

401 Golden Shore  
Long Beach, CA 90802-4210  
[www.calstate.edu](http://www.calstate.edu)

Dr. Loren J. Blanchard  
Executive Vice Chancellor  
Academic and Student Affairs  
Tel 562-951-4710  
Fax 562-951-4981  
[lblanchard@calstate.edu](mailto:lblanchard@calstate.edu)

Mr. Steve Relyea  
Executive Vice Chancellor and  
Chief Financial Officer  
Tel 562-951-4600  
Fax 562-951-4970  
[srelyea@calstate.edu](mailto:srelyea@calstate.edu)

**Informational Item Only  
No Action Needed**

**DATE:** October 3, 2018

**TO:** CSU Presidents

**FROM:** Loren J. Blanchard  
Executive Vice Chancellor and  
Chief Academic Officer



Steve Relyea  
Executive Vice Chancellor and  
Chief Financial Officer



**SUBJECT:** 2018-19 Budget Allocations and Reporting Requirements

**SUMMARY:** This document provides an overview of the allocation of base budget allocations and reporting requirements related to the 2018-2019 budget act.

**ACTION ITEM(S):** None- Informational

**AFFECTED GROUPS:** None- Informational

The final budget signed by Governor Brown in June 2018 included an allocation of \$3,746,279,000 in State General Fund for the CSU. This includes a base-budget increase of \$197,269,000 and one-time funding of \$126,600,000. The Budget Act of 2018 included specific language related to Graduation Initiative 2025, faculty hiring and reporting requirements.

To distribute the new recurring base-budget funds, seventy-five million (\$75 million) was allocated for Graduation Initiative 2025. The Office of the Chancellor addressed mandatory cost increases and systemwide compensation increases by allocating \$15.8 million and \$106.4 million respectively. These three allocations totaled \$197.2 million of the base budget increase.

The budget act includes language stating: “\$25 million shall be **expended** to increase the number of tenure-track faculty pursuant to the Graduation Initiative. Funds shall be used

**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

*to hire full-time, tenure-track faculty above and beyond the university's 10,855 current tenure-track faculty. The California State University shall give consideration to qualified existing lecturers that apply for tenure-track faculty positions."*

In response to the budget bill language, the Office of the Chancellor used a three-part formula to allocate the \$75 million for Graduation Initiative 2025.

Each campus received an allocation based on the following:

- a) \$960,000 base increase for each campus totaling \$22 million
- b) a share of \$25 million to increase tenure-track faculty hiring, with more money going to campuses with the lowest tenure-density
- c) pro-rata share of \$26 million based on number of Pell-eligible students enrolled

These recurring funds are to be used to achieve net new tenure-track hiring and other Graduation Initiative-related activities on CSU campuses. The Office of the Chancellor retained \$1.9 million from the \$75 million to advance systemwide Graduation Initiative 2025 goals.

Extensive legislative reporting requirements were attached to the 2018-19 Graduation Initiative 2025 funds, including the expectation for net new tenure-track faculty hiring. A web-based budget and activity reporting form was distributed to campuses on August 30, 2018 in response to these requirements, requesting your campus' response by November 15, 2018. This abbreviated timeline is necessary to prepare a systemwide program report by January 15, 2019 to the Joint Legislative Budget Committee. This report will aggregate the campus responses related to projected net new tenure-track hiring in 2018-19 as well as other Graduation Initiative 2025 activities.

The Office of the Chancellor expects that the \$25 million investment will result in at least 180 new tenure-track faculty hires systemwide. In recognition of the time required to plan, recruit, and successfully hire tenure-track faculty, the deadline for reporting final progress on this measure is due to the Joint Legislative Budget Committee on November 1, 2020.

- c: Provosts/Vice Presidents for Academic Affairs  
Chief Administration and Business Officers  
Vice Presidents of Student Affairs