

Subject: Update from the Interim President
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From: President of CSU Maritime Academy
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CAL MARITIME

MESSAGE FROM THE PRESIDENT

Update from the Interim President November 16, 2023

Dear Members of the Cal Maritime Community,

With fall upon us, I wanted to take a moment to provide an update to our campus community.

- Please allow me to get the most difficult issue out of the way first: We continue to work with CSU on the **budget realities** faced by the system and our campus. Given our continued decline in enrollment, increased labor costs, and the CSU Budget Reallocation plan, the budget situation we now face is extremely challenging. From now through the 2026/27 budget year, we anticipate a cumulative budget decline of approximately \$4.8M. This is based on general inflation, rising insurance costs, increasing utility costs, compensation & benefits increases, and a decline in revenue due to declining enrollment. These impacts require us to assume a \$900k reduction for our current 23/24 budget year. Achieving fiscal health will require significant analysis to determine how to best configure the university to meet the challenges we are facing while continuing to increase enrollment and fulfill our academic mission. Although budget reductions will require hard decisions and significant change, we must use this opportunity to build a stronger future for Cal Maritime and the students who will join us in the years ahead. Cal Maritime is a small, tight-knit community and that remains one of our greatest strengths. While the closeness we experience on this campus will make changes hard, it is also what will enable us to navigate these fiscal challenges and ultimately overcome them.
- Given the need to fully understand and work through our budget constraints, I am pausing the effort I previously discussed to create a **Way Forward Working Group**. As the budget landscape continues to become clearer and we await all compensation negotiations to be finalized, we first need to fully understand the financial outlook and resources available for our campus. I remain committed to working with our campus community on how to best set the course for Cal Maritime.

- Representatives from the **United States Coast Guard** visited our campus on Tuesday, November 14th for staff talks concerning prevention and response to sexual misconduct in the maritime industry. They are visiting each state maritime academy as part of their campaign.
- Last week I attended the **CSU November Board of Trustees** meeting. Discussions and updates at the meetings included the ratification of collective bargaining agreements for five of the unions within the CSU. These agreements included compensation increases for members of the respective units. The CSU is still working with the California Faculty Association (CFA) and one other union. The two unions have authorized strikes, and we will continue to update the campus community as these discussions continue to unfold.
- Thank you to ASCMA President Ryan Okada and other cadets on hosting the systemwide **Cal State Student Association (CSSA)** on our campus earlier this month. This was a fantastic opportunity to showcase our unique campus. We look forward welcoming CSSA back to campus in the future.
- In late October, I participated in a **State Maritime Academies (SMAs) Washington Advocacy Trip** with the presidents from the other SMAs to advocate on behalf of our campuses. Our priority topic was the need for increased enrollment at the maritime academies to meet the demand for Maritime professionals throughout the entire industry. We are not alone in the continued multi-year decline in enrollment, and we continue to highlight the educational opportunities provided by the state academies. We have asked for federal support to enhance the recruiting and branding efforts for SMAs. SMAs graduate approximately 70% of the licensed officers entering the U.S. merchant marine each year so we play a critical role in commerce and national security. Meetings with Congressional representatives centered around continued federal funding for NSMV construction, and shoreside infrastructure to build new piers; increased federal funding to fuel the new ships; alternative pathway to obtaining a USCG license for those already holding a 4-year degree; a nationwide effort to increase recruiting for state maritime academies and civilian mariner careers; and doubling the Student Incentive Payment (SIP) program.

In Congress, the House Transportation Appropriations bill (which contained low funding levels for SMAs) was scheduled to be voted on last week but was pulled at the last minute. There was not enough support in the House at this time. This signals there is more work to be done, but the Consortium is committed to advocating and promoting our campuses.

- At the end of September, I had a call with **Congressman Garamendi**. The discussion focused on Offshore Wind workforce development needs, enrollment, as well as NSMV and pier construction updates and costs. Congressman Garamendi requested a paper from our campus on maritime workforce development to assist the offshore wind sector and requested that we strengthen our enrollment efforts in local high schools. In follow-up to our call, I was able to again speak directly with the Congressman during my visit to Washington D.C. last month. Congressman Garamendi remains a critical supporter of Cal Maritime and the maritime industry.

- In anticipation of the **arrival of the NSMV** in spring 2026, work has begun in the boat basin. The current estimated project budget is \$102 million. The current funding breakdown is anticipated to be \$48 million from CSU, and \$54 million from MARAD. CSU is providing the initial funding to start the project. This multi-year project officially kicked-off in September with design and engineering efforts while construction will begin in the summer of 2025.
- We are still working on the **relocation plan for TSGB** and associated academic programs during the duration of construction. We have requested permission from MARAD to relocate the ship to the MARAD Reserve Fleet at Suisun Bay. This has been identified as the optimal solution as it has existing appropriate infrastructure required to host TSGB at a significant cost reduction and advances the maritime experience for our cadets.
- **TSGB** departed campus on November 2 for **drydock repair** at the Vigor Shipyard in Portland, Oregon. Thanks to Captain Bannister and crew for pivoting to make this happen this fall as the schedule was pushed from the original timeframe shortly after Summer Cruise 2023. TSGB is estimated to return to campus in mid-December.
- Captain Bannister and her team along with Academic and Student Affairs staff have begun planning for the **2024 Summer Cruise**. Cruise will officially begin the Monday following the May 6th Commencement. Stay tuned for more details on this year's itinerary as it is finalized and approved.
- Mid-October was filled with many **on- and off-campus activities** including the fall career fair, Pride in Maritime Summit, Spirit Week, Open House, Fleet Week, and Bay Area Maker's Fair. Additionally, Keelhauler Days, a wonderful weekend of activities with families and alumni was held. Special celebrations of the Class of 1973 (50 years!) and Class of 1963 (60 years!) took place along with the inaugural Keelhauler Hall of Fame Brunch. A huge thank you to the many hands that made these events amazing.
- The fall continues to be a very busy time for **recruiting**. Our admissions team, along with Deans, faculty, staff, cadets, and alumni have been out and about at a variety of community events, college fairs, and K-12 schools, putting Cal Maritime on the map. If you would like more information on how you can support and be involved in the Cal Maritime recruiting efforts, please contact the **Admissions team** admissions@csum.edu.
- Enrollment efforts have continued through my discussions with the chancellors of Solano and Contra Costa Community College Districts. We are exploring the creation of defined **pathways for transfer students** to our campus. We are also engaging with the California State Guard on a potential partnership in creating a pipeline to Cal Maritime from their youth education programs, which includes 12 charter schools in California.

- I have been having continued discussions with **Vallejo city council members** and Economic Development staff regarding campus activities, high school recruiting efforts, public safety concerns, unhoused populations, and commercial development needs for southwest Vallejo.

While our fiscal challenges will be my primary focus for the foreseeable future, please know I remain committed to working with the campus community as we address these budget realities. Enrollment and campus culture efforts continue to be additional focus areas and I look forward to working alongside you to advance our important educational mission. Thank you for all you do to represent Cal Maritime and the Keelhauler Team.