Subject: 2026-27 State Budget Update
Date: Monday, January 12, 2026 at 1:45:47 PM Pacific Standard Time
From: Office of the President
To: Christine Paik

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Dear CSUSM community,

As we begin 2026, I want to update you on Gov. Gavin Newsom's January proposal for the 2026-27 budget. This initial budget has some positive news, along with ongoing reductions.

In the governor's proposal, the $144 million (3%) base budget reduction to the CSU's 2025-26 budget would continue into 2026-27.

The proposal also provides the CSU with $365.7 million in new ongoing compact funding:

- $100.9 million toward partial funding of Year 4 compact
- $264.8 million to fully fund Year 5 of the compact

You may recall that the compact was a five-year funding agreement to support the CSU's enrollment growth and ongoing escalating costs. I echo Chancellor García's response to the proposal when she stated, "We are deeply grateful for Gov. Newsom's leadership, not only for supporting and investing in the California State University system, but for taking a bold stand for higher education in what has been a very challenging time for California's colleges and universities – and institutions of higher learning nationwide."

This is the start of the budget process, and the final version may be very different when the budget is adopted in the summer. This proposed budget is contingent upon the state's projected income and revenue, and will be updated again in May with the governor's budget revision. We will need to continue to be cautious with our funds until we know more.

While we do not know the specific allocations that would be designated to our campus, we will continue to keep you updated as we receive information, with opportunities to attend budget workshops and informational forums where members of our community can provide their input.

We will continue our advocacy on behalf of our campus and the CSU so that we can meet our mission to serve as a critical driver of regional economic growth, workforce readiness, and student success and social mobility throughout California and in our region.

Sincerely,

Ellen Neufeldt
President