

Subject: Fiscal Year 2023-24 Budget Update
Date: Friday, August 25, 2023 at 10:39:42 AM Pacific Daylight Time
From: President of CSU Maritime Academy
To: President of CSU Maritime Academy
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CAL MARITIME

MESSAGE FROM THE PRESIDENT

Dear Campus Community,

As we embark upon the upcoming academic year, I am eagerly anticipating the return of all our cadets to campus. However, alongside this excitement, we must continually assess the fiscal environment in which we operate. In this regard, I am providing an update concerning the present fiscal state of our campus.

Like all California State University (CSU) entities, our campus benefits substantially from state funding. The Governor has released the State of California's fiscal year 2023-24 budget. Within this budget framework, the State of California maintained its commitment to the CSU Compact with a \$330.5M increase in fiscal support, which translated into an augmentation of \$1.2M dollars for Cal Maritime.

During the development of the current 2023-24 budget, Cal Maritime faced a substantial challenge with a \$3.8M deficit. Campus leadership responded with determination, conducting an exhaustive review of the budget, and making tough, albeit necessary, decisions. As a result of their efforts, we were able to achieve a balanced budget for this year.

Given current fiscal challenges in higher education, public funding in California and across the nation is facing a pivotal moment. Although we have transitioned into the endemic stage of the COVID pandemic, its impact on our economy remains significant. Among the challenges we are confronting at Cal Maritime is the issue of declining enrollments, which will necessitate a focused strategic effort to address.

Amidst declining enrollment, the CSU Board of Trustee announced a new plan to address underperforming campuses. Under the plan, any campus missing its enrollment target by ten percent or more could permanently lose up to five percent of its state enrollment allocation starting in the 2024-25 academic year. Cal Maritime stands to face a potential budgetary challenge, with projected losses of up to \$1.8M over a three-year period if this plan goes into effect.

Recognizing the gravity of the situation, we are in the process of engaging with CSU leaders. I am fully committed to addressing the challenges ahead, despite how difficult our decisions may be. Our approach will be characterized by transparency and collaboration, ensuring that the impact on our cadets is minimized to the extent possible.

Furthermore, we have set in motion initiatives aimed at controlling costs, limiting new hires, bolstering new enrollments, and enhancing student retention. Through these efforts, we are actively striving to strengthen our educational community and ensure a brighter future for Cal Maritime.

While we face significant headwinds, our ability to respond and adapt will allow us to seize opportunities in the future. I remain confident that by working collaboratively, we will overcome the fiscal challenges ahead.

Respectfully,

Michael J. Dumont, J.D.
Interim President



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