Can the CSU Administration Afford to Pay Faculty 5% and a Step Increase?

Every year, the CSU management crafts a budget plan, which outlines how it will spend money from the state and student tuition and fees. That budget is a plan; what is actually spent is recorded in the CSU’s financial statements.

A look at the CSU’s financial statements shows that the CSU generated excess cash flows from operations in every year during and since the recession. **Last year, the CSU generated over $500 million of excess cash flows.**

What does this mean? In simple terms, **there is room in the CSU operating budget.** Paying faculty the raise they deserve will not cause a budget deficit. In fact, in every year since 2008, the CSU generated well over $100 million in excess cash flows. Remember, the gap between the CSU’s 2% salary offer and 5% and a step increase for faculty is $70 million. If the CSU administration really wants to invest in faculty, it absolutely can.

In addition, the CSU has more than $2 billion in reserves. These reserves have accumulated over the years, including the year that faculty were furloughed.

...**So if it’s not a matter of money, what is this fight about? Priorities.** As shown in the chart below, faculty have lost significant purchasing power over the last 10 years. By contrast, salaries for campus presidents have far outpaced inflation and managers and supervisors have kept pace with inflation.