



Office of the President

A Message from
President Adela de la Torre, Ph.D.

Dear SDSU faculty and staff,

On June 27, Gov. Gavin Newsom and the state legislature finalized the 2025-26 state budget. The final state budget includes a 3% reduction in base funding for the California State University (CSU) system for this fiscal year starting July 1. Payment of the remaining 3% will be deferred to 2026-27, pending improving state budget conditions. While this cut will create real challenges, it does offer greater stability than earlier proposals presented in the last fiscal year, such as the nearly 8% budget cut originally planned. Thank you to everyone who advocated on behalf of the campus, and the great work that each of you do for our students.

Overall, the smaller budget cut is welcome news, but it is part of a continuation of underfunding. The 3% base funding reduction to campuses in FY 2025-26, combined with unfunded cost increases in prior years, the announcement of more deferrals of any state compact or enrollment growth funding, and future budget uncertainty call for us to maintain our prudent budget planning for a \$10 million base budget reduction for FY 2025-26. Budget uncertainty is further compounded by the ongoing federal-level reductions impacting higher education institutions across the nation.

This year's state budget does offer the CSU a short-term loan of up to \$144 million, equal to the 3% deferral of base funding; however, this is under review by the Chancellor's Office given the implications of how and when the loan would need to be paid back, and whether such a loan would be financially feasible.

Current reductions in state expenditures for campuses will need to be achieved through directing resources toward essential activities in each area, and a continuation of our careful planning. At this time, the hiring chill will remain in effect, and all areas of campus are

encouraged to critically evaluate which purchases and investments truly advance SDSU's mission in supporting our students. For FY 2025-26, and as planned, we will stay the course to reduce \$10 million from our base budget and will make adjustments, if needed, when there is clarity on the federal budget impacts on California's budget in the fall.

We will continue to advocate for additional funding as well as funded enrollment growth to address the growing student demand. We are not able to enroll additional California students without funding from the state and the system to do so.

Despite persistent budget challenges at the state and federal levels, we continue to expand access to higher education and remain a vital force for economic mobility and social progress. In every college, every laboratory, and every outreach effort, we are preparing students to become leaders in California and in communities worldwide. What we achieve is only possible because of everything you do in service to our students, to one another, and to the many other communities we serve. For that, you continue to have our deepest appreciation.

Adela de la Torre, Ph.D.

San Diego State University President

Agnes Wong Nickerson, MBA

Vice President for Business and Financial Affairs and Chief Financial Officer