

Budgeting for Teaching & Learning

Countering Management's Fiscal Crisis Narrative

A CFA-SFSU working paper

The Devastating Impacts of Austerity

Ongoing austerity measures are drastically transforming San Francisco State University:

- The layoff of around 325 lecturer faculty¹ this coming spring threatens the quality and continuity of many classes and the viability of academic programs,
- 655 classes will be canceled,² making it harder for students to graduate on time, forcing them to stay longer and pay more, or switch degrees.
- Lecturer faculty layoffs also threaten the workload of every tenure-track faculty member at SFSU, as the university administration has refused to publicly commit to the enforcing of the normative load of 3/3 courses as established by Academic Senate Policy RF02-203 and has already proposed increasing class size.
- The increase of student fees by the CSU Board of Trustees (34% increase over the next 5 years) makes SFSU even less affordable for working class students and communities of color who finance the university through tuition and taxes. This increase may aggravate enrollment decline.

Fiscal Crisis or Crisis of Priorities?

The CSU Board of Trustees, the CSU Chancellor and the SFSU administration agree on one thing: that these cuts are necessary. They also pretend that they don't have massive (and growing) cash reserves and investments of over 12 billion dollars.³ At SFSU, the university administration sugarcoats austerity measures with language tricks: downsizing the academic offering becomes "[right-sizing](#)" spending on campus; faculty and staff layoffs are described as "[aligning our workforce](#)"; the depth and damage of job and class cuts are euphemized as a "[glide path](#)" to stability; and "[curricular changes so that students can earn their baccalaureate degrees more smoothly](#)" is used to explain reducing classes to save money, under the guise of helping students.

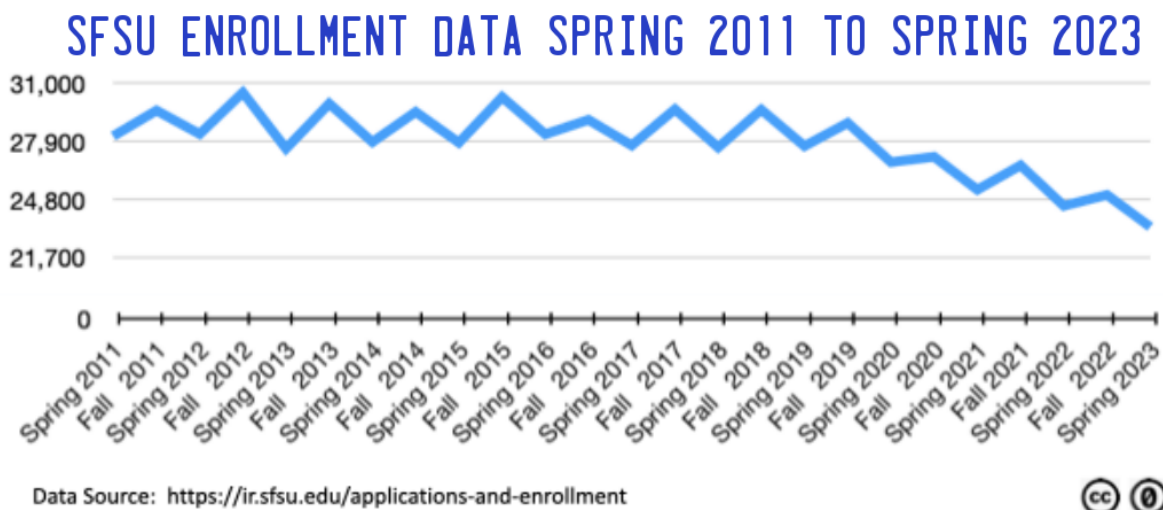
¹ The August 31, 2023 slide show presentation to the University Budget Committee detailed plans to eliminate 131 full-time equivalent Lecturer Faculty (pp. 32-42). Because the average timebase of LF at SFSU is .37, approximately 325 will be disemployed in the upcoming spring semester.

² Per the UBC plan to disemploy 131 FTE LF, 131 X 15 WTUs (5 courses), will reduce class sections offered by 655.

³ See California State University [Cash Invested at Year End](#) and [Designated Balances and Reserves](#).

The main argument to implement these cuts is a “structural deficit” in SFSU’s budget. If one were to review past slides of the University Budget Committees, one will discover that over the last 10 years, there was a structural deficit in 2012-2023, 2015-2016, 2020-2021, and of course 2023-2024. This so-called “structural deficit” is due to a mis-match between projected enrollment and actual enrollment. In almost each case, the administration has implemented short-term solutions that have failed.

According to the SFSU Institutional Research unit, student [enrollment decreased 12 ½% between fall 2020 and fall 2023](#) and President Mahoney has speculatively projected a 20% decline over five years. In contrast, out of fewer than a thousand lecturer faculty, 96 have already been cut this year, and with approximately 325 lecturer faculty faced with being cut in the spring, there will be a total loss of about 420 lecturer faculty jobs. In other words, **a 12% to 20% decrease in enrollment is being used to justify the elimination of over 40% of lecturer faculty.** Even taking management’s enrollment projections at face value, these cuts are a disproportionate overreaction to the problem. [Six CSU campuses](#) have greater enrollment declines—Sonoma 2 ½ times greater and Humboldt more than 3 times greater—but none have been threatened with faculty cuts at this scale.



Bad Faith Bargaining: Violation of Labor Rights

The San Francisco State chapter of the CFA is well organized, having one of the most extensive and engaged department representative networks in the state. CSU management knows this campus has the potential to wage a powerful strike to win a fair contract. The timing and scale of these cuts in the middle of contract bargaining—a timeline known to management for two years—present the appearance of collective retaliation and intimidation, particularly of vulnerable lecturer faculty; this is bad faith bargaining in violation of labor rights protected by state and federal law.



PROTECTED LABOR RIGHTS

National Labor Relations Board (NLRA) Section 7 protects the "right to strike" and Section 8 defines "unfair labor practices" as any employer action "to interfere with, restrain, or coerce employees in the exercise of the rights guaranteed in section 7" (e.g. the employer decides to shut down a plant when employees threaten or go on strike);

The Higher Education Employees Relation Act (HEERA) Section 3571.1 follows this principle by banning employer interference in protected activities, including a strike or preparation for a strike.

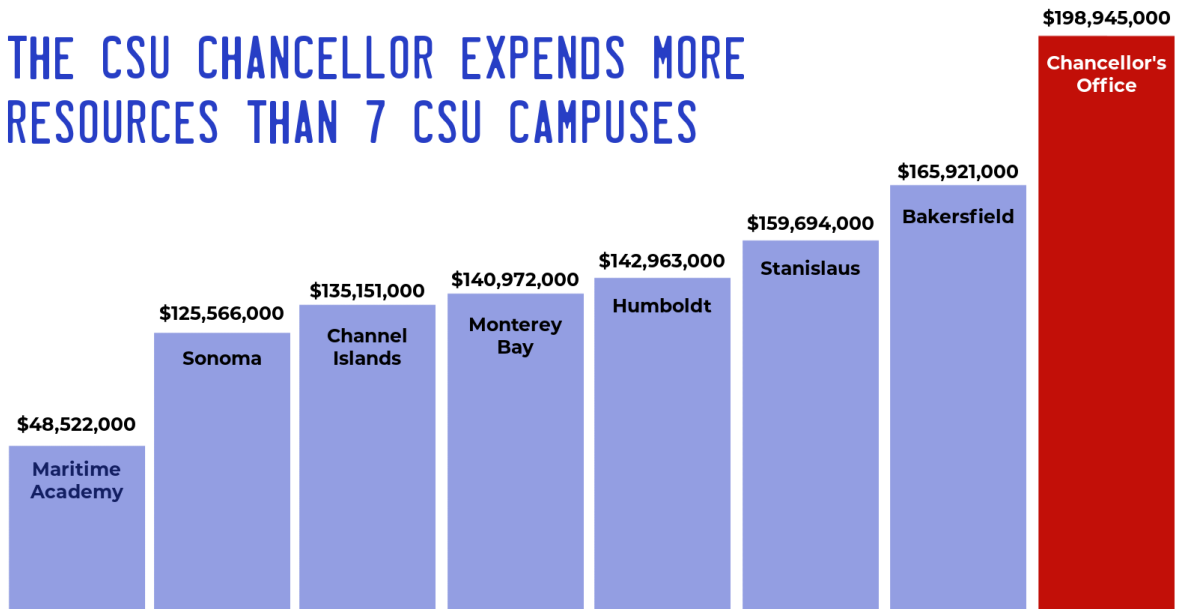
Definitions of unlawful employer conduct are found for Dills, EERA and HEERA in Government Code sections 3519, 3543.5, and 3571, respectively, for MMBA in Government Code section 3509(b) and PERB Regulation 32603; for the Trial Court Act in Govt. Code section 71630 et seq., including section 71635.1; for the Court Interpreter Act in Govt. Code section 71800 et seq., including section 71822; for TEERA in Public Utilities Code section 99563.7; and for JCEERA in Government Code section 3524.71.

CSU and SFSU administration refuse to consider reducing administrative overbloat, cutting management or executive wages and perks, or drawing on massive existing reserves and cash investments. Yet these are viable alternative solutions responding to enrollment and funding shortfalls.

The CSU and SFSU already have significant sources of funding to address shortfalls, even if they prefer to exclude these resources from the budget:

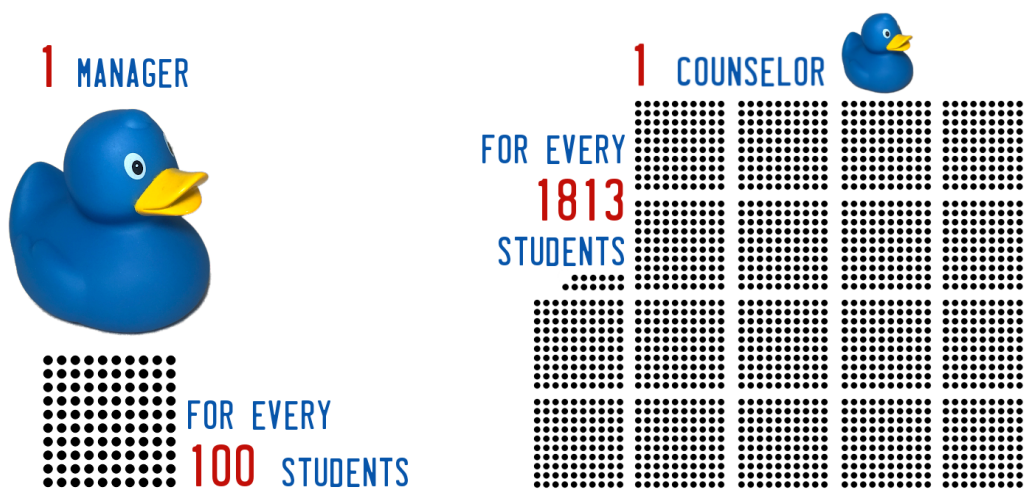
- In 2018, the [California State Auditor criticized CSU management](#) for concealing a 1.5 billion dollar slush fund from legislators and students as it proposed tuition increases. By diverting massive sums from instructional budgets, CSU cash investments, cash accounts, balances and reserves have grown to unprecedented heights. [CSU reserves](#) and designated balances are now \$3.7 billion, and [CSU investment funds](#) total \$8.6 billion.
- The CSU funnels [more resources to the Chancellor's Office than to seven CSU campuses](#). The budget for this "ghost campus" where no student ever graduates has now risen to almost \$200 million.

THE CSU CHANCELLOR EXPENDS MORE RESOURCES THAN 7 CSU CAMPUSES



Source: <https://www.calstate.edu/csu-system/about-the-csu/facts-about-the-csu/csu-funding>

- The CSU Chancellor's salary has increased by 66% since 2020. On top of a \$795,000 base salary, the new Chancellor gets a \$96,000 housing allowance, \$80,000 in deferred compensation, and a \$12,000 car allowance, bringing the [grand total to \\$983,000](#).
- CSU campus presidents earn up to \$533,000 plus perks like housing allowances up to \$60,000. Before raising tuition 34%, CSU Trustees awarded campus presidents yet another raise; [some got a 29% raise](#).
- The California State Auditor's Office has [criticized CSU for its high rate of growth in management compensation and the numbers of managers](#), which it says CSU campuses have failed to justify. Growth in management pay continues to outstrip that of all other campus employees. The priorities of the CSU come into focus in one telling statistic: there is now 1 manager for every 100 students but only one counselor for every 1,800 students.⁴



Source: California Faculty Association Research & Communications, "Austerity is a myth"

Declining State Funding

State funding for today's California State University students is [a fraction of what it was for students just 40 years ago in 1985](#). In real dollars, state spending on a CSU student today—what in budget-speak is called a full-time equivalent student—is 59 cents for every dollar that the state invested per student in 1985. In other words, when adjusted for inflation, California spends 41 percent less on a CSU student today than we did in 1985. The specific, systemic problem we confront today is the long, gradual abandonment of the state's commitment to fund the CSU.

Lack of Transparency

Employers have a clear bargaining advantage over unions because they are almost always better informed about their own finances. To level the playing field, employers are legally required to share relevant information with unions during collective bargaining. CFA has filed an Unfair Practice Charge with the Public Employment Relations Board based on the CSU's [failure to](#)

⁴ California Faculty Association Research and Communications, "Austerity is a Myth."

[provide timely financial information](#) that is relevant to the CSU’s claim that it cannot afford CFA’s bargaining proposals.

The SFSU administration argues that “91% of the base operating budget directly supports the wages and benefits for employees”, yet it continues to refuse to disclose in the University Budget Committee presentations how these “wages and benefits” are split between MMPs, faculty and staff.⁵

Alternatives to Austerity Budgeting for Teaching & Learning

Our union rejects the CSU/SFSU divisive narrative of austerity that pits students against faculty, implicitly hinting that the student fee increases are needed to meet the faculty’s contract demands for cost-of-living wages and better working conditions, and that targets lecturer-faculty jobs now, to later target the workload of tenure track faculty. We believe that **the CSU system has the money to develop a budget for teaching and learning. There is money for all of us, if we reverse the budget priorities of the top administrators**, but the only way to establish the right budgeting priorities is for all of us **to engage in collective organizing and action, as students, staff and faculty.**

We believe that teaching and learning are the primary activities of a university. Instead of cutting faculty and classes, **SFSU administration should first reduce executive and management budgets**, which continue to outstrip all other employee groups, and **draw upon existing CSU cash reserves and investment accounts** to mitigate the impact of enrollment decline and protect quality education for our students. Adjustment can be accomplished gradually through attrition while administrators do what they’re supposed to do—fight for more resources.

Unfortunately, instead of doing that and using enrollment decline as an opportunity to demand that the State of California increase its funding per student (\$16,000 per year for the CSU but \$44,000 per year for the UC), our SFSU administration acquiesced to a cut that may well exacerbate enrollment decline as students lose access to over 600 classes, extending time to graduation, limiting choices of electives, and creating bottlenecks to necessary courses.



⁵ See page 21 of the UBC August 31 slide presentation.

Our ask to prioritize education over capital investment and lavish management salaries is not out of the realm of the possible. In fact it has been done—by the SFSU administration—in the recent past. In 2015 the University Budget Committee (UBC) recognized a “structural deficit” of \$7.5 million in San Francisco State University’s budget. To guide efforts to address this deficit, the [University Budget Committee established in April 2016](#) as its second principle: “Minimizing disruption to academic programming is a priority.” To accomplish deficit reduction, the UBC proposed a 3% (\$2.4 million) reduction to non-faculty salaries (plus a one-time \$3.6 million disbursement from SFSU’s “Trust Fund”).

Compare that strategy to the current (2023-2024, and 2024-2025) administration strategy. In Academic Affairs, which accounts for the largest share of SFSU’s salary and compensation expenditures, **there are NO planned cuts to MPP/administration salary expenses.** In fact, some colleges and units plan to spend more money on administrators (14% more in LCA and 2% more in the Provost’s Office, for instance). Even as management protects administrators from budget cuts, the cuts to faculty—the core workforce of the university—and staff are grievous: a **36% reduction** of lecturer faculty in the College of Liberal & Creative Arts, a **33% cut** to lecturer faculty in the College of Science & Engineering, and **28% decreases** of lecturer faculty in the College of Health and Human Services and the College of Ethnic Studies.⁶

Take Action to Oppose and Reverse the Cuts

CFA is a democratic union of, by, and for faculty members including instructors, counselors, librarians and coaches, who are all integral to teaching and learning. We are working to get our campus strike-ready to fight for our rights and needs.

At a recent membership meeting, faculty voted to pursue three actions to oppose cuts:

- ★ A vote of no confidence in campus administration for mismanagement
- ★ File an Unfair Practice Charge with the California Public Employee Relations Board (PERB) for retaliatory layoffs and intimidation during contract negotiation
- ★ File a grievance for violation of shared governance because these cuts threaten the de facto discontinuation of campus majors and programs without democratic process

Testify Against Intimidation

The first action you can take is to [respond to the survey](#) asking all CFA members to weigh in on these proposed actions and offer testimony to support an Unfair Practice Charge or grievance.

These cuts appear designed to weaken our resolve for a fair contract. Insofar as SFSU is one of the best organized of the CSU campuses, we are concerned that the way we have been targeted

⁶ See pp. 32-42 of August 31 UBC slide presentation.

reflects a desire to weaken our strike readiness. For this reason, we are considering filing an Unfair Labor Practice (ULP) to contest these cuts as constituting interference with the strike readiness process.

Defend Shared Governance

In Spring 2021, the Academic Senate passed a [Resolution on Affirming Shared Governance and Budget Transparency in Times of Crisis](#), calling for "the use of student-centered and social justice priorities when considering budget decisions." We need to support our Senate representatives to ensure that this resolution is implemented.

Information about the budget has been extremely one-sided, with management dominating campus discourse in an attempt to manufacture consent with few opportunities for alternate perspectives or even questions. As the presiding body over shared governance and acting under its by-laws, the Academic Senate should convene an in-person, **All Faculty Meeting** to deliberate:

- Mass layoffs of lecturer faculty
- The status of the 3/3 (9 WTU) tenure/tenure track workload
- AS policies regarding program discontinuation
- The budget

Management should have limited time (20-30 minutes max) with the CFA to have equal time (20-30 min), followed by a moderated Q&A or comment period of at least one hour.

Contact your Senate Representatives

Faculty and students can contact Academic Senate representatives by consulting the [Senate Roster](#) to find the reps from your college. Ask Senators to:

- Reaffirm and implement the 2021 [Shared Governance and Budget Transparency Resolution](#);
- Convene an All Faculty Meeting as described above

We continue to explore other measures to oppose draconian cuts and manufactured austerity. Contact your [department representative](#) with your ideas.