The California State University
SYSTEMWIDE HUMAN RESOURCES

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Date: October 26, 2026

Code: **TECHNICAL LETTER**
TL 2026-011

To: Associate Vice Presidents, Human Resources
Associate Vice Presidents, Faculty Affairs
Payroll Managers
Classification/Compensation Managers

Reference: **HR/Salary 2026-06**

Processing Deadline: **November 1, 2026**

From: Lety Hernandez
Interim Associate Vice Chancellor, Human Resources Programs and Operations

Subject: **FY 2025/26 Budget Shortfall Mitigation Bonus for Academic Professionals of California (Unit 4) Employees**

Summary:
Unit 4 employees who meet eligibility criteria for FY 2025/26 are eligible to receive a Budget Shortfall Mitigation (BSM) Bonus. The parties agree that for FY 2025/26, the Merit Bonus pool created in FY 2005/06 and FY 2006/07 will be added to the monies available for the Budget Shortfall Mitigation (BSM) Bonus. Refer to Article 23.4 of the Collective Bargaining Agreement for additional information. The BSM Bonus for FY 2025/26 must be issued by November 1, 2026.

Action Item(s):
Monitor payments for Budget Shortfall Mitigation (BSM) Bonuses and manually process if needed.

Affected Employee Group(s)/Unit(s):
Eligible APC (Unit 4) employees who were active or on-leave with a time base as of May 1, 2026.

Detailed Program Information for Bonus Provision:
For FY 2025/26, the BSM Bonus amount (including the Merit Bonus pool created in FY 2005/06 and FY 2006/07) is $198.60 (gross) for full-time employees, prorated for part-time employees. The State Controller's Office (SCO), with the assistance of HR Data Operations, will process these payments by November 1, 2026.

The following processing instructions are provided in Attachment A:

⇒ **Bonus/Additional Pay Program – Budget Shortfall Mitigation Bonus**

Questions regarding this technical letter may be directed to the CO Human Resources Operations Team at hradmin@calstate.edu or (562) 951-4411. For your convenience, this memorandum is also available on the CSU Knowledge Hub.

LH/kj/rc

Attachment

Distribution:
Interim Vice Chancellor and Chief Human Resources Officer
Budget Officers

PROCESSING INSTRUCTIONS

BONUS/ADDITIONAL PAY PROGRAM

⇒ **Budget Shortfall Mitigation Bonus**

PIP PROCESSING INFORMATION:	
Processing Responsibility:	SCO
Processing Date(s):	October 28, 2026 Payments will be issued by November 1, 2026.
Earnings ID:	GY
Amount:	$198.60 full-time, prorated for part-time
Subject to Retirement Withholdings:	No
Taxable/Reportable:	Yes
Subject to Medicare/Social Security:	Yes
Included in Calculation for Overtime:	Yes, but only in the pay period in which bonus is paid.
Included in Calculation for NDI/IDL Payments:	No
Additional Information:	• Bonus payments will be captured in CIRS via a tab-delimited Compendium Report under code Hf69. Compendium Report H69 (Cycle 2627) will be available on November 1, 2026. • Payments will be issued using the May 2026 pay period. Any additional 2025/26 BSM bonuses keyed by campuses should be processed using the May 2026 pay period.
CMS PROCESSING INFORMATION:	
Workforce Administration:	N/A
Temporary Faculty:	N/A
Benefits:	N/A
Time and Labor:	• Earnings ID: ○ GY – Process via Additional Pay ○ Effective Date: 05/01/26 ○ Amount: as indicated above
Leave Accounting:	N/A
Absence Management:	N/A
Labor Cost Distribution:	N/A
Additional Instructions:	Note: This transaction will automatically be processed by the SCO. As such, campuses will only need to insert a row in Oracle/PeopleSoft to "reflect" the transaction. However, any additional 2025/26 BSM bonuses keyed by campuses should be "processed" using the GY Earnings ID as referenced above.