The CSU is not broke, but management wants to break you

April 25, 2012

CSU Budget 2012-13

**FACT:** Chancellor Reed expects the CSU to have $4.8 billion next year in spite of state funding cuts.

**FACT:** This is 5% more ($241 million) than the CSU budget for this year.

**FACT:** This is 14% more ($599 million) more than the CSU had in 2009/10 (when the faculty agreed to take a pay cut for that year).

**FACT:** Chancellor Reed has rejected CFA proposals that have no cost (e.g. academic freedom) and proposals that would have cost-savings (e.g. FERP eligibility for tenured counselor faculty).

**FACT:** This contract fight is not about money and the CSU is not broke. It is the Chancellor’s attempt to radically alter the teaching profession at the CSU and to weaken CFA’s ability to represent the faculty.
FACT: Chancellor Reed thinks the faculty will not fight for a good contract and will not vote to go on strike.

FACT: The Chancellor will pay his top labor consultant more than $8,400 to meet with CFA for two days next week.

CSU Response

From: Chancellor HR
Sent: Monday, April 30, 2012 1:55 PM
To: csu-faculty@lists.calstate.edu
Subject: Setting the Record Straight

To: CSU Faculty

From: Gail Brooks, Vice Chancellor, Human Resources

Re: Setting the Record Straight

The California Faculty Association (CFA) recently published budget numbers that are misleading.

First of all, the CFA’s conclusion that the CSU operating budget has $4.8 billion of available resources for 2012-13 is wrong for two reasons:

- This figure includes $658 million of waived fees under the State University Grant financial aid program.

- This figure also includes $190 million of debt service payments proposed by the governor. In fact, on April 11, 2012, the CFA testified before the Assembly budget subcommittee that this debt service payment was a false budget increase, only imposing new burdens on the CSU, and should be opposed.

In other words, two assumptions have to be made for the CFA’s budget figure to be accurate: the CSU would have to cancel $658 million of financial aid grants to students and default on $190 million of state debt payments. Because these assumptions are erroneous, the CFA overstates the CSU operating budget for 2012-13 by $848 million.
The other claim made in CFA’s chart—the budget grew from 2007-08 through 2011-12—is also inaccurate. The CFA’s chart shows operating budget resources growing by $466 million since 2007-08. Correcting for the distortions of the waived fees and debt service, the CSU’s operating budget resources have actually **declined** by $175 million, as shown in the chart below.

To further clarify facts about the CSU’s budget situation, new costs mandated by the state have climbed by an additional $160 million, creating an even deeper budget hole. Finally, campus allocations of state revenues have been cut an additional $200 million in anticipation of the governor’s proposed “trigger cut.” For more information on the CSU’s budget, go to: [http://blogs.calstate.edu/budgetcentral/](http://blogs.calstate.edu/budgetcentral/).