



Rhetoric - Fees and Health

May 8, 2007

Rhetoric: *"Student fees are not used to pay CSU employee salaries. Our pay comes from allocations from the state legislature."* (Source: CFA Q&A for the Public, What's going on with the CSU faculty?)

Reality: This statement is false. No such revenue "earmarking" exists as a part of CSU's budget and operations and has not existed since the Legislature repealed a statute 12 years ago that prohibited student fee revenue from being used to pay for CSU employee salaries. (See AB 446, Chapter 758, Statutes of 1995) The CSU has two sources of revenue – state general funds and student fees – that are used to support all of CSU's operations, including faculty compensation.

Rhetoric: *"Health benefits have nothing to do with this contract negotiations and are not on the bargaining table."* (Source: CFA Q&A for the Public, What's going on with the CSU faculty?)

Reality: Health benefits are a part of every contract between CSU and its bargaining units, including how these costs will be shared between the university and its employees. In this instance, CSU has offered to pay for 100 percent of the increase in medical insurance premiums over the life of the contract. Under CSU's offer, total cost for faculty health benefits will increase from \$120 million to \$145 million by 2009–2010 — an additional \$2,879 per faculty member per year.

Rhetoric: *"Fees do not have to be raised for our salaries. In a \$4 billion budget, the university has the money to address the union's proposals, which by the way, are far less than the amount they will extract from students with this heavy fee hike."* (Source: CFA Press Release, March 8, 2007)

Reality: First, the CSU is inadequately funded and expenditures for the 2007-2008 academic year, such as health premiums, are already over budgeted amounts by millions of dollars.

Between 2002 and 2004, CSU's total budget was reduced by a net of \$522 million, even after accounting for revenue generated by necessary student fee increases. Even though the CSU received 3 percent increases in its base state budget funding in 2005 and 2006 and a 4 percent increase has been proposed for this year, CSU's current state budget and student fee revenue is still insufficient to fully fund its budget. In fact, CSU is currently advocating for \$71 million in additional state budget revenue to pay for faculty salary increases, outreach programs and enhanced student services.

The student fee increase approved by the Board of Trustees on March 14 will generate \$97.7 million, of which \$38 million will be set aside as student financial aid.