



Office of The President

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

Dear SDSU Community,

As we continue to address the impacts of the ongoing COVID-19 pandemic, we remain incredibly grateful for our university community. It has been your flexibility, reliability, and care for one another which have carried us through the unpredictability of this pandemic.

Earlier this month, Gov. Gavin Newsom shared the positive news that the state is projecting a budget surplus of \$45.7 billion for the fiscal year 2022-23 budget cycle. In that same update, we learned there is modest funding included for higher education, to include Proposition 98 funding for K-14 education, maintaining a healthier reserve, and supplemental pension payments and COVID-19 resources.

With this message, we are sharing the first budget update of the year, and outlining the following information:

- The California State University (CSU) operating budget request for fiscal year 2022-23.
- Gov. Newsom's preliminary budget proposal for fiscal year 2022-23.
- Information about the budget process for fiscal year 2022-23 and a reminder to attend the upcoming virtual budget and spring semester forum for more detail.
- An update regarding enrollment and information about collective bargaining agreements.

State and CSU Budget FY 2022-23

As shared in our [previous budget update](#), the CSU system's fiscal year 2022-23 budget request was approved by the CSU Board of Trustees (BOT) in November 2021. They approved the proposed \$715.5 million [CSU Operating Budget Request for 2022-23](#), representing a \$673 million base increase in general fund support from the state and \$42.5 million in tuition revenue from California resident enrollment growth. It also included an ask for \$1 billion in one-time funding to address deferred maintenance needs.

On Jan. 10, [Gov. Newsom released his proposed state budget for fiscal year 2022-23](#), the first step in the budget cycle. The preliminary budget provides a \$304.1 million base increase over the current year (42 percent of the CSU request) and \$233 million one-time funds to the CSU (34 percent of the CSU request).

The governor also outlined a five-year plan to grow CSU base funding five percent annually from fiscal year 2022-23 through fiscal year 2026-27. The recommended multi-year plan aims to support the CSU's collective mission and overall commitment to student achievement by prioritizing the following:

- Growing enrollment;
- Advancing equity and opportunities;
- Increasing the affordability of a CSU education;
- Implementing integrated systems to collaborate across higher education systems;
- Encouraging workforce preparedness; and
- Expanding online courses and support offerings.

It is important to note that, as a source of funding, state dollars cover approximately half of the CSU's operating costs. Accordingly, this proposed increase to the state general fund equates to about a 2.9% increase to the CSU's total operating budget.

The \$304.1 million base increase includes \$211.1 million for general operating costs, \$81 million to support a 2.5% growth in resident enrollment, and \$12 million to support foster youth students. The \$233 million one-time funding includes \$100 million for deferred maintenance and energy efficiency, \$81 million for the CSU Bakersfield Energy Innovation Center, and \$50 million for university farms. Please [reference this table](#), which shows the preliminary state budget allocation to the CSU for fiscal year 2022-23 in contrast to the CSU budget request for fiscal year 2022-23, and highlights how and where the proposed state budget falls short of meeting the CSU's budget request.

With this information, the CSU will spend the coming weeks consulting and determining how to allocate the \$304.1 million base increase to campuses across the system and the best approach for addressing unfunded requests. And while not yet confirmed, the CSU typically distributes a preliminary budget update between March and April.

Please note any changes to the governor's proposed budget will be made during the May Revision. The final state allocation will not be known until after the final budget agreement is reached in June 2022,

and much could change between now and then as negotiations continue.

SDSU Operating Budget FY 2022-23

As part of the [campus budget process](#), a series of SDSU budget discussions and meetings will be held over the next several months to review and explore the university’s operating budget for fiscal year 2022-23.

January 2022 Budget and Spring Semester Forum

The university community is invited to attend the January 2022 Budget and Spring Semester Forum to be held virtually on Thursday, Jan. 27, from 2 to 3:30 p.m. The forum provides an opportunity to learn more about the reality of our current budget situation, how we are preparing for the upcoming fiscal year, our plans for the spring semester, and our continued response to COVID-19.

If you have not done so already, we encourage you to [register to attend the forum](#) and to also submit questions using the form.

We will continue engaging the campus community throughout the budget planning cycle via our shared governance process, which includes conferring with the President’s Budget Advisory Committee (PBAC) to develop the fiscal year 2022-23 operating budget. Much like prior years, PBAC will convene in May to propose the fiscal year 2022-23 PBAC Consolidated Budget Request for the president’s review and approval.

Enrollment

We are pleased to report that university enrollment continues to track well, and we are projected to meet our spring 2022 enrollment target. SDSU received a record 106,871 [undergraduate and graduate student applications for fall 2022](#). We expect to receive several thousand more applications this spring due to varying application deadlines across degree levels.

And as a result of this high demand, SDSU received advance notice from the CSU regarding a planned increase to our California resident target of 1,100 new full-time equivalent students (FTES) for the 2022-23 academic year. University leadership is in the process of discussing and finalizing plans to allocate this enrollment growth with each of the colleges.

Collective Bargaining Agreements

The CSU and the California Faculty Association (CFA) reached a tentative agreement on a successor contract. It covers the 29,000 instructional faculty, coaches, librarians, and counselors across the 23 CSU campuses. The tentative agreement will be brought to the CSU BOT for approval at [the board’s upcoming January meeting](#), today and tomorrow Jan. 26. Upon ratification by the CSU BOT and CFA membership, the agreement would run through the end of June 2024.

The following are highlights of the CFA tentative agreement:

- One-time payment of \$3,500 to be prorated by each faculty member’s 2020-21 time base.
- 4% general salary increase (GSI) retroactive to July 1, 2021.
- Up to a 4% GSI, effective July 1, 2022, dependent on the state budget allocation to the CSU.
- 2.65% service salary increase (SSI) during fiscal years 2021-22 and 2023-24 for all eligible CFA employees.
- 2.65% post-promotion increase (PPI) during fiscal year 2022-23 for eligible CFA employees.

Please be advised that the California State University Employees Union (CSUEU) and other bargaining unions either have already or will soon reopen negotiations for fiscal year 2022-23, and salary increases for those groups will be subject to the systemwide bargaining process.

The CSU is also performing a salary survey for faculty and staff, which is anticipated for completion in April 2022. Additional funding requests to address salary gaps will be submitted by the CSU to the state for consideration.

Conclusion

While the preliminary governor’s budget proposal invests in various initiatives and priorities that will support campuses and students across the system, the funding outlined in the proposed budget falls short of the CSU’s requests to address the ongoing operational and support needs of our students, faculty, and staff and the growing deferred maintenance backlog on our campus and throughout the CSU system.

However, as noted above, the governor’s January budget proposal is only the first step in the budget process. Throughout the next few months, the CSU will continue its efforts to advocate to receive the full funding requested in the CSU Operating Budget Request for fiscal year 22-23.

As we continue to solicit feedback and engage our campus community throughout this process, we reiterate our deep appreciation for your ongoing efforts, involvement, and support as we continue to pursue our collective objectives.

We will share updates as more information becomes available, and as always, we encourage you to email your questions and comments to budget@sdsu.edu.

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