Update on Governor’s May Budget Revision

As we prepare to celebrate our graduates in the Class of 2020 and 2021 later this week, I have some new and positive information to share out of the governor’s office.

On Friday, Gov. Gavin Newsom released his May budget revision, an updated version of January’s budget, which proposed $227 billion in spending statewide. His revised budget now includes a previously unforeseen budget surplus as well as additional federal pandemic relief approved in March. The newly proposed $267.8 billion statewide spending plan includes increased investments in the California State University, including:

- **$514.9 million in ongoing funding for 2021-22, representing a 5% increase to the CSU operating budget.** This investment is made with the understanding that undergraduate tuition and fees will be maintained at current levels and that progress will continue to be made across the system to reduce equity gaps, provide more online learning opportunities, and further align student learning with workforce needs.

- **$150 million in one-time federal funds for deferred maintenance, infrastructure and energy-efficiency projects.** This is in addition to the $175 million in one-time state funds proposed in January for a total of $325 million for these projects.

- **$433 million in one-time funds and $25 million in recurring funds to convert Humboldt State University to California’s third polytechnic higher education institution, and $25 million for a national Hispanic-Serving Institution “Equity Innovation Hub” at Cal State Northridge.**

The May revision also includes other allocations that impact higher education broadly, including:

- **$4 billion in one-time funding, split between fiscal years 2021-22 and 2022-23, to establish a low-cost student housing grant program focused on expanding the availability of affordable student housing.**

- **$1 billion in one-time funding, split between fiscal years 2021-22 and 2022-23, to establish the Learning-Aligned Employment program, which would promote closer links between UC, CSU and California Community Colleges campuses and businesses to foster job creation, economic mobility and economic growth.**

Read more about the governor’s budget priorities [on the California state budget website](#).

The next step in the state budget process is legislative review. The State Assembly and Senate must now come to an agreement with the governor by June 15 so that the final budget can be approved by June 30. During this time, we will join the CSU in strong advocacy efforts, as we have throughout this year’s budget development process.

As CSU Chancellor Joseph Castro shared in a statement, “We are grateful for the proposed recurring investment in the CSU. Investing in the CSU — the nation’s largest and most diverse public university — continues to be one of the wiser and most consequential decisions our state’s leaders can make, with a sevenfold return on every dollar that California invests in the university.”

For us at CSUSM, we look forward to receiving information on our potential budget allocation from the Chancellor’s Office and sharing more information with you as soon as possible.

I know it has been an exhausting year, but this week we have so much to celebrate, including the over 4,000 graduates in the Class of 2021. Thanks to your mentorship, guidance and support, they are now prepared to begin the next phase of their life journeys, whether that’s pursuing graduate education or entering the workforce – prepared with the critical skills and education they received here to be the leaders of tomorrow.

I hope to see many of you at Graduates on Parade on Friday, and/or at one of the in-person commencement ceremonies this Saturday and Sunday. It will no doubt be a meaningful and joyous time.

Thank you again and more to come.

Sincerely,

Ellen Neufeldt
President

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333 South Twin Oaks Valley
San Marcos, CA | 92096 US

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