Let’s Be Honest about the CSU Budget: Cuts Started before Brown’s Budget

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Those in the CSU East Bay community, like myself, who supported Jerry Brown for Governor were disappointed when his proposed budget included a cut of up to $500 million to the CSU budget. It surely would have been worse under Meg Whitman, but that is not much comfort.

On the other hand, the state’s fiscal crisis is genuine and massive. Brown is to be applauded for his effort to address forthrightly the daunting problem that he inherited without resort to the kinds of “smoke and mirrors” solutions adopted in recent years, which have only rendered long-term solutions even more painful. And CSU students, staff, and faculty should recognize that the cuts we may face—remember, this is only an initial proposal—pale before the suffering such fiscal austerity will mean for MediCal recipients and others among the most vulnerable in our state.

Nevertheless, the CSU system is a major part of the solution to the state’s economic problems and we must continue to demand and fight for the state support necessary to fulfill our mission. Unfortunately, it doesn’t help when the CSU administration spreads misinformation about the budget.

According to CSU Chancellor Charles Reed, Brown’s budget proposal would amount to an 18 percent cut. In fact, the $500 million cut proposed by the governor is accompanied by several positive adjustments to the state’s allocation so that the net decline in state funding is more like 12 percent. More important, even before Brown took office the CSU trustees voted to increase student fees by 15 percent. Taking this increase into account, the total cut to the funding available to the CSU in 2011-12 amounts to $216.3 million, a reduction of 4.5 percent, a significant hit given the university’s already parlous state, but not 18 percent.

In fact, even with this painful cut, the governor’s proposed budget for the CSU is still $317.4 million, or 7.4 percent, higher than our budget in 2009-10. With the number of faculty in the CSU decreasing by more than 2,700 since then, a decline of 11 percent, and a comparable or greater reduction in the number of support staff, the proposed cuts should be manageable without further reductions in or salary cuts to faculty and staff.
Yet Robert Turnage, CSU’s Assistant Vice-Chancellor for Budget, told the media that with benefits and payroll making up 85 percent of CSU’s expenditures “we have to reduce the amount we’re spending on salaries and benefits.”

But Turnage is apparently misinformed, despite his lofty title. According to the CSU’s own audited financial statements, posted on the Web, salaries and benefits account for only 68 percent, not 85 percent, of CSU operating expenses. And, according to the same statements, salaries and benefits devoted to “Instruction” account for just 35 percent of total expenses. Indeed, Instruction as a whole accounts for just 38 percent of the CSU’s total spending! (Research, by the way, accounts for less than 1 percent.)

This is why it is heartening that the Governor’s budget proposal contains the following language: “The Administration will work with the Office of the Chancellor and the Trustees, as well as stakeholders (including representatives of students and employees), to determine the specific mix of measures that can best accomplish these objectives.”

This means that the CSU administration will not be able to cut the budget as they please, using the excuse of fiscal constraint to implement rash program cuts, ill-conceived “efficiency” schemes, and vague “restructuring proposals” that have little to do with working within the budget and everything to do with an administrative power grab.

Chancellor Reed has promised to “work with the administration and the legislature” and “to look at every option and develop a comprehensive plan” to address the budget. In doing so, let me suggest, the Chancellor might consider explaining:

- Why the CSU spent $400,000 on an outside lobbyist when the University has its own Government Relations Office in Sacramento with a full-time staff of nine employees.
- Why the CSU has spent $7 million on a no-bid contract for an outside consultant to “improve labor relations” (which the consultant has demonstrably not accomplished) when the Chancellor’s Office and all 23 CSU campuses already have a small army of full-time labor relations staff, including a Vice Chancellor paid more than $300,000/year. Ironically, $7 million is exactly the amount that the Chancellor told an independent fact-finder the system could not afford to pay to implement the final stage of an equity pay program for faculty that was part of the 2007 CFA/CSU contract.
- Why highly-paid CSU Presidents receive expensive “car allowances” of more than $5,000 annually when nearly all other Californians maintain, purchase, or lease automobiles at their own expense.
- And, most importantly, why between 2000 and 2008, as the number of students in the CSU grew by 27 percent, the number of administrators increased by 23 percent while the number of instructional faculty rose by just 11 percent. And why in just one year, between 2007 and 2008, as the economic crisis set in, the CSU increased the number of full-time equivalent administrators by 3 percent, but slashed the number of full-time equivalent faculty by 1 percent, as student enrollment grew by 2 percent.

Perhaps answers to questions like these might better help address the challenge posed to the CSU budget than public threats to reduce student enrollment and cut employee salaries and benefits.