

# ***RECLAIM CSU!***



[www.csusqe.org](http://www.csusqe.org)



CHRISTOPHER CARDINALE

**A Disorientation Guide on the  
California State University System.**

## About Students for Quality Education



*Students for Quality Education (SQE) were founded by students in the California State University (CSU) system in 2007 to build the student movement for educational rights in public higher education.*

### **SQE's Core Principles**

- SQE is committed to the CA Master Plan for Higher Education's principles of an affordable, accessible, quality education for the CSU system.
- SQE works towards securing a fully-funded CSU that would eliminate the need for student fees.
- SQE is committed to nonviolent political and grassroots organizing.
- SQE recognizes that faculty working conditions are student learning conditions; therefore, we will maintain solidarity with faculty.
- SQE believes the CSU should be governed by its students, faculty and staff.

...can you dig it?

## Reclaim the People's University from the 1%



Chancellor Reed & the Trustees want a university where management has all the power, students, staff & faculty have no say in how things are run, and the CSU no longer resembles a People's University that provides an affordable, accessible, quality education.

### **Another CSU is Possible! What We Want:**

- 1) Chancellor Reed's Resignation
- 2) Democratize the CSU Board of Trustees: Trustees Should Consist of Students, Staff and Faculty
- 3) Full transparency to CSU's Budget
- 4) Fair contracts and fair working conditions for all faculty and staff
- 5) Funding should go to instruction and student services, while cuts should be allocated to Administrative Bloat:
  - Cap CSU Executive & Administrators' salaries to that of the average faculty member.
  - Cut housing & car allowances of our campus presidents (\$72,000/year for each president).
- 6) A renewed Commitment to the California Master Plan and Dedicated Funding for Higher Education



**Early Start:** Reed is implementing a “Mandatory Early Start Program” that forces incoming freshmen to take and complete remedial courses the summer before they go to CSU--or they will be dis-enrolled.

According to Forbes magazine, when this program was piloted at CSU Bakersfield with a 700-student online Remedial Math class, “only about 40% passed, compared with a 70% success rate the prior year [through the traditional Remedial program]”.

Early Start ignores the needs of working students who would otherwise use their summer working to save money for college, but will have to instead take courses before they even step foot on campus!

**Profiting off of Extended Education:** Reed is turning Extended Education (summer/winter classes) into “self-support” classes, where instead of paying what they would if they took these classes during the academic year, students are paying more than the full cost. CSU’s Self-Support division ended the 2009/10 year with a reserve (aka Profit) of more than \$77 million.



## **The Problem CSU Faces:**

There are two main struggles we face in our efforts to ensure that the CSU, the “People’s University”, is able to provide an affordable, accessible, quality education:

**Externally:** the Governor & State Legislature continue to cut funding to CSU due to a lack of available state funding.

**Internally:** the CSU Chancellor & Board of Trustees are using the budget crisis as a reason to radically restructure CSU into a more corporate, privatized university system.

**We’ll cover some basics around the budget process but will be focusing primarily on the policies and actions of those who run CSU.**

## CSU's Budget Cuts:

Funding for CSU has been cut since 2003, with cuts totaling in the billions. Currently, CSU is experiencing a \$750 million cut, with \$200 million more promised if Gov. Brown's initiative doesn't pass in the fall.

## Key Dates in the Budget Process:

### Early Jan:

The Governor introduces his initial budget for the coming year.

### Mid-May:

The Governor releases a revised budget, based off of updated numbers & political decisions made regarding what to fund.

### June 30:

The state legislature presents a finalized budget for the Governor to sign into place.

## The Economic Impact of the CSU:

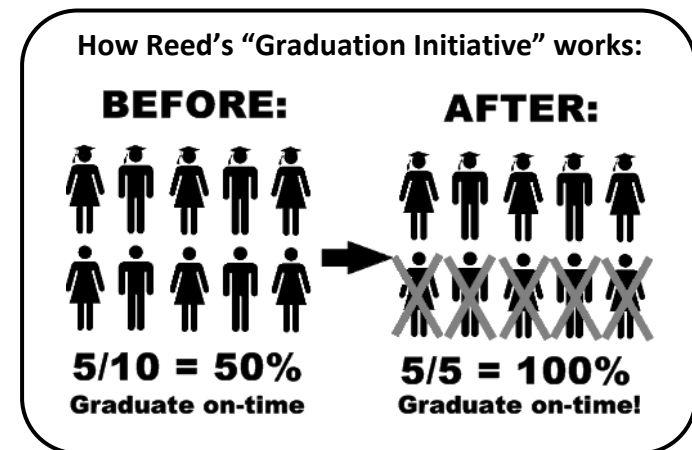
For each \$1 invested by the state, the CSU generates \$5.43 for California's economy annually. When enhanced earnings by graduates are taken into account, the annual return rises to more than \$23 for each \$1 invested.

Source: Impact of the California State University System, May 2010

## Chancellor Reed's Approach to Access, Affordability and Quality Education

**Tuition:** Reed has stated that CSU will start referring to "fees" as tuition, even though the CSU is supposed to provide free tuition to Californians. This indicates he's abandoned the promise of even wanting a tuition-free CSU.

**The Graduation Initiative:** Instead of offering MORE CLASSES, Reed wants to "improve" graduation rates by dis-enrolling or forcing out students who take too long to graduate, through his "Graduation Initiative".



**Ideas for dis-enrolling or forcing early graduation include:**

- Cut off financial aid after students acquire too many units.
- Freshmen & transfers must declare and can't change majors.
- Dis-enroll students who are on academic probation for too long.
- Replace regular courses with more expensive online learning & summer courses.

**CSU Online:** Reed has been talking of making a "24<sup>th</sup> campus" a virtual one, referred to as CSU Online.

## Faculty Working Conditions are Student Learning Conditions

- 1) **WHEN THEY CUT CLASSES:** Students don't graduate AND faculty don't work!
- 2) **WHEN THEY INCREASE CLASS SIZES:** Students are undereducated AND faculty are overworked!
- 3) **FEWER FACULTY MEAN:** Less classes for students, overcrowded classes for the rest, and the remaining overworked faculty pick up the burden!
- 4) **OVERWORKED & UNDERPAID FACULTY MEAN:** many may leave CSU, threatening the reputation of the CSU and the value of your degree. Do we want to retain great professors, or not?

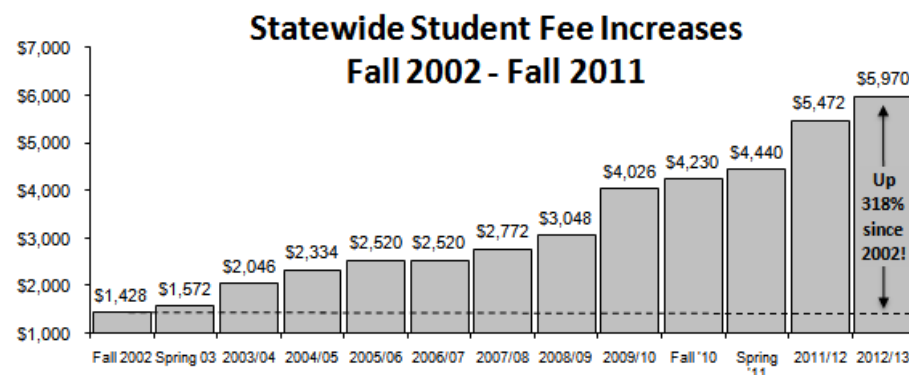


When we invest in faculty, we are investing in the only people who directly provide the education that the university offers.

**And if Reed has his way in defeating the faculty's fight for a fair contract:**

1. Faculty would get no raises now, with the possibility of pay cuts & benefit cuts in the next two years
2. Management, instead of faculty, would determine class size limits and what faculty are teaching
3. Campus presidents, instead of students & faculty, would have more power over evaluating faculty
4. It would be harder for faculty to challenge being unfairly denied job security or promotion
5. It would be harder for faculty get job security, increasing the power of management to hire/fire faculty

## Due to Budget Cuts, Students are paying more...



Fees have gone up almost every year and have now risen 318% since 2002.

And seven campuses now receive more funding from student fees than from the state:

- CSU East Bay
- CSU Fullerton
- CSU Long Beach
- San Diego State
- San Francisco State
- San Jose State
- Cal Poly San Luis Obispo



Source:

<http://www.calstate.edu/bot/agendas/Aug11/CSURevenuesbyCampus.pdf>

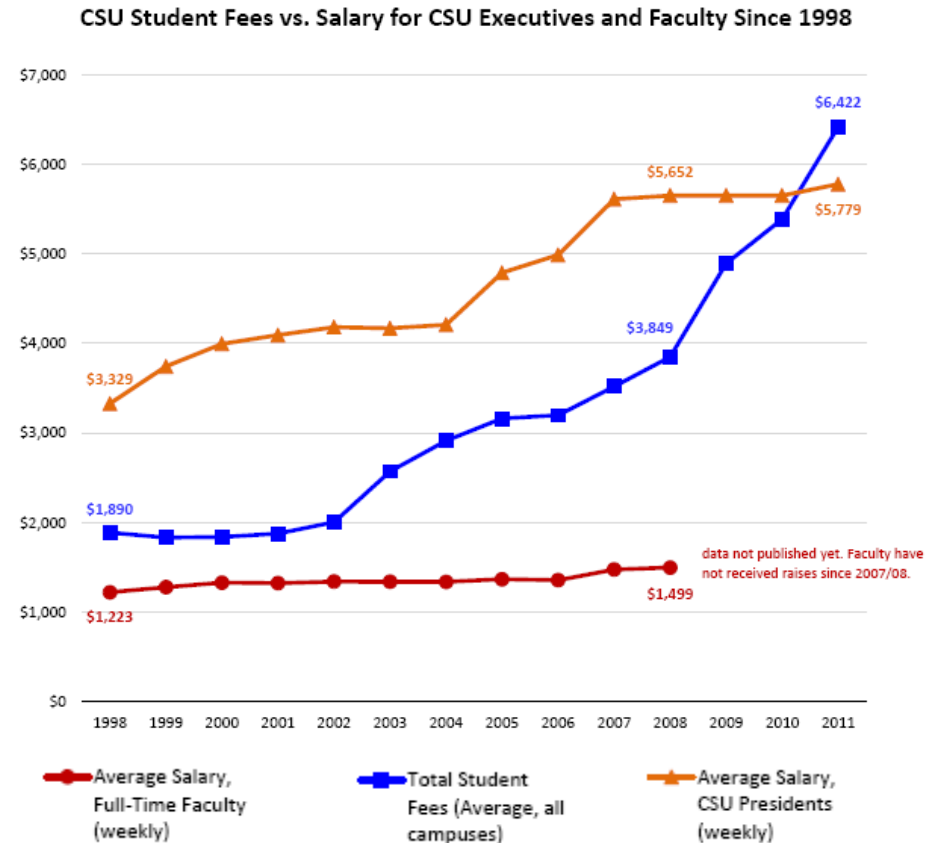


## And Getting Less...

Number of Course Sections Offered in 2008-09 to 2010-11

Campus	Course Sections Offered in 2008-09	Course Sections Offered in 2010-11	2-Year Change	Percent Change
Bakersfield	3,159	2,749	-410	-13%
Channel Islands	1,444	1,468	24	2%
Chico	6,361	5,744	-617	-10%
Dominguez Hills	3,360	3,380	20	1%
East Bay	5,695	4,951	-744	-13%
Fresno	7,325	6,671	-654	-9%
Fullerton	8,790	8,732	-57	-1%
Humboldt	3,418	3,274	-143	-4%
Long Beach	10,712	9,995	-717	-7%
Los Angeles	8,125	7,696	-429	-5%
Maritime	742	730	-12	-2%
Monterey Bay	1,644	1,847	203	12%
Northridge	9,470	9,133	-337	-4%
Pomona	8,255	7,978	-277	-3%
Sacramento	7,716	7,057	-659	-9%
San Bernardino	5,987	5,456	-531	-9%
San Diego	8,908	7,703	-1,205	-14%
San Francisco	7,458	7,457	-1	0%
San Jose	9,343	8,566	-777	-8%
San Luis Obispo	9,839	9,366	-473	-5%
San Marcos	2,232	2,374	142	6%
Sonoma	3,018	2,813	-205	-7%
Stanislaus	2,719	2,545	-174	-6%
<b>Total</b>	<b>135,719</b>	<b>127,686</b>	<b>-8,033</b>	<b>-6%</b>

## Are Your Fees Paying for Faculty & Instruction—or Administration?



**Under Chancellor Reed, students pay more, faculty get paid nothing more, and administrators get paid A LOT.**

Sources: CSU Presidents average calculated from data reported in CSU Board of Trustees Agendas, multiple years. CSU Faculty average published in CSU Statistical Abstract 2008-09, Table 168. Student Fees are Average of all campuses (Total fees, including campus-based and systemwide undergraduate fees)

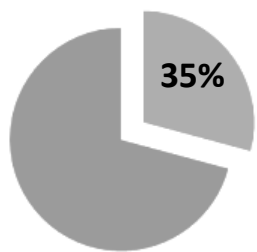
## Does the CSU Have the Money to Invest in Instruction, Staff & Faculty?

Thanks to fee increases, CSU's budget remains relatively the same [image below], yet Chancellor Reed refuses to pay raises that were negotiated with faculty and which two independent fact finders agreed should be partially funded.

**CSU Total Budget for 2011/12 is \$200+ million above 2007/08**



**Amount of CSU's Budget that went towards Instruction in 2009/10:**



We need more funding to roll back the fees and improve the quality of education that the budget cuts have harmed, but we can't ignore how the money that we do have is being used.

And our fees are not being used for education and/or educators.



**"A Working Class Student is Something to Be"**

## CSU Student Profile

CSU students are not necessarily the traditional 18- to 22-year-olds. The most recent survey found that:

- The average undergraduate age is 24.
- Only 8 percent live on campus.
- Approximately 61 percent are dependent on parents.
- About 12 percent are married.
- Nearly one-quarter have dependents.
- Three out of four have jobs, almost 18 percent work more than 30 hours per week.
- Nearly 35 percent of the students are in the first generation in their family to attend college.

Source: <http://calstate.edu/pa/2009facts/students.shtml>

## Meet CSU's 1%: the CSU Board of Trustees

The CSU is run by a Board of Trustees who are appointed by the Governor, with confirmation by the state legislature. They are not elected, like a school board member, or a trustee of a community college. No Trustee, with the exception of the Chancellor and the Faculty Trustee, receives any salary for his or her service.

Many are CEO's, wealthy lawyers, and others who represent the corporate interests of the wealthiest 1%, and there is only one student vote on the Board, even though student fees now fund almost half of CSU's budget.

### The Board of Trustees make all of the really big decisions for CSU:

1. They vote on raising student fees
2. They have the ability to hire/fire the Chancellor
3. They vote on giving raises to the Chancellor & CSU Presidents
4. They can approve system-wide policies such as the Grad Initiative, Early Start, etc.



There has yet to be a fee increase or a raise for executives that the trustees have not voted for and approved.

## Reed Chooses to Spend Funding on Administration, but not on Instruction

- According to the Chancellor's financial audit, **only 35% of the university's operating expenses went to "directly support the primary mission of the university, which is instruction"** in 2009/10—down 3% from 2008/09.
- During 2008/09 and 2009/10, CSU spent \$6 million on raises for 550 managers, while rejecting third-party recommendations to spend the same amount on raises for almost 2,900 faculty members.
- From 2005-2010, Reed spent \$1.2 million on outside lobbyists (even though he already has in-house lobbyists) who lobbied against legislation that would make CSU auxiliaries & their budgets transparent.
- Since 2006, Reed has spent \$6.6 million on outside labor consultants who are notorious for "busting" (destroying) unions. Reed gave them a raise last December, raising their daily rate to \$4,029 per day. This, even though he already has in-house staff for labor negotiations.
- Since 1998, Reed & top CSU Execs salaries have gone up 71%, in comparison: faculty salaries have only gone up 27% (with consumer price index/inflation having risen 43%)

## Under Reed, Administration has Grown Faster than Students & Faculty.

### Since 1998:

- Tenure Track Faculty: grew 0%
- Lecturer Faculty: grew 7%
- Students: grew 18%
- Managers & Administrators: grew 22%



## The CSU Under Chancellor Reed

*Chancellor Reed is the head of the CSU system and the top administrator. He serves at the will of the Board of Trustees and only they can remove him. All campus presidents are accountable to him, and his department is known as the Chancellor's Office.*

### Reed Doesn't Advocate for Funding the CSU

- In 2008, Reed voluntarily returned \$31.3 million of the CSU's funds while at the same time he refused to pay faculty raises.
- In 2009 he said to the Legislature's budget conference committee: "I will not waste your time calling on you to refrain from the reductions to the CSU that the Governor proposed on May 14. I will ask that whatever reductions your committee recommends to the Assembly and the Senate be unallocated."
- Also in 2009 on possible cuts to CSU: "These reductions will require tough decisions, but given adequate lead time and flexibility, we can manage them."
- In February 2011 he said in regards to a possible \$500 million cut: "I don't like it. I don't want to do it, but I'm willing to do it for the CSU if there is a future to reinvest in California..." The article noted that Reed would not be endorsing Jerry Brown's measure to extend temporary taxes (source: SacBee: "Higher Ed Leaders Not Fighting Budget Cuts")
- Summer 2011: Reed agreed to loan \$700 million to the State of California—just days after CSU's budget was cut by \$650 million.



**Chancellor Reed**

## How CSU Trustees Are Selected

**Under present law there are 25 Trustees (24 voting and one non-voting):**

### Appointed Trustees (16):

- Appointed by the Governor, confirmed by the State Senate.
- Serves for 8-year terms.
- Openings are staggered, so the current Governor does not end up appointing all the current Trustees.

### Student Trustees (2) :

- Appointed by Governor from nominees proposed by the California State Student Association.
- These Student Trustees serve staggered two-year terms: their first year they have no voting power, their second year they do. So there are always two student trustees, one able to vote, the other is unable to until their second year.

### Alumni Trustee:

- Appointed by CSU Statewide Alumni Council.
- Serves for 2 years.

### Faculty Trustee:

- Appointed by Governor from nominees proposed by the Statewide Academic Senate.
- Serves for 2 years.

### Ex-Officio Members (5):

Are members while in office.

- Governor
- Lieutenant Governor
- Speaker of the Assembly
- State Superintendent of Public Instruction
- The CSU Chancellor (non-voting member)

## Trustee Appointments Ending Dates

<u>Trustee</u>	<u>Year Term Ends</u>
Steven Dixon (student)	2012
Carol Chandler	2012
Melinda Guzman	2012
Bob Linscheid	2012
Jillian Ruddell (student)	2013
Kenneth Fong	2013
Glen Toney	2013
Debra Farar	2014
Lou Monville	2014
Roberta Achtenberg	2015
Peter Mehas	2015
Margaret Fortune	2016
Henry Mendoza	2016
William Hauck	2017
Linda Lang	2017
George Gowgani	2018
Hsing Kung	2018
Steven M. Glazer	2019
Herbert Carter	2019

## 2011 Summary of CSU Executives Compensation (cont.)

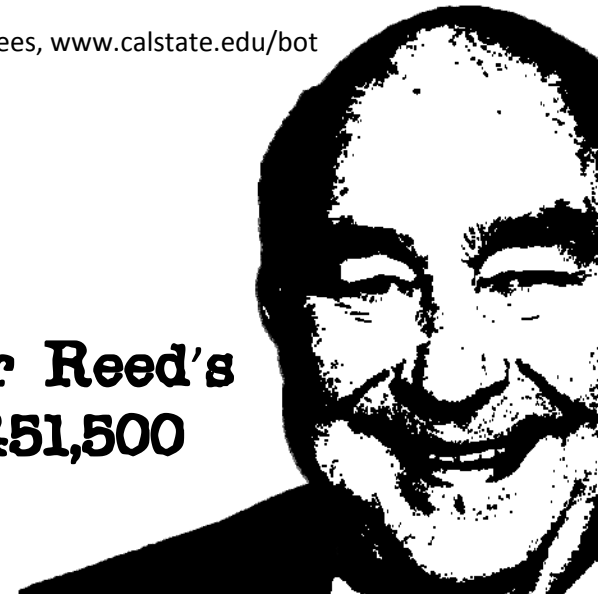
<u>Chancellor's Office Executives</u>		<u>Salary</u>	<u>Housing</u>	<u>Auto Allowance</u>
Chancellor	Charles B. Reed*	\$451,500	provided	\$12,000
Chief Financial Officer	Benjamin F. Quillian	\$310,000		\$12,000
Chief Academic Officer	Ephraim P. Smith	\$285,000		\$12,000
General Counsel	Christine Helwick	\$270,000		\$12,000
VC HR	Gail E. Brooks	\$255,520		\$12,000
VC Advancement	Garrett P. Ashley	\$240,000		\$12,000

^All Campus presidents and executives receive either the \$1000/month allowance or a university vehicle. Documents posted at [www.calstate.edu/exec\\_comp/](http://www.calstate.edu/exec_comp/) indicate that nine use a university vehicle and 20 receive the allowance. Individual choices are not identified.

Source: CSU Board of Trustees, [www.calstate.edu/bot](http://www.calstate.edu/bot)

Last updated: 8/24/11

**Chancellor Reed's  
Salary: \$451,500**



## 2011 Summary of CSU Executives Compensation

<u>Campus</u>	<u>President</u>	<u>Salary</u>	<u>Housing</u>	<u>Auto Allowance</u>
Bakersfield	Horace Mitchell	\$285,000	\$50,000	\$12,000
Channel Islands	Richard R. Rush	\$275,000	\$60,000	\$12,000
Chico	Paul J. Zingg	\$279,500	\$50,000	\$12,000
Dominguez Hills	Mildred Garcia	\$295,000	provided	\$12,000
East Bay	Leroy Morishita	\$276,055	\$60,000	\$12,000
Fresno	John Welty	\$299,000	provided	\$12,000
Fullerton	Milton A. Gordon	\$295,000	provided	\$12,000
Humboldt	Rollin C. Richmond	\$297,870	\$50,000	\$12,000
Long Beach	F. King Alexander	\$320,329	provided	\$12,000
Los Angeles	James Rosser	\$325,000	\$60,000	\$12,000
Maritime	William B. Eisenhardt	\$258,680	provided	\$12,000
Monterey Bay	Diane F. Harrison	\$270,315	provided	\$12,000
Northridge	Jolene Koester	\$295,000	provided	\$12,000
Pomona	J. Michael Ortiz	\$292,000	provided	\$12,000
Sacramento	Alexander Gonzalez	\$295,000	\$60,000	\$12,000
San Bernardino	Albert K. Karnig	\$290,000	\$50,000	\$12,000
San Diego	Eliot Hirshman*	\$400,000	provided	\$12,000
San Francisco	Robert A. Corrigan	\$298,749	\$60,000	\$12,000
San Jose	Mohammad H. Qayoumi*	\$353,200	provided	\$12,000
San Luis Obispo	Jeffrey D. Armstrong*	\$380,000	\$60,000	\$12,000
San Marcos	Karen S. Haynes	\$270,568	\$60,000	\$12,000
Sonoma	Ruben Arminañá	\$291,179	\$60,000	\$12,000
Stanislaus	Hamid Shirvani	\$270,000	\$50,000	\$12,000

\*Salary includes supplement from foundation sources: \$25,000 at SJ; \$30,000 at SLO; \$50,000 at SDSU; \$30,000 for Chancellor

## Noteworthy Trustees:



William Hauck

Bill Hauck was the President of the “California Business Roundtable” an organization who lobbied on behalf of California’s top CEO’s, from banks & corporations such as Wells Fargo & Hewlett-Packard.

Hauck & his organization have been active in opposing taxing the 1% or business interests and staunchly supported Schwarzenegger’s policies when he was Governor.

Hauck has voted for every fee increase.



Margaret Fortune

Served as an advisor to former Gov. Schwarzenegger before being appointed to the Board of Trustees. As a former superintendent of a charter school system, as well as a current CEO of a nonprofit that credentials public school teachers, she is a big proponent of charter schools and privatizing public education.



Linda A. Lang

Out of all the trustees, Linda Lang is most likely to be a member of the wealthiest 1%. She is the CEO of Jack-in-the-Box and serves on the board of WD-40. Listed #12 on Forbes list of top paid female CEOs in 2009, her compensation in 2010, according to Forbes, amounted to \$4.5 million.

## History of CSU Student Trustees Votes on Fee Increases

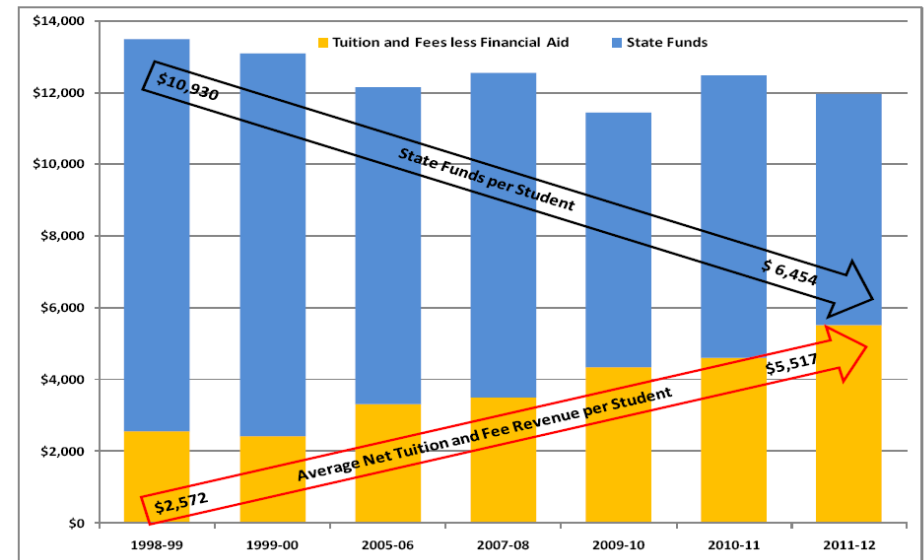
<u>Student Trustee</u>	<u>How They Voted on a Proposed Fee Increase</u>
Erene Thomas 2002-03	Voted against 10% fee increase for spring 2003.
Alex Lopez 2003-04	Voted against 30% fee increase for 2003/04 Voted against 14% fee increase for 2004/05
Eric Guerra 2004-05	Voted against 8% fee increase for 2005/06
Corey Jackson 2005-06	Voted against 8% fee increase for 2006/07
Andrew LaFlamme 2006-07	<b>Voted FOR 10% student fee increase for 2007/08</b>
Jennifer Reimer 2007-08	Voted against 10% fee increase for 2008/09.
Curtis Grima 2008-09	Voted against 10% fee increase for 2009/10
Russel Statham 2009-10	<b>Voted FOR additional 20% fee increase for 2009/10</b> Voted against 5% fee increase for fall 2010.
Nichole Anderson 2010-11	Voted against 5% mid-year fee increase for spring 2011.
Steven Dixon 2011-2012	Voted against 12% fee for 2011/12. <b>ABSENT during vote for 9% fee increase for 2012/13.</b>

## The CSU Under the Board of Trustees:

To offset budget cuts, the CSU Board of Trustees has voted nearly every year to raise student fees:



Declining State Support Forces More  
Reliance on Student Fees  
(in 2011 Constant Dollars)



The Trustees have also regularly awarded Chancellor Reed & top CSU Execs salary raises that are now 71% higher than they were when Reed first became Chancellor in 1998.

### At the last three Board of Trustees meetings:

**July 2011:** Raised student fees 12% while also giving a \$100,000 salary raise to the newly hired President of San Diego State.

**November 2011:** shut down public comment, ejected student protesters from their meeting, pepper-sprayed & arrested students, then voted on a 9% fee increase behind closed doors.

**December 2011:** Cancelled their meeting out of fear of students.