

State Budget Update | August 21, 2025

In coalition with members from our sibling unions, CFA members fought incredibly hard during a six-month campaign to protect ongoing state funding for the CSU in the 2025-26 state budget.

Because of our tireless advocacy work with the Legislature, they took a strong stance in defending public higher education by rejecting Governor Newsom's proposed ongoing cuts of 3%, or \$143.8 million, to the CSU's base funding. Under this final state budget, the CSU will no longer face a 3% ongoing cut.

Instead, the state is now committed to eliminating a 3% reduction from 2026-27 onward by offering a 0% interest short-term loan to help cover the costs for the 2025-26 year.

Having been presented this lifeline, we are demanding that CSU management not only take on the 0% interest loan from the state, but that they use the funds to support the CSU workforce and restore jobs from their premature austerity measures.

Under the leadership of Chancellor García and the CSU Board of Trustees, we have seen tuition dollars and student fees being siphoned away from students. The same administrators that claim the CSU has absolutely no money just issued \$1.74 billion in bonds with a 5.5% interest rate—compared to the 0% interest offered by the state—for the purpose of building brand new construction projects that do nothing for instruction or student learning.

It's imperative to understand that management's claims of austerity are disingenuous.

They tell students, faculty, and staff that wage stagnation, cuts and layoffs, and program eliminations are tragic but necessary, while they tell private investors that they are financially healthier than ever and can afford to take on massive billion-dollar real estate projects. Even worse, they put the burden on students by using increased tuition and student fees as collateral to continue their debt payments.

This level of mismanagement cannot be allowed to continue. CFA members demand they take on the 0% interest loan and use it solely for the purpose of instruction and bettering our students.