

CFA Fullerton Chapter Resolution

CSUF Academic Senate Approved 5-10-07

ASD 07-104



Whereas, Chancellor Reed has indicated in prior communications that any increases in faculty compensation that are awarded in the successor faculty contract that are above the original CSU offer will come from campus budgets; and

Whereas, the Barber financial analysis¹ identifies that the CSU, from 2001-2006, generated over \$1.2 billion in net positive cash flows; and

Whereas, after meeting all its financial obligations, The CSU will have a “positive \$385 million in ‘free cash flow’ and \$390 million in ‘net operating cash flow’²”; and

Whereas, the tentative agreement cost to the CSU over the contract life is approximately \$110 million over the original contract offer; and

Whereas, Moody’s³ has recently raised the CSU’s credit rating³ two notches to Aa3 (excellent) in recognition of a cumulative positive operating cash flow for the last five years; and

Whereas, each campus of the 23 campus CSU system is near the end of the fiscal cycle for 2006-2007; and

Whereas, each campus for the current 2006-2007 is budgeted for only a 3% faculty salary increase; and

Whereas, the Tentative Agreement between the CSU and the CFA provides faculty with not only a 3% raise retroactive to 7-1-06 but also a 1% raise effective 6/30/07; and

Whereas, SSIs were not originally budgeted in AY 2006-2007, but faculty who are eligible for SSIs will receive one retroactive to their anniversary dates in AY 2006-2007; and

Whereas, each of the successive years (2007-2008, 2008-2009, 2009-2010) of the faculty contract reflect compensation benefits accruing to faculty above and beyond that which were originally offered to faculty by the CSU as part of a subsequent contract; and

Whereas, faculty are essential to a quality enterprise; and

Whereas, a quality education for existing and targeted new student growth is dependent on the ability of each campus of the CSU to offer class sections at the level of demand; and

Whereas, the CSU Chancellor’s Office has imposed unfunded mandates that campuses are already struggling to address, such as CMS; and

Whereas, each of the 23 campuses within the CSU system has different abilities to absorb additional large costs to their campus budgets;

Therefore, be it resolved, that the CSUF Academic Senate in conjunction with the CSUF Chapter of the California Faculty Association petition Chancellor Reed to use CSU discretionary funds to fund the costs for implementing the CSU faculty contract that exceed the original CSU offer for the duration of the CSU/CFA faculty contract (July 1, 2006-June 30, 2010).

¹ Barber, R. (March, 2008). California State University’s Off-Budget Cash Flows: An Initial Analysis of CSU’s Budgetary Discretion and Cash Flow Flexibility. Takoma Park, Maryland: Center for Economic Organizing.

² Ibid.

³ www.Moodys.com; *Continued growth in financial reserves, enhancing the System’s operating flexibility. *Increasing operating cash flow highlighting the System’s operating strength. April 4, 2007 Moodys.com