

From: [President Luke Wood](#)
To:
Subject: President's Update: May 28, 2026
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FROM THE OFFICE OF THE PRESIDENT PRESIDENT'S UPDATE

Dear Colleagues:

Earlier this month, Governor Gavin Newsom released his May Revision to the 2026-27 state budget, and the news for the California State University is encouraging. The proposed budget restores last year's reduction to the CSU's base budget and increases ongoing funding for the system, including \$100.9 million in partial Year 4 compact funding and \$264.8 million for full Year 5 compact funding. This is a clear signal that the Governor recognizes what we have long known: accessible, high-quality public higher education is essential to California's future.

While this investment reflects a meaningful commitment to the CSU, we must continue making deliberate, thoughtful decisions about our budget priorities, planning carefully, and being transparent with our campus community about how resources are allocated and why. The May Revision includes a modest budget increase for the CSU; however, this funding is not yet final and must be approved by the legislature this summer. If approved as proposed, division budgets are expected to remain largely flat for the upcoming fiscal year.

With that reality in mind, and contingent on the final state budget and allocations by the CSU, we have identified four budget priorities for the upcoming fiscal year that reflect our ongoing commitment to student success and the critical needs we have heard from faculty and staff. As final allocations from the state and the CSU allow, we will address these priorities in order:

- 1. Add course sections** to ensure we can meet student demand and support timely degree completion.
- 2. Funding for the University Library** to support collections and the academic resources our students and faculty depend on.
- 3. Funding for Enrollment Management** efforts to attract and retain students, strengthening our pipeline and our community.
- 4. Support for critical staff needs in Academic Affairs and the colleges** to sustain quality instruction and ensure our faculty and staff have the support that they need.

We recognize that staffing needs exist across every division of the university. These

priorities reflect where we must focus first given current constraints; they are not a signal that other needs are less important or less visible. We will continue to assess staffing needs campus wide as the budget picture develops, and we remain committed to addressing critical gaps wherever they exist as resources allow.

We also want to thank the faculty, staff, and students who served on the University Budget Advisory Committee (UBAC) for their dedicated work this past semester. The committee's engagement with our budget challenges has been invaluable, and their recommendations have helped inform the priorities we are advancing this year. They have also offered numerous ideas for revenue generation, cost savings, and operational efficiencies for us to consider. We are grateful for the time and expertise each member brought to this important work on behalf of our campus community.

We will continue to monitor developments closely and keep you informed as the state budget process continues. In the meantime, you can stay current on both our university budget planning and the state budget process by visiting the campus [Budget Information webpage](#). As always, we remain committed to making decisions that are transparent, strategic, and centered on the students we serve together.

Sincerely,

Dr. Luke Wood

President, Sacramento State

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