



Dr. Cynthia Teniente-Matson, President

Dear Campus Community,

The new academic year is upon us and I am excited to welcome our students back to campus. That enthusiasm is balanced by the fiscal realities of the coming year. I am sharing an update about our campus's current financial situation.

Like all California State Universities, our campus receives significant funding from the state. The governor has released the state of California's fiscal year 2023-24 [budget agreement](#). In that budget, the State of California maintained its commitment to the CSU Compact which amounts to an additional \$12.1M dollars for SJSU. The State Budget included funding for a 1% enrollment increase for California residents and much-needed support for our students (basic needs) and faculty/staff (health and retirement benefits).

Despite this good news, as I have shared in previous meetings and campus addresses, we are experiencing budget challenges that have accumulated over time. Projected increases in revenue from enrollment growth and additional state funding did not materialize at the level anticipated in the Strategic Plan. Our budget also reflects a decline in non-resident enrollment, which has largely offset the new funding we have received for California residents as part of the Compact. Despite these revenue declines, the campus continues to invest in that plan in areas such as faculty course buyout support, athletics, and research and innovation, to name a few areas. Shortly after I arrived, I asked the Academic Senate's Budget Advisory Committee to provide [advice](#) about navigating a path to a financially sustainable budget. I received those recommendations, which included a reduction in spending, and I have since [responded](#) to its work.

Informed by BAC recommendations, the Cabinet has spent the better part of the summer working with their leadership teams to achieve a permanent base reduction of \$20M to reduce budget shortfalls into future fiscal years. Spending reductions in FY23/24 included cutbacks in operating funds and reducing some vacant positions. Even with this effort, the campus faces an additional \$14.7M shortfall, caused by an accumulation of several years in unfunded new costs and a slower-than-hoped-for recovery in stateside enrollment. The campus has been drawing on its operating budget reserves for several years to fund operational growth, rising expenditures and revenue shortfalls. As we enter into 23/24 the campus leadership will focus on creating a fiscally sustainable budget and minimize the use of campus reserves to offset budget shortfalls in the FY 24/25 operating budget.

Together with the Budget Advisory Committee, I invite you to join in a **Budget Summit on September 14th, from 1-3 pm at the Hammer Theatre**. This summit will provide the campus with the opportunity to participate in a deeper conversation about the university's financial resources. Your engagement and consultation is important in the process of creating a financially sustainable budget model that aligns with our with our Strategic Plan [Transformation 2030](#).

Sincerely,
Dr. Cynthia Teniente-Matson
President

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