

Systemwide Budget Office
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CODED MEMO B 2019-02

To: CSU Chief Financial Officers

From: Ryan Storm, Assistant Vice Chancellor for Budget 
Kara Perkins, Executive Budget Director 

CC: Timothy P. White, Chancellor
Steven Relyea, Executive Vice Chancellor and Chief Financial Officer
Loren J. Blanchard, Executive Vice Chancellor for Academic and Student Affairs
Evelyn Nazario, Vice Chancellor of Human Resources
CSU Presidents, Financial Officers, Budget Officers, Financial Aid Directors,
Enrollment Planning and Resource Officers, and Enrollment Managers

Date: July 19, 2019

Re: 2019-20 Final Budget Allocations

Attachments: Coded Memo B 2019-02, Attachments A-E

The Budget Act of 2019 includes a \$332.9 million increase in recurring General Fund appropriation for the California State University (CSU) operating fund. This General Fund increase, along with new tuition revenue of \$46.2 million from enrollment growth, equals \$379.1 million in new recurring funding for the CSU compared to 2018-19. A summary of the 2019-20 final operating fund budget can be found on the next page. The attachments contain detailed information by campus.

The governor signed two pieces of legislation specific to the Budget Act of 2019 that affect the CSU. The first is the original Budget Act of 2019 signed on June 27, 2019 ([Assembly Bill 74, Chapter 23](#)). The second was signed on July 1, 2019 ([Senate Bill 106, Chapter 55](#)), which amended the Budget Act of 2019 to correct drafting errors made in AB 74 that affected the CSU's General Fund appropriation. As you reference these statutes today and, in the future, it is important to only use Senate Bill 106 as it details the correct appropriation for the CSU's main General fund adjustments and was the latter of the two, making it the final authority. You may disregard the main CSU General Fund detail in the original budget act (i.e. Item 6610-001-0001). For all other CSU-related appropriations and provisions found throughout the original Budget Act of 2019, please reference Assembly Bill 74.

A third piece of legislation signed by the Governor on July 1, 2019 ([Senate Bill 77, Chapter 53](#)) is the 2019-20 higher education trailer bill. The trailer bill codified many programmatic changes that were necessary to implement the policy decisions contained in the Budget Act of 2019.

CSU Campuses

Bakersfield
Channel Islands
Chico
Dominguez Hills
East Bay

Fresno
Fullerton
Humboldt
Long Beach
Los Angeles
Maritime Academy

Monterey Bay
Northridge
Pomona
Sacramento
San Bernardino
San Diego

San Francisco
San José
San Luis Obispo
San Marcos
Sonoma
Stanislaus

The following table summarizes the 2019-20 final operating fund budget including General Fund and tuition and fee revenue:

2019-20 Final Budget Summary	
2018-19 Final Budget, General Fund (Coded Memo B 2018-02)	\$3,627,143,000
2018-19 State-Funded Employer-Paid Retirement Adjustment	22,502,000
2018-19 Total General Fund Budget	\$3,649,645,000
2019-20 General Fund Increase	332,907,000
2019-20 Total General Fund Budget	\$3,982,552,000
2018-19 Final Budget Gross Tuition & Fees (Campus Reported)	\$3,118,104,000
2019-20 Tuition from 2.75% Enrollment Growth	46,158,000
2019-20 Gross Tuition & Fees	\$3,164,262,000
2019-20 Total Operating Budget	\$7,146,814,000
2019-20 Expenditure Increases	
Graduation Initiative 2025	\$45,000,000
Enrollment Funding	131,158,000
Compensation	147,831,000
Mandatory Cost Increases	
Employer-Paid Health Care	7,304,000
Operations and Maintenance of New Facilities	4,748,000
Retirement Above State Funding	23,198,000
Minimum Wage Increase	7,022,000
Project Rebound	3,300,000
Rapid Rehousing for homeless and housing insecure students	6,500,000
Other Program Adjustments	3,004,000
Total Expenditure Increases	\$379,065,000

Detailed explanations of ongoing budget allocations are provided in the following pages. General Fund and estimated gross tuition revenue from enrollment growth by campus are included in the attachments to this coded memorandum.

The attachments to the memo display the following final budget adjustments by campus:

- Attachment A: Operating Budget Total
- Attachment B: Revisions to 2018-19 General Fund Allocations
- Attachment C: 2019-20 Expenditure and Revenue Adjustments
- Attachment D: 2019-20 Enrollment and Tuition & Fee Revenue Adjustments
- Attachment E: 2019-20 Final State University Grant Allocations

The 2019-20 final budget also includes millions of dollars of one-time General Fund augmentations for such items as deferred maintenance, basic needs partnerships, and new campus studies. Separate allocation memos will be provided at a later date and include additional detail.

Questions concerning this memo or its attachments may be directed to Kara Perkins, Chris Canfield, or other System Budget Office staff at (562) 951-4560. Please reference the [Budget Office staff directory](#) for additional contact information and staff areas of assignment.

Additional References

- [CSU 2019-20 Operating Budget](#)
- An amendment to the Budget Act of 2019, [SB 106](#)
- Budget Act of 2019, [AB 74](#)
- Higher Education Trailer Bill, [SB 77](#)
- [2019-20 Governor's Budget, Department of Finance, State of California](#)
- [CSU Budget Detail in the 2019-20 State Budget](#)

RS: KP: CC

Attachments

2019-20 Final Budget Allocations, Attachment Descriptions

Operating Budget Total - (Attachment A)

Attachment A summarizes the 2019-20 operating budget by campus after revisions to 2018-19 General Fund allocations (Attachment B) and 2019-20 expenditure and revenue adjustments (Attachment C and D).

Revisions to 2018-19 General Fund Allocations - (Attachment B)

A revision to the 2018-19 General Fund allocation reflects one change since adoption of the Budget Act of 2018 and publication of the 2018-19 final budget allocation memo (B 2018-02).

- **State-Funded Retirement Adjustment**

Each year CalPERS adjusts employer-paid contribution rates to meet defined benefit pension obligations. The state adjusts the CSU General Fund appropriation for employer-paid contribution rate changes based on the actual CSU 2013-14 pensionable salaries reported by the State Controller's Office.

The 2017-18 to 2018-19 State Miscellaneous First Tier rates increased from 28.423 percent to 29.396 percent and the State Peace Officer / Firefighter rate increased from 44.245 percent to 45.371 percent. The 2018-19 operating budget base retirement cost increase funded by the state is \$22.5 million. The distribution is based on the 2013-14 pensionable payroll by campus as provided by the State Controller's Office.

2019-20 Expenditure and Revenue Adjustments - (Attachment C)

- **Employer-Paid Health Care Premiums**

Effective January 2019, the estimated annualized cost to fund employer-paid health care rate increases is \$7.3 million. The number of CSU employee participants and the difference between the old and new employer-paid contribution rates determine health care benefit cost increases. The distribution is based on the percentage share of campus 2017-18 actual operating fund health benefits expenditures. For additional information regarding January 2019 health premiums, please reference Human Resources Technical Letter, (HR/Benefits 2018-16).

- **Operations and Maintenance of New Facilities**

This allocation includes an increase of \$4.7 million for regular operations and maintenance of new facilities, which include the cost of utilities, building maintenance, custodial, landscape, and administrative support. In 2019-20, the CSU is scheduled to open 404,052 new square feet of space. Funding is provided at the rate of \$11.75 per square foot. More details on campus facilities included in this allocation are provided [online](#).

- **Retirement Benefits (above State Funded)**

Beginning with the 2014-15 fiscal year, a limit was placed on the state's obligation to adjust CSU retirement funding due to annual changes in CalPERS rates. While the state's obligation to adjust retirement funding continues (Government Code section 20814), the salary base applied to the incremental rate change is frozen at the CSU 2013-14 pensionable payroll level as reported by the State Controller's Office. The \$23.2 million budget plan covers the 2017-18,

2018-19 and projected 2019-20 unfunded retirement cost for annual CalPERS employer-paid rate adjustments that must be funded by the CSU. The campus distribution is based on pensionable payroll in excess of the 2013-14 level funded by the state in each of those years.

SB 84 Loan Repayment

Also related to retirement costs, but outside the base budget, the CSU is being assessed for a share of a CalPERS loan which was used to reduce unfunded pension liability. [Senate Bill 84 \(Chapter 50 of 2017\)](#) authorized the state to borrow \$6 billion from a state cash account and make a one-time supplemental pension payment to CalPERS in 2017-18 to reduce unfunded pension liabilities. While annual state pension contributions will continue to rise over the next several years, the purpose of the supplemental payment is to save the state money over the next few decades by slowing the pace at which the state's annual pension costs rise. The state General Fund and other funds (including CSU funds) are to repay the loan and the state Department of Finance determines each department's (and funds') share of the repayment. According to a September 2017 CalPERS analysis, the strategy has a 95 percent chance of saving the state and departments money.

Over the course of a year, the Chancellor's Office and the Department of Finance engaged in discussions over the methodology used by the Department of Finance to determine the CSU's share of the loan repayment. While those discussions resulted in some success, the Department of Finance will require a payment of approximately \$26.8 million in 2018-19 and approximately \$26 million each year from 2019-20 through 2023-24, with a final payment of \$22 million in 2024-25.

Based on discussions with the Department of Finance in the winter of 2019, Chancellor's Office staff began briefing campus business and finance representatives about the possibility of the CSU being responsible for more than its historical share of this pension-related cost. With the Department of Finance's recent and final determination and the end of the budget cycle last month, it is now appropriate to share definitive details of this new CSU obligation. In the coming months, Chancellor's Office staff will notify each campus of its share, by fund source (operating fund and enterprise funds), of this loan repayment.

- **Minimum Wage Increase**

In January 2019, the California minimum wage increased from \$11/hour to \$12/hour. The estimated annualized cost of the increase on CSU campuses is \$7 million, which is distributed by campus based on past-year salary expenditures below the new \$12/hour rate. The wages below this rate occur in the excluded (E99) employee group which includes non-instructional student assistants and casual workers.

- **Compensation**

Budget allocations include \$147.8 million to cover 2019-20 employee compensation increases for faculty and staff as further detailed in Human Resources Salary Technical letters and [collective bargaining contracts](#).

The distribution of 2019-20 compensation increases is based on the percentage share of campus 2017-18 actual operating fund salaries. The compensation adjustments are distributed for all employee groups with the exception of Public Safety (CBID R08), which does not have a finalized contract for 2018-19 or 2019-20 at this time.

- **Graduation Initiative 2025**

For [Graduation Initiative 2025](#), (GI 2025) an additional \$45 million builds upon the \$150 million allocated over the last two years. Graduation Initiative 2025 is the CSU's ambitious initiative to increase graduation rates for all students while eliminating equity gaps, providing California with the graduates it needs to power the economy. The 2019-20 funds are allocated as follows: (1) \$15.0 million for base budget increases of \$625,000 per campus, including systemwide provisions for GI 2025 priorities managed centrally at the Chancellor's Office; (2) \$25.0 million allocated to each campus based on the number of students eligible for Pell Grants in 2017-18; and (3) \$5.0 million for progress on leading indicators to close equity gaps, based on average unit load (AUL) increases achieved by underrepresented minority students from fall 2016 to fall 2018.

The allocation methodology acknowledges that while all campuses have ambitious graduation rate targets, differing levels of financial investment will be required in order to eliminate equity gaps. The allocation methodology is not intended to serve as a campus expenditure plan. Each campus may use these funds in support of their graduation initiative goals, including offering additional high-demand course sections to increase average unit load for undergraduate students and additional academic and student support services.

An allocation of \$30 million in one-time funding for Graduation Initiative 2025 will be included in a separate memo.

- **Other Program Adjustments: Center for California Studies; Project Rebound; and Emergency Student Housing**

The final budget includes the following additional adjustments:

- \$107,000 for a cost of living adjustment and relocation grants for the Center for California Studies, Capitol Fellows' Program.
- \$3.3 million to Project Rebound, which supports formerly incarcerated individuals pursuing a bachelor's degree at the CSU. The campuses currently participating in the program are: San Francisco, San Bernardino, Bakersfield, Fullerton, Pomona, Sacramento, Fresno, Los Angeles, and San Diego. Pending final decisions, these funds are held centrally.
- \$6.5 million for emergency student housing for homeless and housing insecure students. Pending final decisions, these funds are held centrally.
- \$2.9 million for other systemwide / campus program adjustments.

- **Funded Enrollment Growth**

The 2019-20 Final budget allocation includes resident undergraduate enrollment growth of 10,000 full-time equivalent students (FTES). This is equivalent to a 2.76 percent increase in funded enrollment. Funding to support 2019-20 FTES growth is based on the 2019-20 published marginal cost of instruction of \$11,322 per FTES, which is made up of a combination of state General Fund and tuition revenue (reference the [2019-20 marginal cost](#) detail) totaling \$113.2 million.

The methodology used in this year’s allocation for enrollment growth continues to acknowledge variable tuition collection per FTES at each campus. This ensures that each FTES is fully funded through a combination of tuition and General Fund to reach \$11,322.

The 2019-20 methodology uses each campus’ net tuition, which varies based on each campus’ State University Grant allocations and mandatory fee waivers (see example below). This methodology starts with the same \$11,322 marginal cost per FTES, subtracts each campus’ average net tuition revenue per FTES, and makes up the difference with state General Fund. An example is provided below:

Campus X		Campus Y
\$11,322	Funding per FTES	\$11,322
<u>(4,500)</u>	<u>Campus Net Tuition per FTES</u>	<u>(5,100)</u>
\$6,822	General Fund per FTES	\$6,222

The campus net revenue per FTES calculation is based on campus *actual* 2017-18 FIRMS gross tuition revenue (Object Code 501001) minus State University Grants (Object Code 609002) divided by actual college year FTES.

Also, the final allocation includes \$17.9 million to recognize campus efforts to encourage students to increase their unit loads. An increase in the average unit load (AUL) requires additional funding to cover new campus costs such as offering additional course sections and adding related academic and student support services. Under the current tuition model, an increase in AUL does not generate additional tuition revenue that can cover new campus costs like those mentioned above. Therefore, additional funding is allocated to assist with those costs and distributed based on campus pro-rata share of undergraduate AUL improvements from fall 2016 to fall 2018.

- **State University Grants**

The expenditure adjustments for State University Grants (SUG) reflect the redistribution of five percent of the SUG pool to match up SUG allocations at campuses who have the highest relative share of students with an estimated family contribution (EFC) of \$0 to \$4,000. The total expenditure adjustment in Attachment C moves funding and expenditures between campuses based on the change in relative need from 2018-19 to 2019-20. No campus’ SUG allocation is less than 95 percent of last year’s total. Further details on total SUG distribution by campus are outlined in Attachment E.

2019-20 Enrollment and Tuition & Fee Revenue - (Attachment D)

Attachment D includes the tuition and fee revenue reported by campuses in the 2018-19 final budget submissions and the projected revenue from 10,000 FTES growth in funded resident enrollment targets in 2019-20. The nonresident enrollment has been updated to reflect the past year (2017-18) actual full-time equivalent student figures.

2019-20 Final State University Grants - (Attachment E)

SUG funding is a finite resource and more students are eligible for SUG than there is funding available. Also, the relative share of SUG-eligible students rises and falls at each campus over time. As a result, there is consensus across the CSU to annually shift a small portion of SUG funding between campuses to ensure that SUG-eligible students with the greatest financial need receive a SUG award. Without this annual funding shift, the CSU would find it increasingly difficult to meet this important financial aid objective.

The total SUG allocation of \$700.9 million in the final 2019-20 operating budget has not changed from 2018-19. The preliminary budget memo (B 2019-01) set a minimum expectation for all campuses of 95 percent of their 2018-19 SUG allocations.

As changes in student enrollment and financial aid demand shift by campus, five percent of the total SUG pool is adjusted to ensure that campuses with the highest proportion of students with the greatest financial need have the funds available to provide grants. This re-allocation of the total SUG pool (approximately \$35.0 million) addresses these changes in relative share of students on each campus who have an Expected Family Contribution (EFC) of \$0 to \$4,000. If a campus' share of total need is above 95 percent of their past year's allocation, that campus will receive a portion of the \$35.0 million being reallocated.

Questions about the SUG distribution process may be directed to the System Budget Office or to Dean Kulju, Director of Financial Aid, at (562) 951-4737 or by email at dkulju@calstate.edu.

**ATTACHMENT A - Operating Budget Total
2019-20 Final Budget Allocations**

**Coded Memo B 2019-02
July 19, 2019**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	2018-19 Final Budget General Fund Allocation	Revisions to 2018-19 General Fund Allocations	New 2019-20 General Fund Allocations	Total 2019-20 General Fund	2018-19 Gross Tuition and Fee Revenue	Tuition Revenue from Enrollment Growth	Total 2019-20 Gross Tuition & Fee Revenue	2019-20 Gross Operating-Budget
	<i>(Coded Memo B 2018-02)</i>	<i>(Attach. B, Col. 1)</i>	<i>(Attach. C, Col. 13)</i>	<i>(Sum of Cols. 1-3)</i>	<i>(Attach. D, Cols. 5+6)</i>	<i>(Attach D. Col. 7)</i>	<i>(Cols. 5 + 6)</i>	<i>(Cols. 4 + 7)</i>
Bakersfield	\$77,599,709	\$449,000	\$9,356,600	\$87,405,309	\$59,543,000	\$1,916,000	\$61,459,000	\$148,864,309
Channel Islands	83,022,710	407,000	7,144,900	90,574,610	39,448,000	1,580,000	41,028,000	131,602,610
Chico	126,690,932	863,000	12,461,500	140,015,432	110,925,000	1,358,000	112,283,000	252,298,432
Dominguez Hills	94,336,852	570,000	14,564,600	109,471,452	86,498,000	2,656,000	89,154,000	198,625,452
East Bay	103,073,561	766,000	7,333,400	111,172,961	104,799,000	876,000	105,675,000	216,847,961
Fresno	164,229,432	1,017,000	17,790,600	183,037,032	143,416,000	2,787,000	146,203,000	329,240,032
Fullerton	203,247,561	1,580,000	22,165,100	226,992,661	247,631,000	2,971,000	250,602,000	477,594,661
Humboldt	85,517,210	572,000	4,630,700	90,719,910	57,452,000		57,452,000	148,171,910
Long Beach	218,734,336	1,686,000	22,254,600	242,674,936	245,234,000	3,504,000	248,738,000	491,412,936
Los Angeles	166,135,539	979,000	20,016,100	187,130,639	154,927,000	2,279,000	157,206,000	344,336,639
Maritime	34,826,276	155,000	1,961,800	36,943,076	10,744,000		10,744,000	47,687,076
Monterey Bay	80,161,383	394,000	7,340,900	87,896,283	41,044,000	1,225,000	42,269,000	130,165,283
Northridge	217,327,496	1,645,000	27,198,600	246,171,096	230,516,000	3,341,000	233,857,000	480,028,096
Pomona	156,865,142	1,063,000	14,746,700	172,674,842	155,081,000	2,447,000	157,528,000	330,202,842
Sacramento	171,045,037	1,219,000	20,493,700	192,757,737	179,855,000	3,228,000	183,083,000	375,840,737
San Bernardino	123,615,708	878,000	12,030,100	136,523,808	123,748,000	2,033,000	125,781,000	262,304,808
San Diego	206,788,796	1,659,000	18,422,300	226,870,096	278,266,000	3,014,000	281,280,000	508,150,096
San Francisco	180,496,659	1,591,000	15,933,000	198,020,659	208,605,000	2,252,000	210,857,000	408,877,659
San Jose	171,724,882	1,503,000	19,034,800	192,262,682	232,053,000	2,751,000	234,804,000	427,066,682
San Luis Obispo	146,283,968	1,346,000	13,122,300	160,752,268	206,500,000	1,286,000	207,786,000	368,538,268
San Marcos	90,246,752	610,000	11,140,300	101,997,052	87,253,000	2,067,000	89,320,000	191,317,052
Sonoma	74,350,783	600,000	6,084,000	81,034,783	54,549,000	847,000	55,396,000	136,430,783
Stanislaus	74,133,047	466,000	8,887,400	83,486,447	56,430,000	1,740,000	58,170,000	141,656,447
Campus Total	\$3,050,453,771	\$22,018,000	\$314,114,000	\$3,386,585,771	\$3,114,517,000	\$46,158,000	\$3,160,675,000	\$6,547,260,771
Chancellor's Office	77,144,650	474,000	4,180,000	81,798,650				81,798,650
Systemwide Programs	75,758,603		(603,000)	75,155,603	2,948,000		2,948,000	78,103,603
Center for California Studies	4,481,300	10,000	155,000	4,646,300				4,646,300
Summer Arts	34,800			34,800	639,000		639,000	673,800
Systemwide Provisions and Infrastructure ¹	419,269,876		15,061,000	434,330,876				434,330,876
CSU System Total	\$3,627,143,000	\$22,502,000	\$332,907,000	\$3,982,552,000	\$3,118,104,000	\$46,158,000	\$3,164,262,000	\$7,146,814,000

¹Includes general obligation and lease revenue bond annual debt service costs.

**ATTACHMENT B - Revisions to 2018-19 General Fund Allocations
2019-20 Final Budget Allocations**

	(1) 2018-19 State Funded Retirement Adjustment
Bakersfield	\$449,000
Channel Islands	407,000
Chico	863,000
Dominguez Hills	570,000
East Bay	766,000
Fresno	1,017,000
Fullerton	1,580,000
Humboldt	572,000
Long Beach	1,686,000
Los Angeles	979,000
Maritime	155,000
Monterey Bay	394,000
Northridge	1,645,000
Pomona	1,063,000
Sacramento	1,219,000
San Bernardino	878,000
San Diego	1,659,000
San Francisco	1,591,000
San Jose	1,503,000
San Luis Obispo	1,346,000
San Marcos	610,000
Sonoma	600,000
Stanislaus	466,000
Campus Total	\$22,018,000
Chancellor's Office	474,000
Systemwide Programs	
Center for California Studies	10,000
Systemwide Provisions and Infrastructure	
CSU System Total	\$22,502,000

ATTACHMENT C - 2019-20 Expenditure and Revenue Adjustments
2019-20 Final Budget Allocations

	Expenditure Adjustments										Revenue Adjustments		
	Mandatory Costs				(5)	(6)	(7)	Enrollment Funding			(11)	(12)	(13)
	(1)	(2)	(3)	(4)				(8)	(9)	(10)			
	Health	Operations & Maintenance of New Facilities	Retirement Above State Funded	Minimum Wage Increase	Compensation ¹	Graduation Initiative 2025	Other Program Adjustments ²	Funded Enrollment Growth	Average Unit Load (AUL) Increase	2019-20 State University Grant 5% Redistribution	2019-20 Expenditure Adjustments	Tuition Revenue from Enrollment Growth	2019-20 General Fund Increase
							<i>(\$11,322 * Attach. D, Col. 2)</i>		<i>(Attach. E, Col. 4)</i>	<i>(Sum Cols. 1-10)</i>	<i>(Attach. D, Col. 7)</i>	<i>(Col. 11 - Col. 12)</i>	
Bakersfield	\$166,000		\$737,000	\$263,000	\$3,239,000	\$1,489,000	\$5,265,000	\$666,000	(\$552,400)	\$11,272,600	\$1,916,000	\$9,356,600	
Channel Islands	143,000	\$102,000	513,000	133,000	2,702,000	1,068,000	3,917,000	74,000	72,900	8,724,900	1,580,000	7,144,900	
Chico	319,000	1,328,000	800,000	375,000	5,713,000	1,631,000	3,510,000	260,000	(116,500)	13,819,500	1,358,000	12,461,500	
Dominguez Hills	193,000	1,273,000	833,000	261,000	4,033,000	1,899,000	7,337,000	706,000	685,600	17,220,600	2,656,000	14,564,600	
East Bay	231,000		741,000	156,000	4,680,000	1,384,000	2,151,000		(1,133,600)	8,209,400	876,000	7,333,400	
Fresno	388,000	64,000	1,518,000	528,000	7,291,000	2,313,000	6,906,000	351,000	1,218,600	20,577,600	2,787,000	17,790,600	
Fullerton	541,000		1,564,000	597,000	10,368,000	3,059,000	6,567,000	1,666,000	774,100	25,136,100	2,971,000	22,165,100	
Humboldt	182,000	29,000	202,000	281,000	3,309,000	1,141,000		92,000	(685,300)	4,630,700		4,630,700	
Long Beach	529,000		1,668,000	465,000	11,146,000	3,054,000	8,197,000	1,949,000	(1,249,400)	25,758,600	3,504,000	22,254,600	
Los Angeles	347,000		1,683,000	411,000	7,448,000	3,420,000	5,604,000	2,241,000	1,141,100	22,295,100	2,279,000	20,016,100	
Maritime	51,000	45,000	187,000	58,000	1,034,000	662,000		22,000	(97,200)	1,961,800		1,961,800	
Monterey Bay	151,000	564,000	669,000	132,000	2,858,000	1,047,000	3,306,000	42,000	(203,100)	8,565,900	1,225,000	7,340,900	
Northridge	517,000		1,444,000	539,000	10,357,000	3,724,000	7,857,000	2,931,000	3,170,600	30,539,600	3,341,000	27,198,600	
Pomona	355,000		1,185,000	214,000	7,077,000	2,012,000	5,820,000	101,000	429,700	17,193,700	2,447,000	14,746,700	
Sacramento	424,000	1,142,000	1,380,000	321,000	8,238,000	2,732,000	7,857,000	1,171,000	456,700	23,721,700	3,228,000	20,493,700	
San Bernardino	286,000	55,000	722,000	331,000	5,360,000	2,394,000	5,536,000	1,211,000	(1,831,900)	14,063,100	2,033,000	12,030,100	
San Diego	515,000		1,614,000	508,000	10,711,000	1,846,000	6,929,000	552,000	(1,238,700)	21,436,300	3,014,000	18,422,300	
San Francisco	430,000		769,000	139,000	9,215,000	2,121,000	5,469,000	743,000	(701,000)	18,185,000	2,252,000	15,933,000	
San Jose	427,000		1,090,000	191,000	9,235,000	2,352,000	6,442,000	2,012,000	36,800	21,785,800	2,751,000	19,034,800	
San Luis Obispo	435,000	146,000	1,574,000	346,000	8,623,000	1,069,000	2,887,000	488,000	(671,700)	14,408,300	1,286,000	13,122,300	
San Marcos	219,000		883,000	194,000	4,175,000	1,519,000	5,253,000	488,000	476,300	13,207,300	2,067,000	11,140,300	
Sonoma	175,000		201,000	299,000	3,293,000	1,047,000	2,096,000	326,000	(506,000)	6,931,000	847,000	6,084,000	
Stanislaus	167,000		588,000	274,000	3,034,000	1,392,000	4,314,000	334,000	524,400	10,627,400	1,740,000	8,887,400	
Campus Total	\$7,191,000	\$4,748,000	\$22,565,000	\$7,016,000	\$143,139,000	\$44,375,000	\$80,000	\$113,220,000	\$17,938,000	\$0	\$360,272,000	\$46,158,000	\$314,114,000
Chancellor's Office	107,000		632,000	6,000	2,347,000		1,088,000			4,180,000		4,180,000	
Systemwide Programs							(603,000)			(603,000)		(603,000)	
Center for California Studies	6,000		1,000		41,000		107,000			155,000		155,000	
Systemwide Provisions & Infrastructure					2,304,000 ¹	625,000	12,132,000			15,061,000		15,061,000	
CSU System Total	\$7,304,000	\$4,748,000	\$23,198,000	\$7,022,000	\$147,831,000	\$45,000,000	\$12,804,000	\$113,220,000	\$17,938,000	\$0	\$379,065,000	\$46,158,000	\$332,907,000

¹2019-20 compensation adjustments for all employee groups is distributed with exception of Unit R08 2018-19 and 2019-20 compensation pools (no agreement to date).

²Includes Center for California Studies (\$0.1 M); Emergency Student Housing (\$6.5 M); Project Rebound (\$3.3 M); other systemwide offsets / balance (\$2.9 M).

**ATTACHMENT D - 2019-20 Enrollment and Tuition & Fee Revenue
2019-20 Final Budget Allocations**

	Enrollment				Tuition and Fees			
	Resident Students			(4) 2019-20 Non- resident FTES ¹	(5) 2018-19 Gross Tuition Revenue	(6) 2018-19 Other Fees	(7) Est. 2019-20 Tuition Revenue from Enrollment Growth	(8) 2019-20 Est. Gross Tuition & Fee Revenue
	(1)	(2)	(3)					
	2018-19 FTES Target	2019-20 FTES Target Increase	2019-20 Total FTES Target	(Cols. 1 + 2)	(Campus Reported, 2018-19 Final Budget)	(Sum Col. 5-7)		
Bakersfield	7,777	465	8,242	354	\$51,271,000	\$8,272,000	\$1,916,000	\$61,459,000
Channel Islands	5,789	346	6,135	44	36,079,000	3,369,000	1,580,000	41,028,000
Chico	15,250	310	15,560	497	94,725,000	16,200,000	1,358,000	112,283,000
Dominguez Hills	10,825	648	11,473	185	73,800,000	12,698,000	2,656,000	89,154,000
East Bay	12,332	190	12,522	920	82,647,000	22,152,000	876,000	105,675,000
Fresno	19,265	610	19,875	931	127,456,000	15,960,000	2,787,000	146,203,000
Fullerton	28,937	580	29,517	1,763	205,011,000	42,620,000	2,971,000	250,602,000
Humboldt	7,603		7,603	427	46,904,000	10,548,000		57,452,000
Long Beach	28,963	724	29,687	1,353	203,847,000	41,387,000	3,504,000	248,738,000
Los Angeles	18,005	495	18,500	735	127,818,000	27,109,000	2,279,000	157,206,000
Maritime	1,418		1,418	48	6,710,000	4,034,000		10,744,000
Monterey Bay	5,836	292	6,128	322	35,963,000	5,081,000	1,225,000	42,269,000
Northridge	27,139	694	27,833	1,806	193,580,000	36,936,000	3,341,000	233,857,000
Pomona	18,714	514	19,228	1,030	123,007,000	32,074,000	2,447,000	157,528,000
Sacramento	23,077	694	23,771	543	160,676,000	19,179,000	3,228,000	183,083,000
San Bernardino	15,400	489	15,889	776	101,640,000	22,108,000	2,033,000	125,781,000
San Diego	27,404	612	28,016	4,288	189,557,000	88,709,000	3,014,000	281,280,000
San Francisco	24,099	483	24,582	1,501	167,825,000	40,780,000	2,252,000	210,857,000
San Jose	22,747	569	23,316	2,839	167,874,000	64,179,000	2,751,000	234,804,000
San Luis Obispo	17,020	255	17,275	3,093	116,607,000	89,893,000	1,286,000	207,786,000
San Marcos	9,281	464	9,745	375	65,764,000	21,489,000	2,067,000	89,320,000
Sonoma	8,244	185	8,429	105	47,583,000	6,966,000	847,000	55,396,000
Stanislaus	7,631	381	8,012	65	49,089,000	7,341,000	1,740,000	58,170,000
Campus Total	362,756	10,000	372,756	24,000	\$2,475,433,000	\$639,084,000	\$46,158,000	\$3,160,675,000
Systemwide Programs ² / SW Provisions	1,319		1,319	23	2,948,000			2,948,000
Summer Arts	56		56	3	639,000			639,000
CSU System Total	364,131	10,000	374,131	24,026	\$2,479,020,000	\$639,084,000	\$46,158,000	\$3,164,262,000

¹Equal to actual 2017-18 nonresident students, campus reported.

²Reported Systemwide Programs revenue is for International Programs (660 FTES) and CalStateTEACH (659 FTES).

**ATTACHMENT E - 2019-20 State University Grants
2019-20 Final Budget Allocations**

	(1)	(2)	(3)	(4)	(5)	SUG Data Points for Reference		
						(6)	(7)	(8)
	2018-19 SUG	2019-20 Preliminary Budget SUG	Distribution of Additional 5%	2019-20 SUG Adjustment	2019-20 Final Budget SUG	% of SUG Eligible Population 2018-19	% of SUG Eligible Population 2019-20	2019-20 SUG Total as a % of Prior Year
	<i>(Coded Memo B 2018-02)</i>	<i>(95% of 2018-19 SUG)</i>	<i>(based on change in relative need)</i>	<i>(Cols. 2+3 - Col. 1)</i>	<i>(Cols. 2 + 3)</i>			<i>(Col. 5 / Col. 1)</i>
Bakersfield	\$17,948,800	\$17,051,400	\$345,000	(\$552,400)	\$17,396,400	2.59%	2.49%	97%
Channel Islands	9,578,800	9,099,900	551,800	72,900	9,651,700	1.38%	1.39%	101%
Chico	24,118,700	22,912,800	1,089,400	(116,500)	24,002,200	3.50%	3.45%	100%
Dominguez Hills	29,587,000	28,107,700	2,164,900	685,600	30,272,600	4.23%	4.37%	102%
East Bay	22,931,000	21,784,400	13,000	(1,133,600)	21,797,400	3.26%	3.11%	95%
Fresno	41,345,100	39,277,800	3,285,900	1,218,600	42,563,700	6.03%	6.15%	103%
Fullerton	54,928,500	52,182,100	3,520,500	774,100	55,702,600	8.01%	8.03%	101%
Humboldt	13,706,000	13,020,700		(685,300)	13,020,700	1.94%	1.83%	95%
Long Beach	57,615,600	54,734,800	1,631,400	(1,249,400)	56,366,200	8.40%	8.08%	98%
Los Angeles	55,616,500	52,835,700	3,921,900	1,141,100	56,757,600	8.37%	8.19%	102%
Maritime	1,944,000	1,846,800		(97,200)	1,846,800	0.20%	0.16%	95%
Monterey Bay	10,732,100	10,195,500	333,500	(203,100)	10,529,000	1.54%	1.51%	98%
Northridge	61,056,200	58,003,400	6,223,400	3,170,600	64,226,800	8.94%	9.31%	105%
Pomona	34,054,000	32,351,300	2,132,400	429,700	34,483,700	4.96%	4.97%	101%
Sacramento	45,562,900	43,284,800	2,734,800	456,700	46,019,600	6.55%	6.63%	101%
San Bernardino	36,638,200	34,806,300		(1,831,900)	34,806,300	5.34%	4.91%	95%
San Diego	41,475,000	39,401,300	835,000	(1,238,700)	40,236,300	5.80%	5.76%	97%
San Francisco	45,511,000	43,235,400	1,574,600	(701,000)	44,810,000	6.31%	6.43%	98%
San Jose	39,027,000	37,075,600	1,988,200	36,800	39,063,800	5.35%	5.62%	100%
San Luis Obispo	13,433,000	12,761,300		(671,700)	12,761,300	1.20%	1.29%	95%
San Marcos	17,107,000	16,251,600	1,331,700	476,300	17,583,300	2.39%	2.54%	103%
Sonoma	10,120,000	9,614,000		(506,000)	9,614,000	1.27%	1.28%	95%
Stanislaus	16,912,400	16,066,800	1,370,000	524,400	17,436,800	2.44%	2.52%	103%
Campus Total	\$700,948,800	\$665,901,400	\$35,047,400	\$0	\$700,948,800	100%	100%	100%

Systemwide Budget Office
401 Golden Shore, 5th Floor
Long Beach, CA 90802-4210
P: 562-951-4560 / F: 562-951-4970

CODED MEMO B 2019-03

To: CSU Presidents

From: Ryan Storm, Assistant Vice Chancellor for Budget 
Kara Perkins, Executive Budget Director 

CC: Timothy P. White, Chancellor,
Steven Relyea, Executive Vice Chancellor and Chief Financial Officer,
Loren J. Blanchard, Executive Vice Chancellor for Academic and Student Affairs
Chief Financial Officers, Provosts, Vice Presidents for Student Affairs, Budget Officers

Date: July 19, 2019

Re: 2019-20 One-Time Allocations

Attachments: **Attachment A** – 2019-20 One-Time Allocations

Attachment A includes new one-time allocations for Graduation Initiative 2025 per the Budget Act of 2019 and enrollment funding per the Budget Act of 2018.

Graduation Initiative 2025

As referenced in coded memo B 2019-02, the Budget Act of 2019 contains \$45 million recurring and \$30 million one-time for Graduation Initiative 2025. The \$30 million one-time is allocated to campuses by a pro-rata distribution based on each campus’ 2019-20 FTES enrollment target. Each campus receives at least \$500,000. (Attachment A, Column 1).

The Chancellor’s Office expects campuses to use these one-time funds to support one or more of the six pillars of [Graduation initiative 2025](#). Examples include:

- Redesigning courses to meet the needs of first-year students underprepared in quantitative reasoning and/or written communication, in line with Executive Order 1110.
- Offering more course sections on a temporary basis
- Programs focusing on student engagement and well-being
- Increasing financial aid or emergency loans for students with financial need
- Investing in data-driven decision making and technology to advance successful academic support programs and advising
- Ensuring that all academic departments have updated roadmaps integrated into the student degree audit system

CSU Campuses
Bakersfield
Channel Islands
Chico
Dominguez Hills
East Bay

Fresno
Fullerton
Humboldt
Long Beach
Los Angeles
Maritime Academy

Monterey Bay
Northridge
Pomona
Sacramento
San Bernardino
San Diego

San Francisco
San José
San Luis Obispo
San Marcos
Sonoma
Stanislaus

- Offering professional development programs that identify additional opportunities for closing equity gaps
- Continuing to evaluate and remove administrative barriers that may impede student progress

Campuses should not use this funding to invest in new, permanent faculty or staff.

Additional detail on reporting requirements for this allocation and the base budget allocation for Graduation Initiative 2025 included in B 2018-02 will be sent to campus leadership at a later date.

Enrollment

The Budget Act of 2018 included \$120 million of one-time funding for enrollment. This funding is available over four years. The first-year allocation of one-time enrollment funding was \$21.9 million, details of that allocation are available in coded memo [B 18-03](#). This second-year allocation includes a total of \$38.1 million. As these resources are one-time allocations, there is no change to any campus' 2019-20 full time equivalent student (FTES) enrollment target. The distribution of funds is based on two conditions described below.

Increase for Enrollment Growth. The \$35.8 million is allocated to campuses by a pro-rata distribution based on each campus' 2019-20 FTES enrollment target. Each campus receives at least \$500,000. These one-time funds will financially support campuses with a variety of student enrollment-related needs. Therefore, the \$35.8 million one-time allocated for enrollment growth can be used by campuses to help cover additional instructional and support services costs in support of their unique student populations. As with any one-time allocation, this should not be used to support new permanent faculty or staff. (Attachment A, Column 2).

Mathematics and Science Teacher Initiative.

The \$2.2 million matches the 2019-20 allocation for the Mathematics and Science Teacher Initiative (MSTI) and should be used to supplement the programs at each campus that work to recruit and graduate new math and science teachers each year. More information on MSTI can be found [online here](#). (Attachment A, Column 3).

The demand for credentialed teachers in these fields is significantly greater than the supply of fully qualified candidates. These funds can help meet the growing demand for qualified teachers throughout California in alignment with the proposal to expand the a-g requirements to include completion of an additional year of quantitative reasoning to be minimally eligible for CSU admission. Access to qualified mathematics and science teachers is associated with improved student achievement and is critical to closing the achievement gap in these subjects.

With this year's \$38.1 million allocation, a total of \$60 million of the \$120 million in one-time enrollment funding from the Budget Act of 2018 has been distributed to CSU campuses.

Other one-time funds contained in the Budget Act of 2019 are held centrally at this time, pending final decisions. It is expected that one or more additional coded memos related to these funds will be distributed in the coming weeks or months.

Please contact Kara Perkins at (562) 951-4560 or kperkins@calstate.edu if you have questions concerning this memo or its attachments.

Additional References

- An amendment to the Budget Act of 2019, [SB 106](#)
- Budget Act of 2018, [SB 840](#)

**2019-20 One-Time Allocations
Attachment A**

**Coded Memo B 2019-03
July 19, 2019**

	(1)	(2)	(3)	(4)
Campus	Graduation Initiative 2025	Year 2 - Enrollment Funding	Enrollment funding in support of MSTI¹	Total
				(cols 1-3)
Bakersfield	\$654,000	\$778,000	\$100,000	\$1,532,000
Channel Islands	500,000	579,000	60,000	1,139,000
Chico	1,235,000	1,469,000	90,000	2,794,000
Dominguez Hills	911,000	1,083,000	160,000	2,154,000
East Bay	994,000	1,182,000	100,000	2,276,000
Fresno	1,577,000	1,876,000	110,000	3,563,000
Fullerton	2,343,000	2,787,000	147,000	5,277,000
Humboldt	604,000	1,000,000	55,000	1,659,000
Long Beach	2,356,000	2,802,000	160,000	5,318,000
Los Angeles	1,468,000	1,746,000	95,000	3,309,000
Maritime	500,000	500,000		1,000,000
Monterey Bay	500,000	579,000	90,000	1,169,000
Northridge	2,209,000	2,628,000	100,000	4,937,000
Pomona	1,526,000	1,815,000	90,000	3,431,000
Sacramento	1,887,000	2,244,000	95,000	4,226,000
San Bernardino	1,261,000	1,500,000	105,000	2,866,000
San Diego	2,224,000	2,645,000	115,000	4,984,000
San Francisco	1,951,000	2,321,000	90,000	4,362,000
San Jose	1,851,000	2,201,000	95,000	4,147,000
San Luis Obispo	1,371,000	1,631,000	95,000	3,097,000
San Marcos	773,000	920,000	90,000	1,783,000
Sonoma	669,000	796,000	95,000	1,560,000
Stanislaus	636,000	756,000	90,000	1,482,000
Total	\$30,000,000	\$35,838,000	\$2,227,000	\$68,065,000

¹ This is supplemental to the annual Math & Science Teacher Initiative allocation.

FY19/20 Funding Priorities
Campus Leadership Offsite

No.	Div.	Type	Description	Justification	Salaries	Op Exp	TOTAL		One-Time		
1	AA	STAFF	Machine Shop/Maker Space Technician and equipment	Health/Safety	\$75,000	\$2,500	\$77,500		\$2,500		
2	AA	STAFF	Tutoring Coordinator and equipment	GI2025	\$60,000	\$2,500	\$62,500		\$2,500		
3	AA	FAC	Salary corrections & new TT hires and equipment	Required / Strategic Plan	\$110,000	\$12,500	\$122,500		\$12,500		
4	AA	FAC	Sabbatical leave coverage (4 sabbaticals)	Required	\$74,000		\$74,000				
5	AA	FAC	Academic Senate faculty release time	Required	\$26,000		\$26,000		\$26,000		
6	AA	FAC/STU	Faculty and student awards	Required		\$10,000	\$10,000		\$10,000		
7	AA	FAC	Summer session faculty salary	GI2025	\$57,000		\$57,000		\$57,000		
8	AA	MPP/UA	Dean fundraising travel	Strategic Plan		\$10,500	\$10,500		\$10,500		
9	AA	STU	Student assistants to operate Maker Space	Strategic Plan	\$5,000		\$5,000	\$445,000	\$5,000		
10	AF	STAFF	Contracts & Procurement Specialist	Operation	\$65,004		\$65,004		\$126,000		
11	AF	Operations	Academic software; Facility maintenance, document control and asset management system; Procurement E-market	Required / Strategic Plan		\$138,000	\$138,000		29,000		
12	AF	STAFF	Accountant II	Operation	\$62,400		\$62,400				
13	AF		Training, vehicle maintenance; safety campus program	Operation		\$35,025	\$35,025	\$300,429	\$35,025		
14	MP	Contractor	Replace GMDSS, LCHS and steam simulators	Strategic Plan		\$244,000	\$244,000		\$244,000		
15	MP		Salary Augmentation		\$20,000		\$20,000	\$264,000	\$244,000		
16	SA		Peer Health Counselor • New ½ time counselor, Increase for Lead Peer Health Educator, Fund correct EMR costs		\$36,500	\$10,000	\$46,500				
17	SA		Disability Services - New DSO Assistant + O/E (computer, travel/professional development), New DSO software ("Clockwork")		\$34,500	\$20,000	\$54,500		\$10,000		
18	SA		VPSA Office Software - annual costs of software: Maxient and Fantail (College Link) – not presently covered in any campus operating budget			\$12,300	\$12,300	\$113,300	\$7,300		
19	UA	Initiative	Expand Cal Maritime Brand (marketing \$ to promote Cal Maritime)	Strategic Plan		\$35,000	\$35,000		\$35,000		
20	UA	Operations	New Hire: Budget Operations to manage Foundation Operations	Strategic Plan	\$60,000		\$60,000	\$95,000	\$35,000		
							Total Requests	1,217,729	1,217,729	486,325	486,325