target even as CSU was seeing overall enrollment decline, or individual campuses were reporting severe declines. The chart on the next page indicates that CSU was enrolling more California students than the state was supporting through 2021-22, but has since been under-enrolled based on state funding through 2024-25. Fall 2025 enrollment growth may push the system back to being on track with overall state enrollment targets.

CSU Enrollment	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Overall CSU Resident Enrollment Target	374,131	374,131	374,246	383,680	387,114	390,598
State Annual Enrollment Growth Target	10,000	0	0	9,434	4,057	6,338
Actual CSU Resident Enrollment	388,927	392,793	374,972	362,254	369,905	381,263
Actual CSU Resident Enrollment vs Target	14,796	18,662	726	-21,426	-17,209	-9,335

Some campuses are significantly below enrollment targets. While the system may be closer to its statewide enrollment target, many campuses remain far below their individual target. The chart below is based on 2024-25 actual enrollment and indicates the percent above or below a campus is in hitting its target as of 2024-25. Ten campuses were enrolling more California students than their target, while 13 were below target. In terms of FTES, the ten campuses exceeded their resident targets by a combined 12,000 FTES, while the others were a combined 21,000 below their target.

Campus	Percentage difference between target and actual enrollment	FTE difference between target and actual
Pomona	12.3%	2,499
San Marcos	8.0%	920
San Luis Obispo	6.2%	1,158
Fullerton	5.8%	1,887
San Diego	5.2%	1,578
Monterey Bay	5.1%	315
San José	5.0%	1,209
Sacramento	3.6%	882
Long Beach	2.7%	860
Northridge	2.2%	658
Bakersfield	-0.7%	-62
Fresno	-1.5%	-310
Los Angeles	-2.4%	-458
Stanislaus	-4.3%	-365
Dominguez Hills	-6.2%	-732
San Bernardino	-7.0%	-1,151
Chico	-12.7%	-1,918
San Francisco	-22.4%	-5,345
East Bay	-28.4%	-3,453
Humboldt	-29.7%	-2,192
Channel Islands	-29.8%	-1,773
Maritime	-34.6%	-475
Sonoma	-35.7%	-2,919

Based on 2024-25 enrollment

Per-student state funding varies dramatically by campus. Because the Chancellor's Office provides differing state funding to campuses based on total campus revenue and other programs, campuses receive differing amounts of per-student funding. This policy, coupled with major enrollment declines at some campuses, has led to significant differences among campuses as to how much state General Fund they receive per California student. The chart below is based on 2024-25 actual tuition and fee revenue, General Fund support, and enrollment and is organized by the largest amounts of state General Fund per California student to the smallest.

As the chart indicates, Maritime Academy receives significantly higher per-student state funding than all other campuses. Three smaller campuses, including Maritime, receive more than \$20,000 in state funds per student, while six larger campuses – Pomona, Long Beach, Sacramento, San Jose, San Diego and Fullerton - receive less than \$10,000 per in state funds per student. The chart also lists overall funding per student, which includes student tuition and fee revenue.

Campus	General Fund Per Resident Student	Total Core Funding Per Student (Resident & Nonresident)
Maritime Academy	\$ 46,058	\$ 54,953
Channel Islands	\$ 24,206	\$ 30,983
Humboldt	\$ 23,793	\$ 30,332
Sonoma	\$ 17,064	\$ 24,416
Monterey Bay	\$ 16,210	\$ 23,132
East Bay	\$ 14,808	\$ 22,652
Bakersfield	\$ 13,675	\$ 21,026
Stanislaus	\$ 13,492	\$ 21,410
Dominguez Hills	\$ 12,845	\$ 21,187
San Francisco	\$ 12,213	\$ 20,189
San Bernardino	\$ 12,014	\$ 20,048
Los Angeles	\$ 11,983	\$ 20,164
Chico	\$ 11,859	\$ 19,038
Fresno	\$ 11,420	\$ 19,126
San Marcos	\$ 11,263	\$ 19,156
San Luis Obispo	\$ 10,904	\$ 22,970
Northridge	\$ 10,681	\$ 18,359
Pomona	\$ 9,961	\$ 17,771
Long Beach	\$ 9,870	\$ 17,857
Sacramento	\$ 9,705	\$ 17,349
San Jose	\$ 9,676	\$ 18,327
San Diego	\$ 9,660	\$ 18,106
Fullerton	\$ 9,209	\$ 17,491

Based on 2024-25 enrollment and revenue

CSU has begun to address the enrollment and funding variation among campuses.

Beginning in 2024-25, CSU began shifting enrollment funding among campuses. The CSU Enrollment Target and Budget Reallocation Plan permanently shifts enrollment targets and funding from under-enrolled universities to those with demand or exceeding capacity: 3 percent of enrollment and associated funding was shifted from eight campuses in 2024-25, and 3 percent was shifted from seven campuses in 2025-26. For the first two years of reallocation, 7,288 FTES and \$64.2 million were reallocated to campuses above targets or with demonstrated sustained demand. CSU plans to shift another 5 percent of enrollment and associated funding from five campuses in 2026-27 that are 10 percent or more below their enrollment target.

Chancellor's Office and campuses working on multiple strategies to increase enrollment.

In an effort to increase demand and therefore enrollment at declining-enrollment campuses, CSU has embarked on several new or enhanced strategies around outreach and admissions. CSU has increased systemwide marketing to increase awareness and reinforce the idea that a CSU degree is a valuable investment. Other strategies include:

- **Direct Admissions.** Beginning in the 2023-24 academic year, CSU began a pilot project that sends an acceptance letter to some high school seniors who meet minimum CSU

qualifications, before application deadlines. Students are informed they have been admitted to some campuses, and mailers include financial aid information. In a pilot program launched in 2024, CSU is partnering with the Riverside County Office of Education to share data and identify qualified high school seniors. Of the more than 17,000 Riverside County students who received acceptance letters, more than 13,000 claimed an application, nearly 12,000 applied to one or more CSU in Fall 2025, according to Chancellor's Office data. Preliminary data from Fall 2025 showed that enrollment of Riverside County high school graduates at a CSU campus increased by 12 percent. Other campuses in the system are working directly with specific high school districts in their service area to develop similar programs.

This concept was codified into state law by SB 640 (Cabaldon) earlier this year. The legislation established the CSU Direct Admission Program and will require the California College Guidance Initiative, on behalf of the CSU, to transmit a letter to enrolled high school seniors who satisfy eligibility requirements that they have been directly admitted to participating CSU campuses.

- **Dual Admissions.** CSU has launched the Transfer Success Pathway Program, which allows some entering California Community College students to enter into an agreement with a CSU campus for guaranteed admission within three years, assuming students receive adequate grades in community college. CSU expects the first community college transfers in their program to begin applying to CSU campuses in Fall 2026.
- **Non-traditional students and non-traditional campuses.** Some campuses are expanding online degrees or programs for students who previously dropped out as a way to attract older students. All CSU campuses are developing programs on high school campuses or community college campuses: for example, CSU Channel Islands will launch a new nursing bachelor's degree program on the campus of Allan Hancock Community College in Fall 2026.

Potential Questions on Enrollment

- Does CSU anticipate that all campuses will be able to increase enrollment to meet their historic targets within the next few years?
- How can CSU and the Legislature further support campuses with strong demand to ensure that more Californians are admitted and enrolled?
- Does CSU believe the wide variation in state funding per student among campuses is a major problem that should be addressed?
- Given the demographic changes in California, does CSU have an overall goal for growing enrollment among older adults or other non-traditional age groups?

- How can CSU provide more flexible options for students, either in-person or online? Are campuses providing weekend or evening classes and programs? What other strategies are being considered to attract students who may not be able to attend full time, or during regular business hours?
- How will SB 640 expand the direct admissions program?
- How many community college students are participating in the Transfer Success Pathway program? Are all CSU campuses participating? Is there a goal for this program in terms of increased transfer?

EFFORTS TO CONSTRAIN AND CUT ADMINISTRATIVE COSTS

In addition to pursuing strategies to expand enrollment and bring in other revenue, CSU is also working to contain and reduce costs. Among many activities, CSU is consolidating procurement and human resources systems. This hearing will include testimony regarding two major projects that seek to reduce administrative costs:

Two campuses are integrating. In November 2024, the CSU Board of Trustees approved the integration of California State University Maritime Academy (Cal Maritime) and California Polytechnic State University, San Luis Obispo (Cal Poly). This integration sought to address Cal Maritime's fiscal and enrollment challenges while creating synergies between the two institutions' academic strengths, industry partnerships, and missions.

The campuses achieved administrative integration in July 2025, with seven high-level administrative positions eliminated. This includes one president, four vice presidents, and two management personnel positions, representing \$2.6 million in ongoing savings. The Cal Poly Solano campus, as it will be called, has recently added a new vice president and CEO, who will report directly to the Cal Poly president. In addition, both campus' Academic Senates have passed resolutions supporting the merger and will become one unified Academic Senate.

The Chancellor's Office has approved \$35 million in one-time funding to support the change, and there are currently seven Functional Implementation Teams that are working to address issues such as combining human resources, auxiliaries, and information technology systems. About \$11 million of the funding will be used this year and next year to support administrative/operational integration funding consulting and technology support, branding and website alignment and redesign, enrollment growth strategy support, and operational change management, as well as scholarship funding for existing Solano campus students as part of the "do-no-harm" effort that provides continuing students with financial aid to offset tuition and fee changes at the Solano campus. (The Cal Poly campus charges much higher campus-based fees than Maritime.) The remaining funding will be used over the subsequent five fiscal years to continue this support with the majority of those funds reserved for financial aid and enrollment strategies at the Solano Campus.

The goal for the Solano campus is to achieve approximately 2 percent year-over-year enrollment growth over the next several years. The campus reported 1.4 percent growth in Fall 2025.

Three campuses are combining administrative operations. Responding to the longstanding enrollment decline and economic challenges of the San Francisco Bay Region, Sonoma State University, San Francisco State University and Cal State East Bay agreed in March 2025 to create the San Francisco Bay Region Network, which will integrate administrative services. The goal is to create a single administrative and financial hub while ensuring that these separately accredited universities maintain their distinct characteristics and strengths, accreditation standards, and service to their surrounding community. The Network will create a unified organization of the administrative functions most typically included within the portfolio of campus vice presidents for Administration and Finance to support the three campuses.

CSU expects the Network to achieve significant administrative cost savings and preserve services that would otherwise be eliminated or reduced through budget cuts and associated cost-savings measures. CSU projects about 9%, or \$3.4 million in savings, for 2025–26, through this work, which will be achieved through personnel savings resulting from unfilled, vacant, and consolidated management positions and efficiencies from normal attrition. In subsequent years the Network hopes to achieve 15 to 30 percent savings.

The Chancellor's Office is providing \$10 million in one-time funding over a 5-year period to support the Network's planning, technology alignment, and change management activities. The current focus is on information technology and procurement and accounts payable, which are scheduled to go live on January 30, 2026. Other areas of focus in 2026-27 are human resources and financial aid.

Potential Questions on Efforts to Constrain and Cut Administrative Costs

- How are current Maritime students, faculty and staff responding to this merger? What are the biggest challenges to integrating two campuses that are physically not close together?
- What are the specific plans to increase enrollment at the Cal Poly Solano campus?
- Will students be able to take courses at each campus, either online or in-person?
- Is there an estimated overall costs savings associated with the integration of the two campuses?
- Is there a concern that this action will negatively impact the Cal Poly San Luis Obispo campus? How much time will Cal Poly SLO leadership spend on Cal Poly Solano campus issues?
- Will the new SF Bay Region Network be located at one of the campuses?

- What efforts are being made to ensure that students, faculty and staff at the three campuses are able to access administrative services efficiently, even as programs are consolidated?
- What kinds of stakeholder processes are in place at all of these affected campuses to ensure students, faculty and staff are involved and understand the changes?
- Are there anticipated layoffs associated with either the campus integration effort or the Bay Area Region Network?

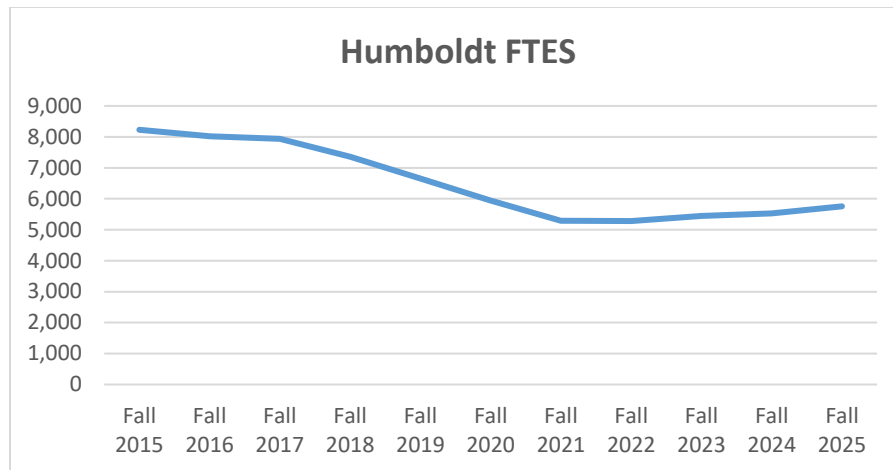
USES OF ADDITIONAL STATE FUNDING

As previously noted, the state and CSU have used extra funding to help support some campuses in their efforts to revive enrollment and bring budgets into balance. This section will focus on two campuses that have received additional state funding to support reform efforts, and also hear from the Chancellor's Office on these reforms and other strategies to support declining-enrollment campuses. Below is a brief synopsis of funding provided to the Humboldt and Sonoma campuses, which have both faced dramatic enrollment declines. Both campuses' enrollment woes – and subsequent budget challenges - began before the COVID-19 pandemic.

Significant state funding supporting Humboldt's transition to a polytechnic university.

The 2021 Budget Act provided the CSU Humboldt campus with \$433 million one-time General Fund and \$25 million ongoing General Fund to support the campus' transition to a polytechnic university. According to CSU, a polytechnic university emphasizes experiential learning. Polytechnic institutions specialize in STEM courses, providing students with hands-on learning and educational experiences in addition to a strong liberal arts foundation. Cal Poly Humboldt is now the third polytechnic university in the CSU system, alongside the San Luis Obispo and Pomona campuses.

The state spending came after Humboldt lost nearly 3,000 FTES between 2015 and 2021, which was a decline of about 36 percent. As the chart indicates, enrollment has grown about 9 percent since Fall 2022, although it remains far below the levels of a decade ago.



Cal Poly Humboldt reports that it has spent or encumbered about \$335 million of the one-time state funding as of June 2025, and the remaining one-time funding will be spent or encumbered by the end of calendar year 2026. The chart below was provided by the campus and indicates how this funding is being used. Most of the funding is supporting infrastructure improvements.

Project ID	Project	\$433m Budget	Actuals to date as of 6/30/25	Encumbrances to date as of 6/30/25	Commitments through 6/30/25	Remaining Balance
PLY100	CRAFTSMAN STUDENT HOUSING	189,191,000	152,813,119	36,377,881	189,191,000	-
PLY101	ENGINEERING & TECH BUILDING	100,000,000	37,450,688	58,428,904	95,879,592	4,120,408
PLY102	SCIENCE COMPLEX RENOVATIONS	43,683,000	2,406,044	6,727,326	9,133,370	34,549,630
PLY104	APPLIED RESEARCH-CORAL SEA	8,000,000	8,000,000	-	8,000,000	-
PLY105	APPLIED RESEARCH-MICROGRID LAB**	7,617,000	2,698,713	480,809	3,179,522	4,437,478
PLY106	STUDENT HOUSING_HEALTH_DINING	37,509,000	10,289,367	12,138,297	22,427,664	15,081,336
PLY108	LAND ACQUISITIONS 2022	6,000,000	391,074	77,020	468,094	5,531,906
PLY109	EXPAND WIRELESS NETWORK	3,000,000	419,367	6,374	425,741	2,574,259
PLY110	CAMPUS SCIENCE NETWORK	3,500,000	1,063,445	10,910	1,074,355	2,425,645
PLY111	RESEARCH & TEACHING LAB UPDTS	2,500,000	1,486,890	-	1,486,890	1,013,110
PLY112	UPDT FACULTY & STUDENT COMPFAC	2,500,000	2,276,449	5,212	2,281,661	218,339
PLY113	REGIONAL CONNECTIVITY	8,500,000	413,862	498,910	912,772	7,587,228
XPL288	HEALTH CARE HUB	21,000,000	-	-	-	21,000,000
Total Poly Capital & Infrastructure Spending		433,000,000	219,709,018	114,751,643	334,460,661	98,539,339

**PLY105 funding has been redeployed to PLY102, PLY106 and XPL288

Ongoing funding is being used to expand or add academic programs, and to improve marketing and student outreach. The chart below indicates the campus' plan for the ongoing funding for 2025-26.

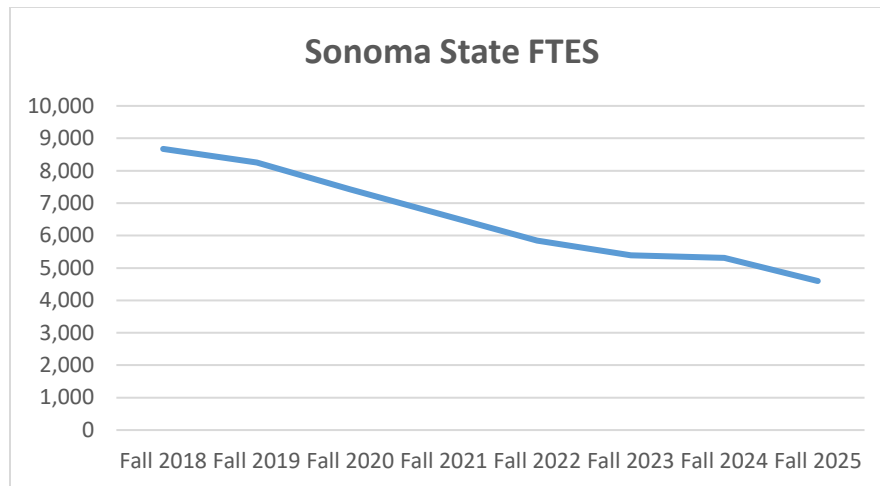
Ongoing Expenditure Budget	2025-26
Academic Programs Buildout	18,468,000
Student Recruitment and Retention	3,585,000
Communications, Marketing, and Branding	1,625,000
Infrastructure	1,322,000
Total Ongoing Expenditures	25,000,000

In addition, the Humboldt campus received funding from the Higher Education Student Housing Grant Program in 2023. The campus used \$27.1 million in state-supported bond funds and \$189.2 million from the one-time state funding to develop a \$221.7 million, 964-bed residence hall that was opened in Fall 2025. The campus now has 2,828 beds and has at least one more housing project planned. (Housing has been identified as a significant barrier to enrollment growth.)

The campus notes that since the polytechnic designation, fifteen new academic programs have been added (bachelor's, master's, and certificate), and seven additional programs are planned. Two academic programs have been discontinued (Religious Studies and International Studies), while additional academic program discontinuations are being pursued in Economics and French. New majors include bachelor's degrees in Cannabis Studies, Applied Fire Science and Management, and Marine Biology. New programs in 2026 include Community Health, Critical Agriculture and Agroecology, and STEM Education.

The campus' enrollment plan aims to grow between 7 and 10 percent per year through 2029-30, and to eventually reach more than 11,000 FTES by 2034.

2025 Budget Act provided one-time funding for Sonoma State. In January 2025, Sonoma State announced a series of actions to address a major budget deficit, including eliminating its Division II athletics program and ending 15 bachelor's degree programs. Sonoma, whose campus was impacted by large fires in the region, had seen a major decline in enrollment that began before the COVID-19 pandemic.



The campus faced a \$19 million deficit heading into the 2025-26 fiscal year. The chart below was provided by the campus and indicates actions being taken to address the deficit. The campus reports that 46 faculty and 16 staff were given layoff notices this year, and four administrative positions were eliminated. Prior to the action take in 2025, an additional 22 management positions had been eliminated since 2021-22.

Total 2025-26 Base Deficit	(\$19,393,213)
Actions Taken	
Reduced Instructional Costs	\$8,000,000
Discontinuation of NCAA Athletics	\$3,720,579
Staff/Management Position Reduced by Attrition	\$4,065,069
Reorganization/Administrators Not Retained	\$2,501,721
Reductions in University-Wide Budget Lines	\$1,694,638
Operating Expense Reductions	\$284,770
Shift CAPS Funding to Fee Fund	\$100,000
Integrate GMC with Osher LL Program	\$50,000
Total Reduction Strategies	\$20,416,777
Net Balance	\$1,023,564

The 2025 Budget Act included \$45 million in one-time state General Fund to Sonoma State University for “a long-term turnaround plan focused on aggressive student recruitment, academic program stability and expansion, and investing in new academic degrees to address the regional and statewide workforce needs.” Budget language further specified that the funding should be spent in the following ways:

- \$16 million over two years to support the expansion of the bachelors in science in nursing program to expand enrollment and for equipment upgrades, facility modernization, and lab expansion to be launched by the spring of the 2027 academic year.

- \$5 million for expansion of the Sonoma State University Career Center by the spring semester of the 2027 academic year.
- \$5 million to establish a data science academic program and major to be launched by the fall semester of the 2027 academic year.
- \$2 million to support environmental science academic programs.
- \$8 million for Sonoma State University athletics to support its NCAA Division II athletics program over three years
- \$9 million over three years, in consultation with faculty, students, and community stakeholders, for increased enrollment, restoring some funding reductions, and investing in new academic degrees to address the regional and statewide workforce needs.

The campus reports that it has begun several efforts to grow enrollment, including ramped up marketing and recruiting, augmented financial aid programs for students, agreements with local high schools and community colleges, including the direct admissions and dual enrollment programs mentioned earlier. The campus currently projects that it will reach 5,330 FTES by 2030-31, although further enrollment strategies and specific plans to utilize the state funding are under development. CSU announced a new campus president – Michael Spagna – last month.

Potential Questions on Uses of Additional State Funding

- What programs or efforts at Humboldt have so far been the most effective in interesting students? How does the campus plan to meet its ambitious enrollment growth plans?
- How was the \$25 million in ongoing funding for Humboldt used in the past few years?
- Which new majors have attracted the most students?
- What were the root causes of the enrollment declines at Humboldt? How is the campus addressing those issues?
- What were the root causes of the enrollment declines at Sonoma? How is the campus addressing those issues?
- What is the timeline for a plan on how Sonoma will use the state funding? How is the campus engaging in the planning for this funding? Is any of this funding being used this Fall?
- How much FTES does the campus hope to gain through direct admission or dual enrollment programs?
- How much outreach and marketing are Sonoma and Humboldt doing outside of their service areas? Do the campuses believe they can increase the number of local students, or will major growth largely come from outside of their service areas?
- How is the Chancellor's office using the \$5 million in one-time state funds to support better outreach for low-enrollment campuses?
- What types of actions are being considered as part of the turn-around plans proscribed in the 2025 Budget Act? How are campuses working with stakeholders to develop turn-around plans?