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CFA AND SENATOR LELAND YEE RELEASE RESULTS OF INVESTIGATION OF CSU EXECUTIVES WASTE, FRAUD, AND ABUSE OF TAXPAYER DOLLARS

-- Faculty Calls on Governor to Sign Two Reform Bills – SB 190 and AB 1413 – to Stop the Waste of Taxpayer Dollars by the CSU Administration --

Sacramento – A new report released today by the California Faculty Association and Senator Leland Yee reveals that the CSU Administration is wasting millions of taxpayer dollars on executive perks and sweetheart deals at a time when student fees have doubled over the last 5 years and the system is under-funded. Executive salaries have gotten so out of control that Chancellor Reed's \$421,500 salary is more than President Bush's salary and CSU Presidents, whose average salary of \$292,000 plus allowances are paid significantly more than Vice-President Dick Cheney's \$208,000 salary. There are two bills sitting on the Governor's desk – SB 190 and AB 1413 – which if signed together, would bring an end to the waste.

“There is a growing sense of outrage on CSU campuses among faculty and students as well as among lawmakers in the Capitol,” said Lillian Taiz, President of the California Faculty Association. “People are outraged that the Board of Trustees plan a 40% pay increase for executives over the next four years at a time when student fees have doubled, class sizes are on the rise, and student learning conditions are eroding. The Board added insult to injury when they linked these executive raises to increases in student fees. The information in this report is alarming and provides even more proof that reform is needed to stop the Administration from wasting precious taxpayer dollars.”

There are two bills currently on the governor's desk that would help curb the flagrant and irresponsible actions of the CSU Administration. AB 1413 and SB 190 -- would ensure that discussions about executive pay and perks would be held publicly and that executives could not sneak in sweetheart deals at the expense of taking taxpayer dollars away from students in the classroom. If the Governor signs both bills, executives would have to actually work for their money and there would be limits on the salaries handed out to execs – and all of this would be discussed publicly. When the Governor ran for office, he ran on a promise of reform and bringing openness and full disclosure to public business. This alarming report is just the latest evidence that reform is badly needed to stop the abuse of taxpayer dollars within the CSU system.

Senator Leland Yee, a graduate of SF State and father of an SF State student, stated, “What troubles me most, is the arrogance of the Board of Trustees. The CSU is a public institution, not a private country club. It belongs to the people of California and I do not understand the attitude of an Administration that is trying to get rich off of a public institution instead of trying to provide the kind of public service that they should be. The Trustees clearly don’t get it, as they continue to give out exorbitant compensation – salary and benefits – and they are doing it on the backs of students. It is wrong and I hope the Governor will sign SB 190 and AB 1413 in the coming weeks.”

A copy of the report can be found at www.calfac.org or by contacting Lisa Cohen at 310.395.2544.

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