Union Salary Demands Can Only Be Met by Diverting Committed Funds, Concludes Fact Finder

CSU rejects recommendation to provide raises by defunding programs

(March 28, 2016) – Today the fact finder’s non-binding report was made public – the last step in the dispute resolution process between the California State University (CSU) and the California Faculty Association (CFA). The report acknowledged that the university has no available funds to pay for an additional $70 million increase, and therefore funds would have to be reallocated from commitments made to unspecified programs. An alternative recommendation was to delay implementation of unspecified projects for a year or two, hoping that the state might backfill those dollars. For the CSU, both approaches are unworkable.

“Freshmen and transfer students have enrolled. New faculty, advisors and academic support staff have been hired. Desperately needed renovation and maintenance projects are already in process,” CSU Chancellor Timothy P. White explained. “Any attempt to pull back from these commitments would cause significant harm to students, faculty, staff and California. And as a fiscally responsible public entity, the CSU cannot commit to spend money it does not have.”

If the CSU were to agree to the salary increases proposed by CFA, the ongoing annual cost would be $110 million – inclusive of other contractual requirements. That presents a significant challenge for 2015-2016, as the CSU is now nine months into its 12-month academic year.

“The best solution moving forward is to continue with our multiyear plan of increasing faculty and staff salaries while also investing in the other priorities that support student success and degree completion,” White added. “The only way to achieve our shared goals for students, faculty and staff is greater financial investment by the state. I hope to see lawmakers continue to Stand with CSU, as they did this past year.”

Last year’s budget increase from the state made some progress toward offsetting the cuts of previous years. During the recession, the CSU’s operating budget was cut by one-third. During that time, employee salaries remained stagnant with the university directing all available resources to sustaining the academic program. When the state began reinvesting in the CSU,
the university began incrementally increasing employee salaries while funding enrollment growth, hiring more tenure-track faculty, adding more academic advisors, modernizing academic buildings and upgrading campus technology.

Even though the CSU is still underfunded by more than $100 million below pre-recession levels, employee compensation remains a top priority. “The recession triggered a multiyear funding problem, and we are committed to implementing a multiyear funding solution to increase employee salaries,” White said.

Over the last two years alone, the CSU has invested $121.6 million in compensation increases for faculty, providing a 1.34 percent compensation increase in 2013-14 and a 3 percent compensation increase in 2014-15. Two additional 2 percent compensation pools have already been budgeted for 2015-16 and 2016-17, bringing the potential total compensation increases for faculty to 8.34 percent over a four-year period. In addition to these increases, which are funded from the CSU’s general operating budget, campuses have invested another $21.4 million to address faculty salary equity issues.

The CSU has been in salary negotiations with the CFA since May 2015. Both parties attempted to reach a negotiated settlement. With the fact finder’s report marking the end of the statutory collective bargaining process, the CSU has the option of implementing its last, best and final salary offer of 2 percent retroactive to July 1, 2015, and CFA has the option to initiate concerted activities, including a strike. If CFA does conduct a strike, all campuses will remain open to provide student services. For additional information about how CSU campuses are preparing for a potential strike, visit http://www.calstate.edu/hr/employee-relations/bargaining-updates/.

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About the California State University

The California State University is the largest system of senior higher education in the country, with 23 campuses, 47,000 faculty and staff and more than 470,000 students. Half of the CSU’s students transfer from California Community Colleges. Created in 1960, the mission of the CSU is to provide high-quality, affordable education to meet the ever changing needs of California. With its commitment to quality, opportunity, and student success, the CSU is renowned for superb teaching, innovative research and for producing job-ready graduates. Each year, the CSU awards more than 100,000 degrees. One in every 20 Americans holding a college degree is a graduate of the CSU and our alumni are 3 million strong. Connect with and learn more about the CSU at CSU Social Media.