



Dr. Cynthia Teniente-Matson, President

Dear Campus Community,

I write to provide an update regarding a mid-year budget adjustment. You may recall that messages from [August](#) and [November](#) 2023 included detailed plans to create a financially sustainable budget model to address SJSU's \$14.7 million budget shortfall. This amount has now grown to \$26.6 million as we fully funded compensation increases retroactive to July 1, 2023. To understand how we aim to achieve a balanced budget, I am sharing updates on the current situation and our plans for the coming months.

Last month, Governor Gavin Newsom announced that California is facing a \$38 billion deficit, prompting the deferral of the \$240M compact funding previously proposed for 2024-2025 until the 2025-2026 fiscal year. To mitigate the impacts of the deferral, the CSU will internally finance the '24-'25 compact.

Although our enrollment remains steady, SJSU has drawn down reserves to a record low. On [December 22](#), University Budget Advisory Committee provided additional feedback for my consideration, and I am [responding](#) as follows:

- Implementation of a soft hiring freeze: The President's Cabinet will review a justification for all recruitments prior to posting and at the final stage before an offer is extended.
- Reduce expenditures: All departments should reduce internal operating expenditures, non-essential travel and year-end encumbrances to minimize the impact on reserves.
- General fund: All Vice Presidents will review their respective areas to ensure the general fund is appropriately reimbursed for work performed by auxiliaries and enterprise funds.
- Review of organizational structures and processes: Chairs have been identified to lead six workgroups to review and recalibrate divisions on campus to ensure we are meeting the ongoing and changing needs of our students and the university community, as well as to minimize the duplication of efforts across divisions.

We will continue to keep you apprised of budget matters throughout the semester. A budget town hall will be held March 11 from 9:30–11:30 a.m. in the Student Union Theater. A RSVP email will be sent to the campus community soon, so please hold the time on your calendars. I also encourage you to visit the [Budget and Financial Management website](#) for more information, including the annual budget schedule.

Sincerely,

A handwritten signature in black ink that reads "Cynthia Teniente-Matson".

Dr. Cynthia Teniente-Matson
President
(She/Her/Ella)



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