

## **Discussion Topics on General Fund Salary and Equity Increases for Instructional Staff, 1/13/2013**

### **Executive Summary**

This report raises a few discussion questions in response to the Governor's Budget Request for 2013-2014, the Chancellor's request, and the passage of Proposition 30.

CSUN faculty have experienced many years without raises. CSUN faculty are teachers and researchers who work hard in a high enrollment setting.

Faculty workload has increased in measurable ways. SFR has risen. Faculty research and scholarship have increased. Faculty apply for and receive more external funding. Faculty are working with the community and industry in partnerships. Faculty are developing certificate and graduate programs and building international partnerships. Many faculty members continue to learn how to use new technology and ways of delivering courses. Faculty revise curriculum and participate in Executive Ordered Mandatory Early Start. Faculty create graduation plans and engage in mentoring and advising efforts. Faculty supervise student research projects and internships. Many faculty chairs carry heavy administrative loads. Many faculty members serve on university committees. Additional work has not been met with additional financial reward. Nor has management conveyed a sense of positive recognition of the faculty's increased work effort under difficult work conditions. Workload and the cost of living have increased, but salaries have not.

It is now time to think about new policies promoting academics and the Graduation Initiative. In order to achieve desired results, it is time to think about instruction and instructors.

CFA and the Chancellors Office will bargain over general salary increases and equity pay. CSUN faculty respect the procedure and the process of negotiation. However, there are still many open questions concerning CSUN resources and goals worthy of campus discussion:

1. Should CSUN instructional faculty receive at least average instructional salaries (by type of position) compared to CSU average salaries?
2. What is the cost of salary increases required to bring CSUN average instructional salaries up the CSU average instructional salaries?
3. Are we committed to hiring replacement faculty for retiring faculty?
4. Should we increase SFR in some classes to free up funds for other things including salary increases?
5. Can faculty be allowed to play a meaningful role in aligning our resources with our mission?

It is time to begin to address equity problems and raise morale. The Graduation Initiative will surely be a beneficiary of the policies and actions that show greater regard for the faculty's contribution to the university.

## Some Background Information

We note the CSUN has large enrollment, measured by both headcount and FTE. The Fall 2011 Headcount was 36,911 and FTES was 29,670 up from Headcount 35,272 and FTES and 27,436 in Fall 2010. (This data is from CSUN College Profiles. Note Enrollment figures vary based on whether non-resident students are counted. Obviously, from a workload point of view, non-resident students must be counted.)

In 2011, the CSUN average full professor salary was \$2,840 below CSU average.

CSUN average associate professor salary was \$1,136 below CSU average, but here even the average was out of whack.

CSUN average assistant professors was given \$65 above CSU average for assistant professor.

CSUN average lecturer salary was \$2,154 below CSU average.

There are 23 CSU campuses. 2011 CSUN average salary for instructional staff were:  
professor \$91511, rank 17  
associate professor \$74427, rank 14  
assistant professor \$66951, rank 10  
average lecturer \$54453, rank 18

2010 CSUN average salary for instructional staff were:  
professor \$93876, rank 17  
associate prof \$72672, rank 17  
assistant prof \$63019, rank 18  
lecturer \$57130, rank 16

Given the number of positions which we have at each rank, we estimate (assuming benefits are at 38% of salary) that

\*equity for faculty is roughly \$1.5 million or \$2.1 million including benefits.

\* general salary for all full-time instructional staff of 3% for full time faculty is about \$1.6 million or \$2.2 million including benefits.

\* general increase of 3% for part-time instructional staff is about \$750,000 or \$1 million with benefits.

Therefore, about \$5.3 million may be needed for instructional staff equity and salary increases (Note: this estimate is not based on the most current salary data and we calculate benefits at 38% of salary.)

The estimate is based on number of positions and the salary required to bring the CSUN average up to the CSUN average (because CSUN professors have at least average in competence and work load and should be compensated at least up to the average systemwide). However, the details are supported by data which is not publicly available. The last appendix of this report proposes an in-depth study into the status faculty salaries.

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# 1. California State University, Northridge Report of Financial Activity, 6/2012

## 1a. Salaries of Instructional Staff versus Other Employees by Percent

Positions Paid by General Funds	Salary \$	Benefits \$	Salary and Benefits \$	Percent of Salaries %
tenured/TT faculty/chairs	59388605	22567670	81956275	36
lecturers	23511019	8934187	32445206	14
non instructional staff and management and executive	4525869	1719830	6245699	3
	77276319	29365001	106641320	47
Total	164701812	62586689	227288501	100

## 1b. Details Expenditures Fiscal Year 2011 – 2012, University Salaries

	General Fund	Lottery Fund	Trust/Enterprise Funds	Funds Total
Tenured/TTTrack Faculty	53496293		821354	54317647
Department Chair	5892312		43662	5935974
Graduate Assistant	503087		35415	538502
Teaching Associates	2064967			2175934
Temp TT Faculty	378079		10795	388874
Full/Part Time Lecturers	23511019		676406	24187425
Counselors/SPARS	905318		9600	914918
Librarian	1660764			1660764
Ext/Summer Faculty	377355		6455748	6833103
Coaches	1959787			1959787
TEMP Librarian	203,114			203114
Total of Academic Salaries	90970510		8163947	99134457
Staff Salaries	59363477		12461167	71824644
Management Salaries	17547551		1516038	19063589
Executive Salaries	365291			365291
Student Assistant Salaries	7286798	202621	1392815	8882234
Work Study On Campus	-3133		1003179	1000046
Total Salaries & Wages	175532589	202621	24542693	200277902
Benefits	67696187		6478812	74174999
Total Salaries/Wages/ Benefits	243228776	202621	31021504	274452901

**1c. California State University, Northridge Report of Financial  
Activity Expenditures Fiscal Year 2011 – 2012, University Operating  
Expenses, 6/2012 (Continued)**

	General Fund	Lottery Fund	Trust/Enterprise	Other	Total Funds
Utilities	5061655		1444118		6505773
Supplies & Services	6303971	-204095	8342634		14850699
Misc Fin. Expense	-1096596		2276728		1180132
Rentals and Leases	921712	(227)	632045		1553529
Repairs/Maintenance	1264560	12039	1148754		2425353
Postage & Freight	195137	241	376458		571837
Printing	1367920	9730	832758		2210409
Advertising/Promo	278294	6621	360124		645040
Insurance /Lit	5011634	13579	283503		5308715
Non Library Sub	175898	17590	46459		239948
Workshop/Conf Fees	205822	1435	75848		283105
Special Training	111359	1200	13369		125928
Contractual Services	5097351	-38866	5083073		10141558
State Pro Rata Charges			978874		978874
Serv Frm Other Funds Agencies	1770646		16115277		17885925
Other Expenses	1775296	116018	10252411		12143725
Travel	2077397	11917	1272693		3362006
Communications	654382	844	156058		811284
Technology	4581736	530724	1040899		6153360
Financial Aid	57017699		115071150		172088849
Library Acquisitions	1832019	425005	5226		2262250
Equipment	3407659	745787	1401564		32605694
Capital Outlay	130416		21711997	10763282	32605694
Debt Service			11232118		11232118
Total Operating Expenses	98146034	2057732	200154139	10763283	311121187
Transfers Out	11413426	80271	82415361		93909058
Total Expenditures & Transfers Out	352788235	2340623	313591004	10763283	679483146
Transfers In	1596136	2307500	81886036		85789673
<b>Total</b>	<b>351192099</b>	<b>33,123</b>	<b>231704968</b>	<b>10763283</b>	<b>593,693,474</b>

## Construction Ed Fund

California State University, Northridge

CERF\_CONSTR - Cont Ed Construction Funds

Statement of Changes in Fund Balances  
As Of: June 30, 2012

Report ID: CFSSENTIS  
Scope ID: CFS\_ENT\_1

	Month End Prior Year	YTD Prior Year	Month End Current Year	YTD Current Year	YTD Variance	
					\$	%
External Investment Income	0	752	0	21,561	20,809	2768.22%
Revenues	0	752	0	21,561	20,809	2768.22%
Total Salaries					0	N/A
Total Benefits					0	N/A
Total Operating Expenses					0	N/A
Total Expenditures	0	0	0	0	0	N/A
Net Revenue	0	752	0	21,561	20,809	2768.22%
Transfers In and Out	5,000,000	5,000,000	(26)	(5,285,667)	(10,285,667)	-205.71%
Change in Fund Balance	5,000,000	5,000,752	(26)	(5,264,106)	(10,264,858)	-205.27%

**We would like to discuss the regular transfer of additional \$5 million for employees summer in stipends in the future.**

## 2. The 2013-2014 Budget Outlook for the CSU

### 2a. CSU Expenditures and Undergraduate Tuition and Fees (millions of dollars)

Revenue	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Percent change
General Fund	2,970.6	2,155.3	2,345.7	2,577.6	2,002.7	2,063.6	2,333.0	-21%
Tuition Fee Revenue	1,176.3	1,406.1	1,630.6	1,681.9	2,187.0	2,129.9	2,129.9	81%
ARRA		716.5		106.6				
Total Funds	4,487.1	4,616.9	4,279.9	4,674.5	4,612.0	\$4,633.2	4,902.7	9%

Multi-Year Stable Funding Plan: The state's General Fund contribution to CSU will increase by 5% per year in 2013-14 and 2014-15 and by 4% in each of the subsequent two years.

General Fund Increase — an ongoing increase of \$125.1 million General Fund for core instructional costs. This includes the \$10 million to increase the number of courses available to matriculated undergraduates through the use of technology. This funding should obviate the need for CSU to increase student tuition and fees and can be used by the university to meet its most pressing needs. This increase is in addition to the \$125 million General Fund that CSU will receive in 2013-14 for not increasing tuition and fees in 2012-13, as required by the 2012 Budget Act.

Debt Service and Retirement Contribution Costs — Currently, the state separately funds general obligation and lease revenue debt service for CSU capital improvement projects. The state also annually adjusts funding for CSU's retirement obligations. The Budget proposes to fold debt service appropriations into CSU's budget. Any new CSU capital expenditures will be subject to approval by the Administration to ensure the funds are used for academic facilities to address seismic and life safety needs, enrollment growth, or modernization. Further, there will be limits on the amount of the budget that can be spent on capital expenditures.

CSUN's debt obligation was for \$11.2 million in 2011 and \$9.9 million in 2010. The 2011 Condensed Schedule of Revenue, Expenses, and Changes in Net Assets (in thousands) shows that the interest expense for CSU systemwide and auxiliaries was \$218.8 million and \$37.1 million, respectively. It was \$177.4 million and \$34.2 million, respectively in 2010.

Beginning in 2012-13, health benefits provided for CSU retired annuitants are included in CSU's main General Fund and Total Funds budget, rather than in the main statewide item for retired annuitant benefits. [These expenditures are not reflected in CSU's funding levels in 2012-13 or 2013-14.]

Beginning in 2013-14, the general obligation bond debt service payments are included in CSU's main General Fund and Total Funds budgets. [However, for

purposes of the above table, the comparison between 2007-08 to 2013-14 funding, the GO bond debt service amounts are not reflected in the segments' 2013-14 expenditures.]

The Budget also proposes that the state continue to fund retirement contributions for CSU employees, based on the number of 2012-13 employees. THIS MEANS THAT THE CSU HAS REACHED CAPACITY ON EMPLOYEES. If CSU chooses to add employees or increase wages beyond 2012-13 levels, CSU will be responsible for the associated costs. IT IS HOPED THAT THIS DOES NOT MEAN THAT WE WILL NEVER SEE A PAY INCREASE AGAIN. These two changes will require CSU to factor these costs into the university's overall fiscal outlook and decision-making process.

Provide CSU the Authority to Negotiate and Set Employee Health Benefit Rates with Represented and Non-Represented Employees — CSU will be provided the same statutory authority to negotiate or set employee health care benefit rates that is provided to the California Department of Human Resources for other state employees. Currently, CSU pays 100 percent of the health care premiums for its employees and 90 percent for employees' family members. However, for most other state employees, the state pays either 80 or 85 percent of employees' health care premiums and 80 percent for family members. This proposal will provide CSU a tool to better manage and negotiate the entirety of its personnel costs.

## **2b. The Chancellors Office Request, January 10, 2013.**

"Overall, the increase in state support for the CSU brings state funding levels to \$2.2 billion for the support of university programs and operations. As part of its 2013-2014 budget ask of the governor and legislature, CSU had requested a total of \$371.9 million over its current baseline budget that includes state funds, tuition and systemwide fees.

"As part of the additional \$125.1 million in proposed state funds, \$10 million has been directed in the Governor's budget for online strategies to get more students through so-called "bottleneck" courses. These are courses across the system that cause many students to slow their time to degree until they can find a "seat" in that particular course. They are either lower-division general education requirements, pre-requisites for majors or high demand classes. The directed funds would be used for a multi-pronged approach incorporating technology-enhanced learning, student advising and course redesign to ensure student success. Together, all of these efforts are expected to provide thousands of students more access to classes and help them progress to degree."

"Over the past several years, state support of the CSU has been dramatically decreased with more than 30 percent of state funding cut for the system. The loss of state support forced the CSU Board of Trustees to approve sizable tuition fee increases. However, increases in available revenue from tuition hikes did not keep pace with state funding cuts. Consequently, to manage the massive budget reductions, CSU instituted a number of cost saving measures including decreased enrollment, employee layoffs and

furloughs, deferred maintenance, travel restrictions, better use of information technology, and other efficiency measures.”

“The CSU has certainly been challenged over the past several years with the drop in state support due to the state’s lingering recession,” said White. “However, with finances more stable in the near term now that Proposition 30 has passed, we are cautiously optimistic that the CSU’s budget will begin to turn around. We look forward to working with the Governor and legislature during the upcoming budget hearings.”

“State funding for higher education represents approximately seven percent of the overall state budget and is set at discretionary levels.”

<http://blogs.calstate.edu/pa/news/?p=246&source=homepage>

### 3. CSU Instructional Staff Salaries in 2011 Ranked by Campus

#### 3a. Rank Campus by Professor Salary in 2011

CSU campus	Sort by Professor Average Salary \$	Rank
Channel Islands	101055	1
San Diego	100020	2
San Francisco	98455	3
San Jose	96701	4
San Luis Obispo	96386	5
Pomona	96325	6
Maritime	96115	7
Los Angeles	95517	8
East Bay	95456	9
Dominquez Hills	95351	10
Fullerton	95169	11
Fresno	94734	12
Bakersfield	94718	13
Long Beach	94543	14
San Bernardino	93596	15
San Marcos	93363	16
<b>Northridge</b>	<b>91511</b>	<b>17</b>
Chico	91267	18
Sacramento	90381	19
Monterey Bay	90266	20
Stanislaus	90207	21
Sonoma	89991	22
Humboldt	88957	23
<b>CSU average</b>	<b>94351</b>	

### 3b. Rank Campus by Associate Professor Salary in 2011

CSU campus	Sort by Associate Professor Average Salary \$	Rank
Channel Islands	90332	1
San Francisco	81357	2
San Luis Obispo	79588	3
San Diego	78970	4
Fullerton	78407	5
San Jose	77897	6
San Marcos	77754	7
East Bay	77573	8
Los Angeles	77302	9
Dominquez Hills	77173	10
Maritime	77008	11
Long Beach	75645	12
Pomona	75390	13
<b>Northridge</b>	<b>74427</b>	<b>14</b>
Bakersfield	73695	15
San Bernardino	71710	16
Fresno	71313	17
Sacramento	71269	18
Chico	70848	19
Sonoma	70813	20
Monterey Bay	70664	21
Stanislaus	69629	22
Humboldt	69192	23
<b>CSU average</b>	<b>75,563</b>	

### 3c. Rank Campus by 2011 Assistant Professor Salary

CSU campus	Assistant Professor Average Salary \$	Rank
Channel Islands	77463	1
San Diego	72883	2
Pomona	71313	3
San Francisco	71099	4
East Bay	70369	5
San Jose	70093	6
Fullerton	69984	7
Dominquez Hills	69955	8
Long Beach	68482	9
Northridge	66951	10
San Marcos	66871	11
Bakersfield	66600	12
San Luis Obispo	65438	13
Maritime	65355	14
Los Angeles	65286	15
San Bernardino	64295	16
Sacramento	64026	17
Sonoma	62644	18
Monterey Bay	62375	19
Stanislaus	62321	20
Fresno	62098	21
Humboldt	61804	22
Chico	60678	23
Average	66886	

### 3d. Rank Campus by 2011 Full-time Lecturer Salary

CSU campus	Sort by Full Time Lecturer Salary	Rank
San Diego	61213	1
San Luis Obispo	60337	2
Pomona	60234	3
Sonoma	60183	4
Long Beach	60013	5
San Francisco	59459	6
Dominquez Hills	59208	7
Maritime	59075	8
San Jose	58856	9
Chico	58527	10
East Bay	57864	11
Fullerton	57195	12
Channel Islands	56994	13
Bakersfield	56928	14
San Marcos	55075	15
Sacramento	55043	16
Fresno	54495	17
Northridge	54453	18
San Bernardino	53356	19
Humboldt	53102	20
Stanislaus	50935	21
Los Angeles	50792	22
Monterey Bay	48620	23
Average	56607	

#### 4. CSU Overall Data on Postions and Budget Actual, FTE, and Headcount

Percent change from F2008 to F2011	CSU	2007-08	2008-09	2009-10	2010-11	2011-12	Percent difference from F2009 to F2011
2.8	Budget Actual	4,346,871,785	4,463,651,000	4,231,715,649	4,706,262,870	4,590,080,962	8.5
-3.3	Enrollment FTES	353,550	368,424	372,393	354,812	341,728	- 8.2
-8.0	Enrollment HC	446,933	465,703	466,075	440,819	409,526	-12.1
	Full Time Positions						
-5.7	Faculty	12,063	12,019	11,712	11,227	11,329	- 3.3
-2.2	Other Professional	9,447	9,778	9,723	9,381	9,558	- 1.7
-11.4	Clerical & Secretarial	4,470	4,517	4,361	4,035	4,000	- 8.3
-10.3	Technical & Paraprofessional	2,818	2,832	2,798	2,615	2,540	- 9.2
-4.3	Service/ Maintenance	2,048	2,068	2,044	1,992	1,979	- 3.2
-3.1	Executive, Administrative, & Managerial	1,526	1,540	1,518	1,492	1,493	- 1.6
-6.0	Skilled Crafts	1,029	1,042	1,007	944	979	- 2.8
-5.7	GRAND TOTALS	33,401	33,796	33,163	31,686	31,878	- 3.9
	Part Time Positions	F2007	2008	2009	2010	2011	
-8.5	Faculty	12,003	11,562	9,672	9,701	10,581	9.4
-7.3	Other Professional	862	854	766	790	792	3.4
-21.7	Clerical & Secretarial	449	428	387	337	335	-13.4
-13.2	Technical & Paraprofessional	276	273	244	247	237	- 2.9
0.0	Service/ Maintenance	118	102	94	111	102	8.5
-9.1	Executive, Administrative, & Managerial	14	11	11	10	10	- 9.1
0.0	Skilled Crafts	1	3	3	2	3	0
-8.9	GRAND TOTALS	13,723	13,233	11,177	11,198	12,060	7.9

## 5. Financial Resources

### 5a. 2011-02 General Fund Allocation Ranked by Campus

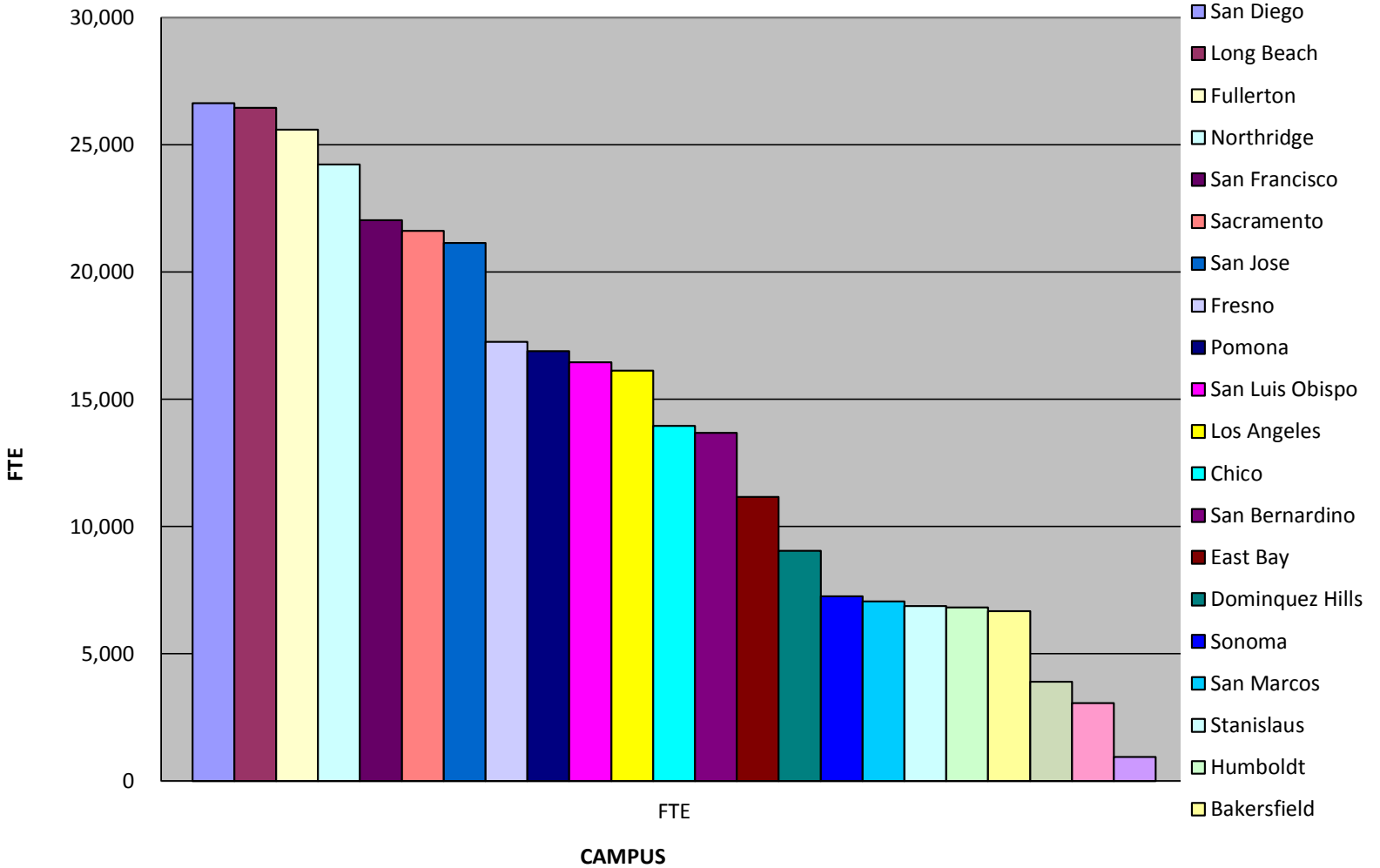
Campus	General Fund \$ 2011	Rank
San Diego	133,941,246	1
Long Beach	131,395,036	2
<b>Northridge</b>	<b>131,345,346</b>	<b>3</b>
Fullerton	116,085,961	4
San Francisco	111,787,439	5
Sacramento	107,426,677	6
Fresno	105,923,822	7
San Jose	101,113,122	8
Los Angeles	96,874,129	9
Pomona	96,644,062	10
San Luis Obispo	89,543,438	11
Chico	81,330,222	12
San Bernardino	75,776,878	13
East Bay	64,021,941	14
Dominguez Hills	59,766,882	15
Humboldt	59,408,350	16
San Marcos	51,833,482	17
Monterey Bay	51,339,423	18
Bakersfield	48,741,489	19
Stanislaus	46,552,297	20
Sonoma	46,311,423	21
Channel Islands	44,118,320	22
Maritime Academy	21,107,751	23
Campus Total	\$1,872,388,736	

### 5b. 2011-02 Tuition Fee Revenue and Other Revenue Ranked by Campus

Campus	Tuition Fee \$		Campus	Other Fee Revenue \$	
Fullerton	182,144,148	1	San Diego	34,698,627	1
Northridge	179,465,000	2	San Luis Obispo	32,459,000	2
Long Beach	177,063,000	3	Northridge	30,475,784	3
San Diego	159,073,000	4	San Francisco	30,303,377	4
San Francisco	149,100,000	5	Long Beach	29,391,500	5
San Jose	142,479,300	6	San Jose	24,223,800	6
Sacramento	136,490,500	7	Fullerton	22,937,849	7
Fresno	106,228,316	8	San Bernardino	17,593,192	8
Los Angeles	105,940,658	9	East Bay	16,723,000	9
Pomona	101,152,000	10	Sacramento	15,655,349	10
San Luis Obispo	95,990,000	11	Los Angeles	14,078,102	11
San Bernardino	88,825,000	12	Fresno	12,075,068	12
Chico	81,524,000	13	Pomona	10,787,000	13
East Bay	76,533,000	14	Chico	10,366,000	14
Dominguez Hills	60,718,122	15	Humboldt	8,212,463	15
San Marcos	46,981,000	16	San Marcos	8,010,000	16
Sonoma	43,181,000	17	Stanislaus	5,291,790	17
Stanislaus	42,312,227	18	Sonoma	5,056,000	18
Humboldt	41,674,528	19	Dominguez Hills	3,559,620	19
Bakersfield	39,960,033	20	Bakersfield	3,319,971	20
Monterey Bay	24,468,271	21	Monterey Bay	2,062,195	21
Channel Islands	19,499,000	22	Maritime Academy	1,710,823	22
Maritime Academy	4,793,159	23	Channel Islands	1,449,190	23

### 6. Bar Chart showing FTE by CSU campus in 2010

FTE



## 7. CFA Course Section Data, Ranked by Campus

CSU Campus	Course Sections Offered in 2010-11
Long Beach	9,995
San Luis Obispo	9,366
<b>Northridge</b>	<b>9,133</b>
Fullerton	8,732
San Jose	8,566
Pomona	7,978
San Diego	7,703
Los Angeles	7,696
San Francisco	7,457
Sacramento	7,057
Fresno	6,671
Chico	5,744
San Bernardino	5,456
East Bay	4,951
Dominquez Hills	3,380
Humboldt	3,274
Sonoma	2,813
Bakersfield	2,749
Stanislaus	2,545
San Marcos	2,374
Monterey Bay	1,847
Channel Islands	1,468
Maritime	730

## 8. Notes to Financial Statements 6/30/2009 and 6/30/2011

CSUN Long-term debt principal obligations and related interest mature in the following fiscal years:

Years ending	Principal	Interest	Total
2011	5,255,000	6,060,828	11,315,828
2012	5,475,000	5,830,145	11,305,145
2013	5,745,000	5,588,606	11,333,606
2014	6,030,000	5,315,811	11,345,811
2015 - 2019	34,570,000	21,888,661	56,458,661
2020 - 2024	25,308,000	14,173,407	39,481,407
2025 - 2029	19,045,000	8,947,031	27,992,031
2030 - 2034	17,595,000	4,346,125	21,941,125
2035 - 2039	7,685,000	996,125	8,681,125
2040 - 2044	1,105,000	27,624	1,132,624
Debt accumulated as of 6/30/2009	134,587,000	79,444,747	214,031,747
Debt accumulated as of 6/30/2011	178,497,000	121,439,188	299,936,188

So in two years, debt increased \$44 million and interest payments increased \$42 million. That appears to be a heavy load on the state and students.

Long-term debt obligations of the discretely presented component units have been issued to purchase or construct facilities for University-related uses.

**The University Activity Reports show that CSUN debt for June 2012 was roughly \$11.2 million and \$9.9 million for June 2011.**

## **9. A Faculty Member's Perspective on CSUN Faculty 8/2012 revised 1/2013**

Our primary mission is to offer high quality affordable higher education to college-eligible California students.

Any CSU Resource Plan must support the Graduation Initiative which strives to raise the freshman six-year graduation rate by eight percentage points by 2015-2016, and cut in half the existing gap in degree attainment by CSU's under-represented minority (URM) students. Over the past 10 years graduation rates have improved about 3% systemwide. At CSUN, raw headcount has grown and 6 year graduation rates for First Time Freshmen have increased from 32% in 1997 to 46% in 2006.

Improved graduation rates will be a win-win for all CSU constituents. Students and their families want to see improved graduation rates. So the Graduation Initiative makes management look good. It is good for the state and federal government. Why is it good for labor? New tenure/tenure track faculty must be hired in order to realize improved graduation rates. Workloads must remain reasonable. Research projects improve graduation rates, far more than presidential vanity projects.

The Graduation Initiative is, more importantly, an educational initiative. The state does not simply need more degrees. California needs a larger, better educated work force. In order to graduate more students, we need to offer the required courses on a regular basis and replace retiring faculty.

The CSU needs to increase the QUANTITY and the QUALITY of our graduates. We must not get into the business of selling indulgences. It does seem possible to improve our graduation rate over the next 5-10 years without any reduction in quality or inflation in grades, if the faculty is properly supported.

We need to find the will and the way to get more funding to direct instruction. This is necessary to support the Graduation Initiative. We must adopt the attitude that our labor problems are solvable, or, at least, that relations can be improved.

### **On CSUN Finances**

We need to careful planning to align human resource needs and mission. Are we creating incentives to accomplish the mission? Can faculty and management collaborate to improve the delivery of quality instruction and services which leads to student success?

**Total Salaries (in millions of dollars)**

Academic Year	Tenure Faculty Salary	Part-time Faculty Salary	Staff Support Salary	Management Salary
2005 – 2006	49.4	21.4	59.3	17.2
2006 – 2007	49.1	22.6	64.2	18.0
2007 – 2008	54.1	25.0	71.2	19.9
2008 – 2009	55.4	25.7	72.0	20.3
2009 – 2010	50.0	22.5	65.0	18.0
2010 – 2011	51.5	24.3	70.2	18.5
Change %	4.3%	13.7%	18.4%	7.6%

Source: CSUN Financial Activity Reports. We note that the above table shows that staff support salary has grown the most of all salary categories since 2005-2006.

**CSUN Tenure/Tenure Track faculty salary is less than 1/10 of the university's total expenditures.**

**THE FACULTY ARE WORSE OFF TODAY THAN 5 YEARS AGO**

Calculate change in average salary per FTE 2007–08 to 2010—11.

2007 – 2008

Tenure Faculty \$70,812

Average Part-time Faculty \$45,045

Average MPP \$103,109

2010 – 2011

Tenure Faculty \$65,107

Average Part-time Faculty \$43,705

Average MPP \$103,352

Percent change from 2007-08 to 2010-11 in real dollars (no adjustment for inflation)

Average Tenure -8%

Average Part-time Faculty -3%

Average MPP -0%

**CSUN Salary**

MPP	Administrator	
Faculty	Chair	
	Faculty, instructional	
	Faculty, grant	
	Faculty year round	
> 120K		
Faculty, Chairs, Grant		18
Total faculty		807
Percent faculty over 120K		2%
328K		
> 120K		
MPP		59
Approximate total		179
Percent MMP over 120K		33%

<http://www.sacbee.com/statepay/>

**Average salaries of full-time instructional staff equated to 9-month contracts, by academic rank:  
Academic year 2010**

	Number of full time instructional faculty total	Average salary of full time instructional faculty total
All ranks	789	78,673
Professor	335	93,052
Associate professor	210	74,486
Assistant professor	133	66,414
Lecturer	109	56,276

IPEDS - Finance

<http://nces.ed.gov/ipeds/datacenter/Snapshotx.aspx?unitId=acacabb1abb3>

**General Information about CSUN Positions compared to other large campus CSUs**

<b>Positions at CSU Campuses</b>	San Diego	Fullerton	Long Beach	<b>Northridge</b>	SF State	SJ State	Sac State
Tenure/ tenure track	709	952	991	<b>704</b>	721	947	511
Part time instruction	769	728	820	<b>1016</b>	754	663	683
Executive/ administrative/ managerial	118	78	108	<b>57</b>	81	57	40
Other professional (support/service)	722	660	697	<b>718</b>	1,050	680	601
Graduate assistants	701	261	334	<b>237</b>	275	175	74
Technical and paraprofessionals	246	156	246	<b>239</b>	161	145	163
Clerical and secretarial	335	320	328	<b>320</b>	202	186	285
Skilled crafts	82	49	71	<b>75</b>	54	70	46
Service/maintenance	147	99	136	<b>137</b>	165	169	124
FTE	27689	27671	27252	<b>26841</b>	24181	22111	21789
Total instruction (row 1+2)	1478	1680	1811	<b>1720</b>	1475	1610	1194
Total management	118	78	108	<b>57</b>	71	57	40
Ratio instruction to management	13	22	17	<b>30</b>	21	28	30
FTE per instructional staff	19	16	15	<b>16</b>	16	14	18
FTE per managerial staff	235	355	252	<b>471</b>	341	388	545

Data from IPEDS, data sorted by FTE then management positions

**CSUN had a particularly low tenure/tenure track faculty to student ratio.**

## Faculty and Staff by Type per FTE

“The University could explore possible approaches to achieve more efficient staffing levels, including flexible appointments to adjust to decreased activity during reduced instructional periods, fluctuation in course scheduling, or changes in the instructional environment. Examples of this could include 10-month appointments for positions that are primarily needed during the fall and spring semesters and reduced time bases for positions that primarily support Monday thru Thursday instruction.” McCarron / Theodoulou

It strikes us as a bit odd that over the past 10 years, we have reduced part-time staff from 629 to 332 employees, a decrease by more than 47%. It appears that CSUN had some flexibility staffing in the past and its management reduced it.

<b>There was a 24% percent increase in FTE from F2002 to F2011.</b>								
<b>Fall 2002</b>				<b>Fall 2011</b>				
Enrollment				Enrollment				
Headcount	32596			Headcount	36911			
FTES	24023			FTES	29670			
Full-Time Faculty by Rank	Faculty Headcount	Percent	2002 Faculty per FTE	Full-Time Faculty by Rank	Headcount	Percent	Faculty per FTE	% change from 2002 to 2011 per FTE
Professor	349	39.2	0.015	Professor	372	45.8	0.013	-14
Associate Professor	112	12.6	0.005	Associate Professor	205	25.2	0.007	48
Assistant Professor	216	24.3	0.009	Assistant Professor	183	22.5	0.006	-31
Instructor/Other	213	23.9	0.009	Instructor/Other	53	6.5	0.002	-80
Total	890		0.037	Total	813		0.027	-26
Prof, Associate Prof, Assistant Prof	677		0.028	Prof, Associate Prof, Assistant Prof	760		0.026	-9
<b>FACULTY</b>				<b>FACULTY</b>				
Full-Time	890	48.0	0.037	Full-Time	813	44.7	0.027	-26
Part-Time	963	52.0	0.040	Part-Time	1004	55.3	0.034	-16
Total Faculty	1853		0.077	Total Faculty	1817		0.061	-21
<b>STAFF</b>				<b>STAFF</b>				
Full-Time	1279	67.0	0.053	Full-Time	1396	80.8	0.047	-12
Part-Time	629	33.0	0.026	Part-Time	332	19.2	0.011	-57
Total Staff	1908		0.079	Total Staff	1728		0.058	-27

## Faculty and Staff by Type per FTE

### Comparison of the Number of CSUN Employees by Bargaining Unit in 11/2007 and 11/2011

Employee Payment by Bargaining Unit	Nov 2007		Nov 2011		Change %*	
	Count	FTE	Count	FTE	Count	FTE
<b>A Administrative/Bargaining Unit</b>						
Admin Administrator (MPP)	193	193.00	179	178.60	-7.25%	-7.46%
APC A Academic Professional of California (R04)	167	159.65	176	170.85	5.39%	7.02%
Conf Confidential (C99)	20	20.00	19	19.00	-5.00%	-5.00%
CSUEU Health Care Support (R02)	33	31.25	37	32.60	12.12%	4.32%
CSUEU Operations Support Services (R05)	151	150.50	105	104.45	-30.46%	-30.60%
CSUEU Clerical/Administrative Support Services (R07)	455	443.50	429	412.20	-5.71%	-7.06%
CSUEU Technical Support Services (R09)	539	433.38	640	489.28	18.74%	12.90%
<b>CSUEU Total</b>	<b>1,178</b>	<b>1,058.63</b>	<b>1,211</b>	<b>1,038.53</b>	<b>2.80%</b>	<b>-1.90%</b>
E99	93	22.42	109	29.80	17.20%	32.92%
<b>R03 F Faculty-Other</b>	<b>1,252</b>	<b>554.83</b>	<b>1,234</b>	<b>555.73</b>	<b>-1.44%</b>	<b>0.16%</b>
R03 Tenured/Tenure Track	786	764.24	807	791.28	2.67%	3.54%
<b>R03 T Total</b>	<b>2,038</b>	<b>1,319.07</b>	<b>2,041</b>	<b>1,347.02</b>	<b>0.15%</b>	<b>2.12%</b>
SETC State Employees Trades Council (R06)	87	87.00	85	85.00	-2.30%	-2.30%
SUPA Statewide University Police Association (R08)	19	19.00	19	19.00	0.00%	0.00%
UAPD Physicians and Dentists (R01)	16	12.00	14	8.25	-12.50%	-31.25%
UAW Academic Student Employees (R11)	302	84.96	292	92.15	-3.31%	8.45%
<b>Grand Total</b>	<b>4,113</b>	<b>2,975.74</b>	<b>4,145</b>	<b>2,988.19</b>	<b>0.78%</b>	<b>0.42%</b>

Notes:

- 1) Special Consultant, Instructional Student Assistant, and other Student Assistant positions are not included in this analysis.
- 2) The R03 count includes all employees in California Faculty Association-CFA who are on active pay status. Change percent is based on comparison to November 2007.

Source: Harry Hellenbrand from FIRMS data

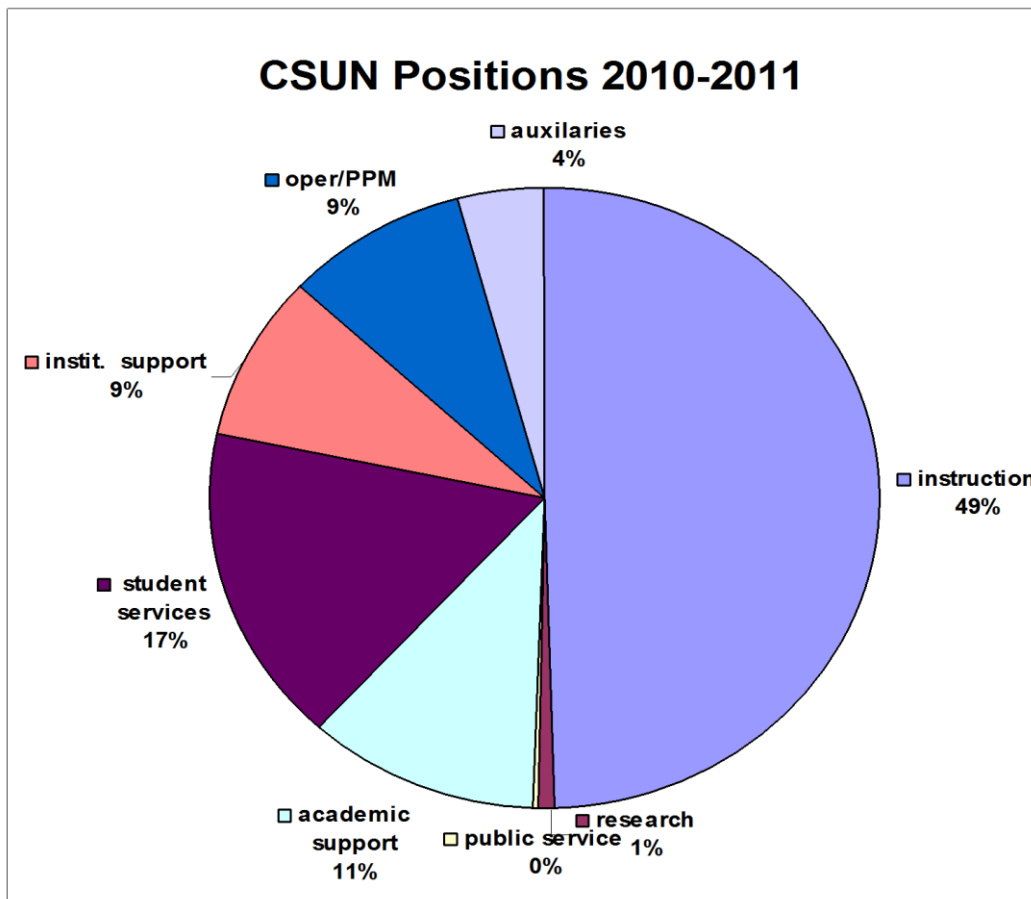
**The table above shows us that while tenure/tenure track faculty headcount increased 2.7% from 11/2007 to 11/2011, technical support services increased almost 19%. Most importantly, enrollment increased 15%.**

**The need to hire tenure/tenure track faculty was and continues to be pressing.**

Here's another way to think about another way to think about staffing compared to students:

In Fall 2010, 27,436 FTE attended CSUN. We had 3186 employee positions; 8.6 FTE per position.

We can try to capture the CSUN employment picture using a Pie Chart taken from the Chancellor's Office Budget Summary Website.



Critical Question: What is the best use of staffing and resources to reduce time to graduation and increase graduation rates without lowering the quality of instruction?

### The Importance of Research

The word university is derived from the Latin *universitas magistrorum et scholarium*, which roughly translates to "community of teachers and scholars." A university and research are inseparable. Research is highly beneficial to students. We must not become a Community College. A public university "teaching institution" must still have solid research. Research is essential to the life of the faculty. If we devalue our degree by becoming degree factories, we will lose out to for-profit universities.

## **Faculty Require Release Time to**

- Conduct research
- Write grants
- Work on committees
- Develop curriculum
- Advise and mentor

*Are staffing practices reviewed in the context of student learning and passage rates?*

**A few ideas to help the faculty do a better job so the graduation rates will improve:**

### **Some Remedies: DO**

Guarantee of a lower teaching load for active and productive faculty

Hire postdoctoral fellows

Increase funding for college awards

Continue to fund travel

Give higher financial rewards for exceptional work

University and college awards should not be such a nominal sum (perhaps as high as a student scholarship?)

### **Combat Apathy: DO**

Attendance at department and college meetings should be expected.

Service on committees must be carried by a wider group.

Too many faculty members have ceased to take an interest in College and Departmental Level Affairs. Participation is one way to overcome apathy.

## **Caveats: DON'T**

Devalue the value of higher education to becoming no more than a high school diploma.

Cut the release time that makes research, leadership, mentoring, curriculum development and service possible.

Not understand the importance of research, intellectual inquiry and analysis.

Not hire the best and brightest faculty to educate undergraduates and graduates.

## **What is Shared Governance?**

Faculty and administrators take joint responsibility for the academic mission of the University. Shared governance gives to faculty the primary responsibility for the educational functions of the University, consistent with basic policy as set by the Board of Trustees.

These responsibilities include, but are not limited to: design and implementation of curricula of the highest academic quality; setting and maintaining academic and professional standards, including admission and degree requirements; facilitating and insuring the free conduct of creative and scholarly activities; determining faculty personnel policies, procedures, and criteria and overseeing their implementation; exercising major influence over decisions on hiring, tenure, and promotion; and participating meaningfully in budgetary decisions, especially when they directly affect the academic mission of the university.

The faculty members have been unable to develop a functional bargaining group or self-government and shared governance does not exist. *This has a demoralizing effect.*

## **Appendix – Info on Faculty**

### **MYTH**

Online education is a big cost savings.

Why does the CSU spend billions on capital improvement projects and maintenance, then believe that an Online U will reduce expenses?

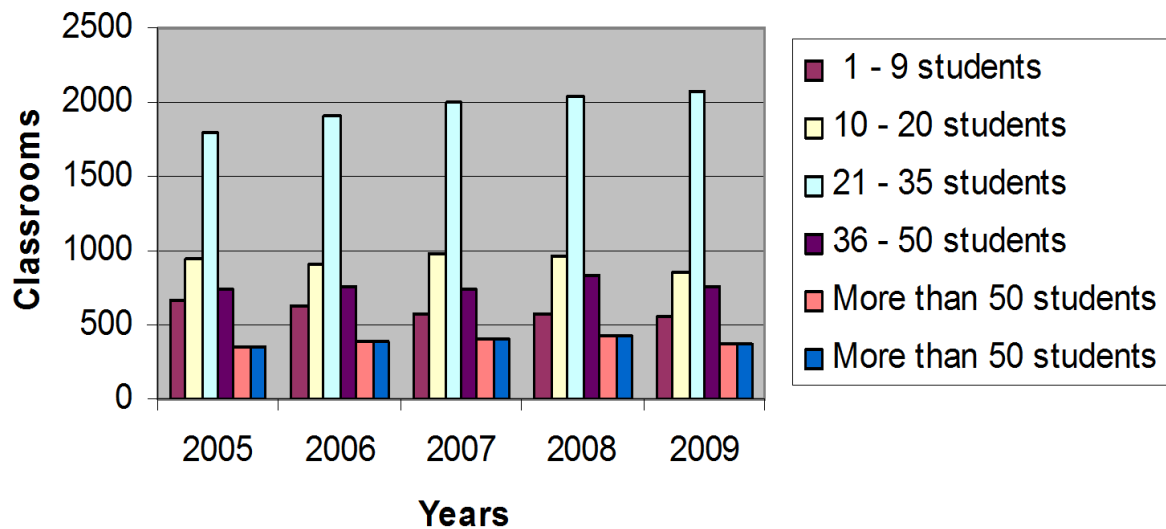
## **Undergraduate FTE Students at Cal State Northridge by Type of Instructor, Course Type, and Fall Term**

Around 5-10% of our classes are taught fully online. The number of hybrid courses is steadily growing. It is a tragedy that CSU faculty did not develop the courses to be used for the CSU Online U.

Unfortunately, the creation of online materials gets little or no PPR credit in most departments and CFA had grave misunderstandings about the possible good that the Extended Learning could provide. Management utterly failed the system by selling out to Pearson e-materials, but CFA contributed to this mistake.

Labor issues have not been addressed for high SFR or online instruction. So both CFA and CSU Management missed every opportunity to miss an opportunity.

## Number of Classrooms by Size



### Average Section Size (Regular Sections Only)

Head-count	Fall 2000	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010
Lower	29	33	33	34	34	34	35
Upper	26	30	31	31	31	31	32
Graduate	17	16	17	17	17	18	17
<b>Total</b>	<b>4,275</b>	<b>4,552</b>	<b>4,636</b>	<b>4,782</b>	<b>4,945</b>	<b>4,753</b>	<b>4,674</b>
FTES	Fall 2000	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010
Lower	5.2	5.9	5.8	5.9	6	6	6.3
Upper	4.8	5.4	5.6	5.5	5.5	5.7	5.9
Graduate	3.3	3	3.8	3.8	3.8	3.8	3.6
<b>Total</b>	<b>13.3</b>	<b>14.3</b>	<b>15.2</b>	<b>15.3</b>	<b>15.4</b>	<b>15.5</b>	<b>15.8</b>

As unit load changes, what is the best use of staffing and resources to reduce time to graduation and increase graduation rates without lowering the quality of instruction?

**Who Is the CSUN Instructional Staff?**

<b>Numbers</b>	<b>Fall 2005</b>	<b>Fall 2006</b>	<b>Fall 2007</b>	<b>Fall 2008</b>	<b>Fall 2009</b>	<b>Fall 2010</b>
<b>Tenured</b>						
<b>Professor</b>	364	351	340	340	338	357
<b>Associate Professor</b>	155	181	209	227	234	212
<b>Subtotal</b>	519	532	549	567	572	569
<b>Tenure Track</b>						
<b>Assistant Professor</b>	219	213	207	196	163	134
<b>Lecturer</b>						
<b>Lecturer</b>	1,174	1,164	1,185	1,198	1,124	1,121
<b>Grand Total</b>	1,912	1,909	1,941	1,961	1,859	1,824

**SOME OF US ARE GETTING OLDER... Tenured Faculty by Age**

<b>Age</b>	<b>Fall 2005</b>	<b>Fall 2006</b>	<b>Fall 2007</b>	<b>Fall 2008</b>	<b>Fall 2009</b>	<b>Fall 2010</b>
<b>Under 40</b>	135	136	142	136	119	96
<b>40-49</b>	157	168	176	181	188	190
<b>50-59</b>	256	253	241	250	233	225
<b>60+</b>	190	188	197	196	197	194
<b>Total</b>	738	745	756	763	737	705

Source: Institutional Research

## **Some Ideas on how to use the surplus money that would benefit faculty**

re Distribution of \$10 million surplus:

- \* Hire replacement tenure/tenure track faculty.
- \* 3 units release for all those instructors stuck in large classes with intensive writing components.
- \* Equity and more early promotions would use up the money
- \* Reduce class size.
- \* Fund the faculty senate.
- \* Fund faculty endowments.
- \* Fund more summer salary awards.

There is no reason why our distinguished colleagues need to receive a pittance for their award. it's basically a joke or perhaps an insult to receive \$1500 or whatever it is now for being the most distinguished faculty ..... it's just an example of how academics doesn't matter to management and faculty are unworthy of recognition.

Provide Additional funding for

- \* Research Labs
- \* Planetarium or Solar Observatory
- \* Language Lab
- \* Faculty sponsored outreach projects

**Comments on CSUN Labor Statistics from 2008-2009**  
**By Carol Shubin**

CSUN is not a virtual university, nor will it ever be. Our labor contracts and physical structure makes us non-competitive with online universities. Therefore, we should try to be what we are – a regional comprehensive university. Our goal should be the delivery of highly quality education at low cost.

Expenses (from WASC 2008-09)

source			\$	% of current expenditures	\$/FTE
wasc 5.2		current expenditures	391,040,503		13,825
wasc 5.2		educational and general expenses	345,770,608		12,349
wasc 5.2		instructional expense	152,695,502	39%	5,428
		Non-instructional expense	238,345,001	61%	
wasc 5.1		total current fund revenues	370,964,162		13,116
		Revenue-expenditures	-20,076,341		
csun budget		total source of funds	319,607,856		11,300
csun budget		academic affairs	141,409,327		5,000
csun budget		total instruction	106,380,423	27%	3,761

Instructional expenses only account for 39% (or 27% depending on how you are counting) of the current expenditures.

NOTE: non-resident tuition is \$14,029/ FTE.  
 There were 28,284 FTEs in 2008-09.

Average expense/FTE  $\$391,040,503/28,284 = \$13,825$

This literally means that we “make“  $\$14,029 - \$13,825 = \$204$  per non-resident student. (That’s the big gain in bringing in non-resident students in terms of average cost per FTE.) Of course, the point is that fixed costs are just that – fixed.

The below table shows that full-time faculty only account for 37% of the total number of people working full-time at CSUN.

STAFF	headcount	%
full time	1482	86%
part-time	234	14%
total staff	1716	100%
FACULTY		
full-time	877	42%
part-time	1228	58%
total faculty	2105	100%
total full-time positions	2359	
FT staff/total		63%
FT faculty/total		37%

RE CSUN ratio of employees to FTE:

That's 1 employee for every 7.45 FTE, ie 3355 positions for 25,000 FTE, so only 37% of the positions at CSUN go to instructors.

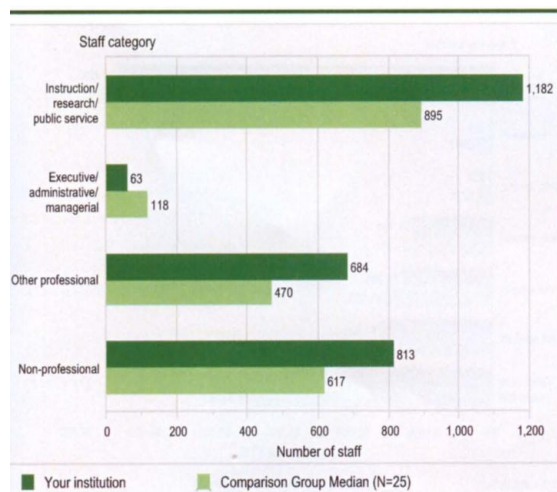
When enrollment dipped to 22,000FTE and employees were at 3355 person, the ratio of employees to students was 1: 6.6

Which jobs were cut ? say 120 lecturer positions at savings of XX/number of classes not closed YY and revenue lost ZZ (not sure of the numbers). We are reducing staff positions by outsourcing janitorial work and gardening maintenance. Some staff have been laid-off. (I don't know the numbers.)

Well, suppose we have 27,000 FTE....

Ok, then we have 1 employee for every 8.047 FTE

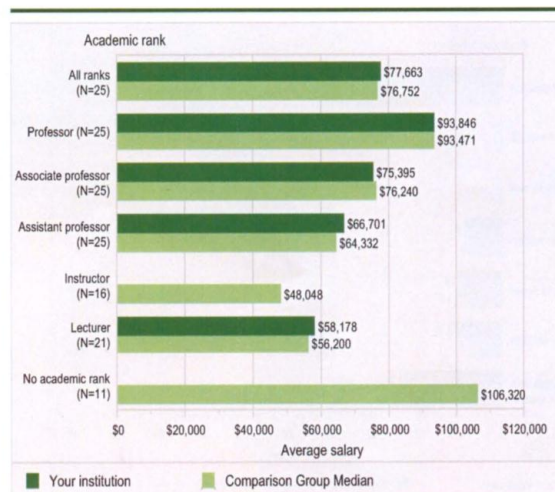
Figure 17. Full-time equivalent staff, by assigned position: Fall 2008



NOTE: Graduate assistants are not included in this figure. N is the number of institutions in the comparison group.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS); Winter 2008-09, Human Resources component.

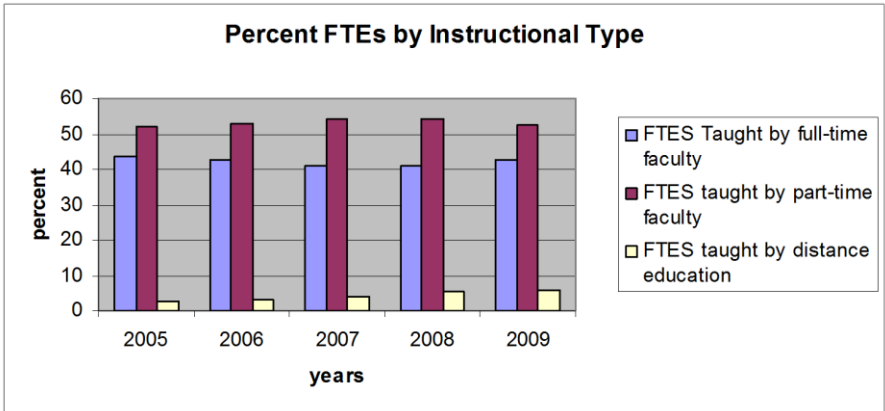
Figure 18. Average salaries of full-time instructional staff equated to 9-month contracts, by academic rank: Academic year 2008-09



NOTE: Average full-time instructional staff salaries for 11/12-month contracts were adjusted to 9-month average salaries by multiplying the 11/12-month salary by .8182. Salaries based on less than 9-month contracts are not included. Medical school staff salaries are not included. N is the number of institutions in the comparison group.

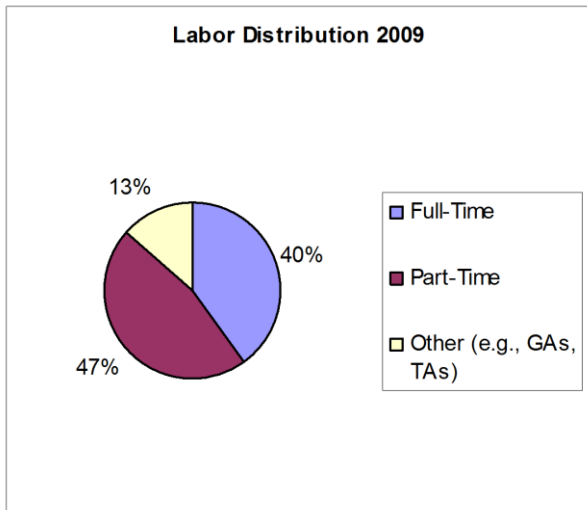
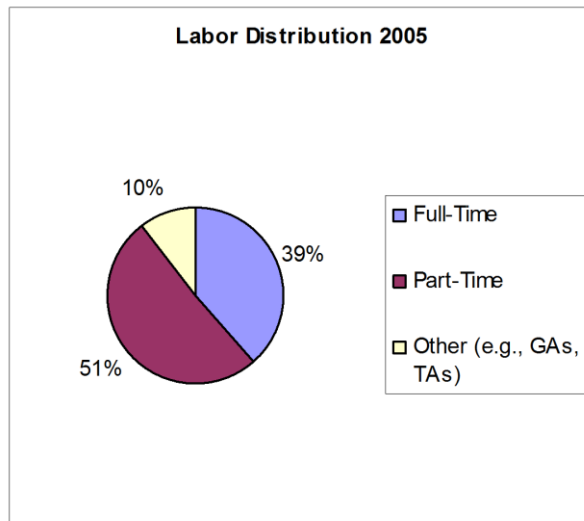
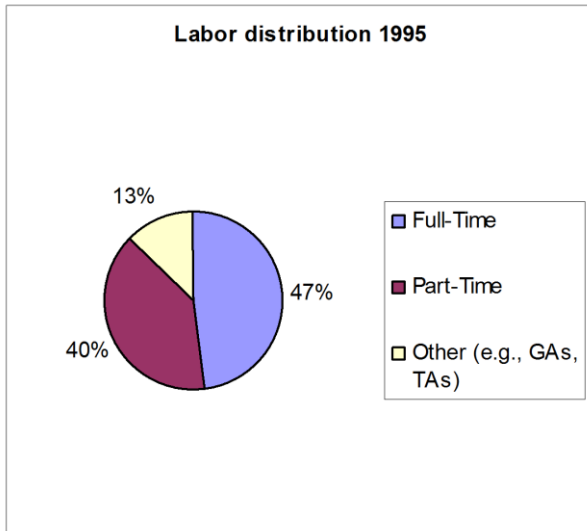
SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS); Winter 2008-09, Human Resources component.

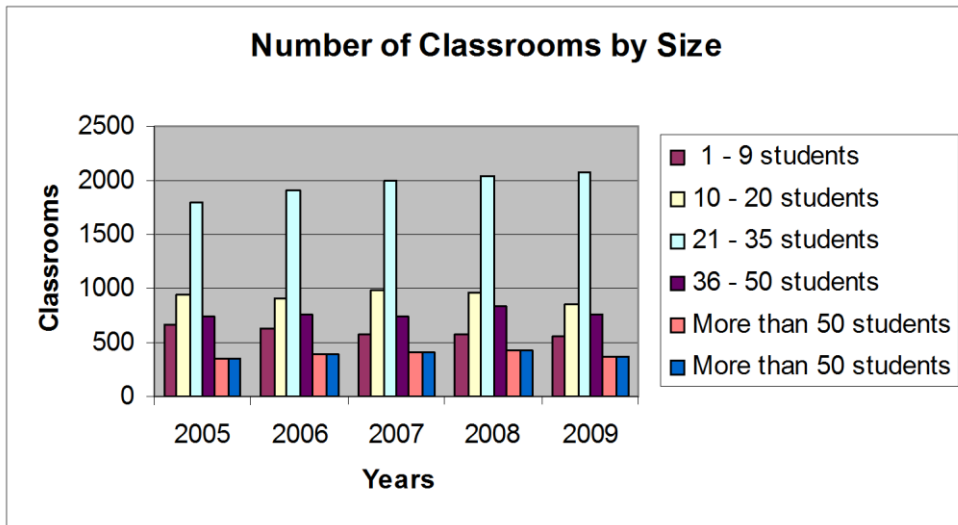
Percent Instructional staff by type. Numbers from WASC data element 5.2



Distance learning is around 5% of FTEs taught. This is not likely to grow much beyond 10-15% in the next 5-10 years (my guess). Perhaps hybrid could be 20-25%?

Change in labor distribution over time. Full-time decreased from 47% to 40% since 1995.



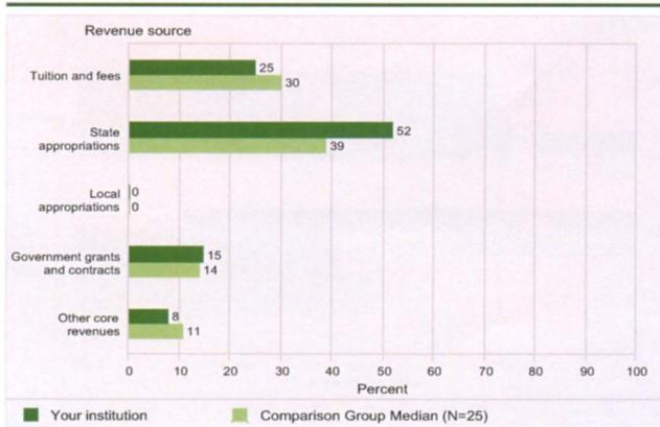


Our most popular class size is 21-35 students. Given the physical structure of CSUN, this is likely to remain so for the next 5-10 years. We will get the most out of running these classes at 40 students or room capacity??

Too bad there is no data separating out fixed costs from marginal costs (ie the difference in expenditures on 28,000 FTEs vs 22,000 FTEs). My guess is that the 10% enrollment cut will do more damage than expected. It will not produce a 10% decrease in expenses.

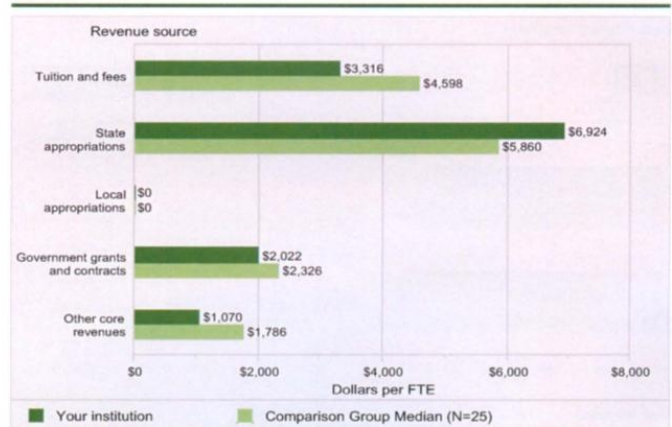
# IPEDS DATA FEEDBACK REPORT

**Figure 19. Percent distribution of core revenues, by source: Fiscal year 2008**



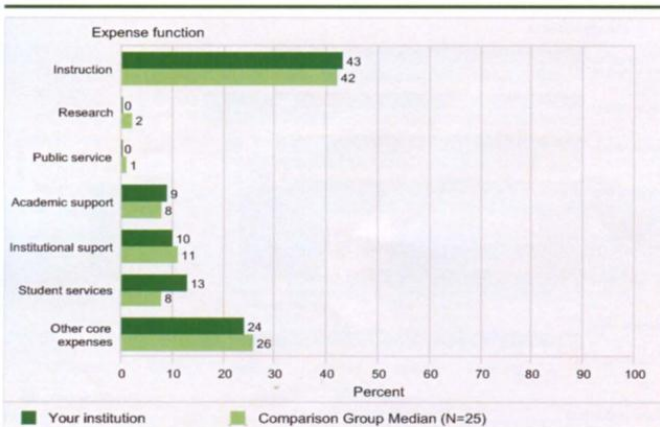
NOTE: The comparison group median is based on those members of the comparison group that report finance data using the same accounting standards as the focus institution. For a detailed definition of core revenues, see the Methodological Notes. N is the number of institutions in the comparison group.  
 SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS): Spring 2009, Finance component.

**Figure 20. Core revenues per FTE enrollment, by source: Fiscal year 2008**



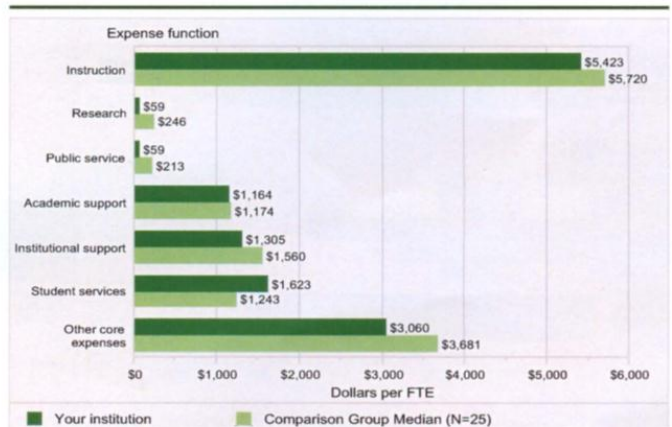
NOTE: The comparison group median is based on those members of the comparison group that report finance data using the same accounting standards as the focus institution. For details on calculating FTE enrollment and a detailed definition of core revenues, see the Methodological Notes. N is the number of institutions in the comparison group.  
 SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS): Fall 2008, 12-month Enrollment component and Spring 2009, Finance component.

**Figure 21. Percent distribution of core expenses, by function: Fiscal year 2008**



NOTE: The comparison group median is based on those members of the comparison group that report finance data using the same accounting standards as the focus institution. For a detailed definition of core expenses, see the Methodological Notes. N is the number of institutions in the comparison group.  
 SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS): Spring 2009, Finance component.

**Figure 22. Core expenses per FTE enrollment, by function: Fiscal year 2008**



NOTE: The comparison group median is based on those members of the comparison group that report finance data using the same accounting standards as the focus institution. Expenses per full-time equivalent (FTE) enrollment, particularly instruction, may be inflated because finance data includes all core expenses while FTE reflects credit activity only. For details on calculating FTE enrollment and a detailed definition of core expenses, see the Methodological Notes. N is the number of institutions in the comparison group.  
 SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS): Fall 2008, 12-month Enrollment component and Spring 2009, Finance component.

Comments:

Academic technology (2008-09) budget was about \$12 million and IT's budget was about \$10 million. The other divisions (Student Affairs, Finance, and Advancement) spent about \$5 million on technology. Extended Learning IT's expenses are not included.

We need to consider the cost of technology compared to the cost of our part time staff. As each part time faculty brings in 20K over their cost for a 3 unit class with 30 FTE, cutting PT is cutting the goose that lies the golden egg. Technology is often expensive, unnecessary, and even hinders instruction.

Decisions can not be left to the Chancellor's Office that never uses technology nor administration, nor IT. The faculty (and to some extent the students) need to have far more influence in decisions impacting instruction.

Now Online U s don't have student health, career centers, eateries, libraries, gyms, lounges, performing arts centers, pools, teams, buildings, gardens, parking lots, maintenance workers, energy costs etc. They operate with lower salaries and benefits, fewer legal suits etc, etc, etc. No wonder they are making a fortune with tuition doubling or tripling ours and so few of our non- instructional expenses. It leaves them tons of money for advertising and colonizing.

RE CSU system-wide ratio of employees to FTEs:

In 2009-2010, the CSU employed 44,000 people while educating 354,811 FTE; that's one employee for 8 FTE !

RE CSU system-wide ratio of employees to students:

In 2009-2010, the CSU employed 44,000 people while educating 440,819 students system-wide; that's one employee for every 10 students.

CSU budget last year (total from state and students, etc) \$4,239,727,000. This means we spent 12K per FTE --- for various reasons, they think the cost of running the operation is less. The claim is that \$1,810,200,000 went to instruction -- which is 43%, but in that "instruction" includes quite a number of items that are not direct instruction.

It is time focus on increasing the number of people who are able to deliver direct instruction.. Excellent candidates are on the market. We need more faculty to handle projected enrollment increases. Having full-time faculty engaged in research and high quality instruction separates us from for-profit universities.

**NOTE – Provost Hellenbrand hired almost 100 tenure/tenure track faculty since the writing of this report. It is nice to see that CSUN management understands our primary business. Too bad the Chancellor's Office has yet to understand our mission.**

**10. CSUN Finances and Surpluses: A Case Study**  
**8/7/2012 (updated 1/13/2013)**  
**By Carol Shubin**

**Executive Summary: A Call for Change in CSU Financial Policies**

We all look forward to a time when a higher education compact between the State and the CSU will commit to a long-term resource plan that addresses base budget allocations, enrollment, student fees and other key program elements. In exchange for this long-term stability, the CSU will commit to focusing our resources to address long-term accountability goals for enrollment, student fees, financial aid, and program quality.

However, the State may not be able to commit these resources. In that case, what do we do? In order to ensure that student outcomes improve, we need to allow for a broader definition of funds which can flow into the base.

Although some resources must be held centrally to cover mandatory cost increases, high reserves should be used to replace retiring faculty with tenure track faculty and provide equity salary raises. The CSU system will deteriorate without sufficient tenure/tenure track faculty to carry out the duties which are essential to a university and can not be carried out by lecturers. We will devalue the degree and our purposes for being if we do not provide that services, instruction and research, for which students attend the university.

To incentivize good management and reward efficiency, managers who create surpluses should not be punished. Their campuses should not be penalized. Such managers should be praised and their behavior should serve as a model for other managers in the system.

CSUN is an example of a campus that generated surpluses during the budget crisis years without drastically cutting enrollment and programs. While we hired new tenure/ tenure track faculty, we continued to run the highest surpluses in the system. CSUN must be doing something right. That's good.

First, we first review the CSUN surpluses from 6/2007-6/2011.

\$31 million	6/2011
\$49 million	6/2010
-\$25 million	6/2009
\$10 million	6/2008
\$10 million	6/2007

The financial reports indicate that CSUN created close to \$74 million surplus during the last 5 years. The expected 6/2012 surplus will also be large, roughly \$30 million. Of course, there have been mandatory cost increases. Also, thankfully, new tenure track faculty numbers have been added to replace some faculty who retired. Overall, the campus appears to be in sound financial health.

<http://www-admn.csun.edu/financials>

CSUN's net assets rose from \$379 million to \$485, a net change of \$106 million from June 2007 to June 2011. Unrestricted net assets rose from \$62.7 million to \$138.7 million or a total of \$76 million from June 2007 to June 2011. Indeed, it appears that more than \$30 million in campus-based funds paid for Valley Performing Arts Center (VPAC), as the hoped-for private funding never materialized while faculty and staff were furloughed and students could not obtain the classes they needed to graduate.

CSUN's finances are in excellent shape. We have more than enough money to pay campus salaries, restore negotiated raises, and offer our students the classes they need to graduate.

The CSU Budget Crisis Years put forward policies which did not prioritize education. Campuses were prevented from hiring replacement faculty and targeted were set that reduced the number of course offerings although students had paid fees. Students have been shut out of classes and their unit loads have been curtailed. Policies were set that prevented students from graduating in the most timely manner.

In part, enrollment was restricted to drive up demand, so that we could raise fees and ask the legislature for more money. Certainly, tuition fees have gone up dramatically. The truth of the matter is that CSUN is restrained by the Chancellor's Office from doing our utmost for the students, employees, and State.

Are some of the CSU's structural deficits self-constructed? If certain restrictions were removed, the CSU's budget crisis could be significantly mitigated. It is unfortunate that at California's time of need, the CSU is not doing its utmost to serve the students and State. We would not be surprised to learn that most of the large urban campuses are restrained from serving students, while surpluses exist or could exist, particularly if we routinely used one-time money differently.

It appears that the Chancellor's Office does not want the campuses to run surpluses because of the publicity it could attract. Taxpayers would know that we are able to handle our own financial affairs with tuition fee increases and efficiency improvements. In our view, it is not a good idea to deceive the taxpayers. Intentional mismanagement and misinformation does not build public trust and may backfire on the CSU.

Of course, the problem is not the surplus itself! It is good that we have a surplus. The CSU should celebrate good management! We must not complain about having a surplus!!! Rather, we must address the restrictions on using the surplus.

## **Summary:**

The solution to the CSU's financial troubles may be mitigated by changing how we distribute our revenue. Surpluses must be used differently. Certain one-time money, which is often reoccurring for many years, must be made available to augment base funds used for paying employees. There needs to be a broad discussion about how to spend our surpluses. Currently, much of this money is wasted. We are tired of seeing redecorated offices, new landscaping, and new equipment while students are denied classes needed to allow timely progress towards a degree. However, we understand the local managers are restrained from using surpluses to benefit the hard working employees or students.

The CSU and CFA must be honest with our employees, our students, and California taxpayers.

## **On Transparency of Financial Practices:**

There have been a number of changes to decrease transparency in our financial statements. Publicly available, audited financial statements are only produced every other year. (Yearly reports were available in the past.) There is no transparent summary provided in the introduction of the CSUN Financial Activity Report, as was available in the past.

1. Why are publicly available, audited financial statements not available after year end for every year as was always the case before the furlough year?
2. Why were the transparent summaries in the introduction of the financial activity report, from 2005 and before, dropped?
3. Why are the pdf files protected so that it is impossible to download the file into a usable format?

## **General Recommendations**

1. We seek to better align our budget with our Mission. In order to do that, we must find better ways of
  - estimating the effect of any proposed changes on the revenue by funding category,
  - discussing how changes in resources will impact human resources,
  - assessing the proposed changes effect on academic quality,
  - insisting on authentic shared governance and accountability,
  - re-examining all non-instructional spending, particularly capital outlays and improvements.
  - reducing "firewalls" from all non-general fund categories, "one time funds," to cover any deficit in our primary mission.

2. We call for more transparency and accountability for financial decisions. We believe that campus presidents and top management have too much autonomy in deciding how discretionary funds should be used. To counter-balance the type of serious problems encountered at CSUN, we believe that there must be better mechanisms that provide real checks and balances. We ask for stronger safe guards on the use of campus- based funds. Boards must be informed of all financial decisions to be voted on more than 2 weeks in advance for all expenditures concerning over \$250,000.

3. We hope that CSUN management will suggest real solutions to our labor problems.

## Supporting Material for CSUN Finances and Surpluses: A Case Study

### CSUN Financial Statements: Net Income or Surplus

There was a \$10 million surplus in AY 2006-2007, and a \$10.5 million surplus in AY 2007-2008.

#### Condensed Summary of Revenues, Expenses, and Changes in Net Assets

	Year ended June 30	
	2008	2007
Operating revenues:		
Student tuition and fees, net	\$ 93,782,323	89,568,958
Sales and services of educational activities	1,234,727	855,484
Sales and services of auxiliary enterprises, net	25,055,577	22,756,228
Other operating revenues	7,596,781	4,939,135
Total operating revenues	127,669,408	118,119,805
Operating expenses	(380,375,510)	(352,002,397)
Operating loss	(252,706,102)	(233,882,592)
Nonoperating revenues (expenses):		
State appropriations, noncapital	195,832,161	185,803,292
Federal financial aid grants, noncapital	37,970,294	35,540,563
State and local financial aid grants, noncapital	19,209,344	17,866,910
Nongovernmental financial aid grants, noncapital	2,937,677	2,767,967
Investment income, net	7,391,099	5,494,222
Other nonoperating expenses, net	(172,305)	(3,592,762)
Total nonoperating revenues, net	263,168,270	243,880,192
Income before other additions	10,462,168	9,997,600
State appropriations, capital	3,340,155	60,977,000
Grants and gifts, capital	2,797,193	1,997,374
Increase in net assets	16,599,516	72,971,974
Beginning net assets	378,933,616	305,961,642
Ending net assets	\$ 395,533,132	378,933,616

**We ran a deficit of \$25.6 million from AY 2008 -2009.**

Condensed Summary of Revenues, Expenses, and Changes in Net Assets

	Year ended June 30	
	2009	2008
Nonoperating revenues (expenses):		
State appropriations, noncapital	\$ 139,275,832	195,832,161
Federal financial aid grants, noncapital	44,505,147	37,970,294
State financial aid grants, noncapital	20,088,645	19,209,344
Nongovernmental financial aid grants, noncapital	3,008,787	2,937,677
Other Federal nonoperating grants, noncapital	18,635,700	—
Investment income, net	4,351,909	7,391,099
Other nonoperating expenses, net	(3,233,962)	(172,305)
Total nonoperating revenues	226,632,058	263,168,270
Income (loss) before other additions	(25,611,469)	10,462,168
State appropriations, capital	10,531,000	3,340,155
Grants and gifts, capital	423,036	2,797,193
Increase (decrease) in net assets	(14,657,433)	16,599,516
Beginning net assets	395,533,132	378,933,616
Ending net assets	\$ 380,875,699	395,533,132

There was a surplus of \$48.6 million in AY 2009-2010, the year of the furlough. The true surplus was closer to \$64.5 million, but \$15 million was used to fill the deficit of the previous year. \$10 million of surplus from years prior to AY 2009-2010 were also used to fill the remainder of the deficit.

**There was a surplus of \$31 million in AY 2010- 2011.**

**Condensed Summary of Revenues, Expenses, and Changes in Net Assets**

	Year ended June 30	
	2011	2010
Operating revenues:		
Student tuition and fees, net	\$ 146,188,840	119,483,849
Sales and services of educational activities	1,107,058	1,175,112
Sales and services of auxiliary enterprises, net	28,825,179	28,124,074
Other operating revenues	12,007,879	11,923,158
Total operating revenues	188,128,956	160,706,193
Operating expenses	(429,566,777)	(374,019,295)
Operating loss	(241,437,821)	(213,313,102)
Nonoperating revenues (expenses):		
State appropriations, noncapital	178,850,133	149,870,236
Federal financial aid grants, noncapital	68,029,130	58,279,414
State financial aid grants, noncapital	27,383,669	23,480,325
Nongovernmental and other financial aid grants, noncapital	1,350,319	1,202,048
Other federal nonoperating grants, noncapital	703,562	31,203,048
Gifts, noncapital	91,131	60,710
Investment income, net	976,202	672,184
Interest expense	(6,780,423)	(6,564,566)
Other nonoperating revenues, net	1,804,081	3,712,114
Total nonoperating revenues	272,407,804	261,915,513
Income before other additions	30,969,983	48,602,411
State appropriations, capital	1,635,835	73,000
Grants and gifts, capital	4,859,206	21,835,159
Increase in net assets	37,465,024	70,510,570
Beginning net assets	447,308,931	376,798,361
Ending net assets	\$ 484,773,955	447,308,931

## Net Assets

**Net assets increased from \$376 million to \$396 million in AY 2007-2008 or \$18 million.**

**Unrestricted net assets increased from \$62.7 million to \$77.2 million in AY 2007-2008 or \$14.5 million.**

### *Summary*

The following discussion highlights management's understanding of the key financial aspects of the University financial activities. Included is an analysis of current year activities and balances; a discussion of restrictions on University net assets; a discussion of capital assets and long-term debt; and factors impacting future reporting periods.

The University's condensed summary of net assets as of June 30, 2008 and 2007 is as follows:

	<u>June 30</u>	
	<u>2008</u>	<u>2007</u>
Assets:		
Current assets	\$ 127,776,382	112,980,134
Capital assets	337,505,773	294,385,624
Other noncurrent assets	138,416,932	123,133,725
Total assets	<u>\$ 603,699,087</u>	<u>530,499,483</u>
Liabilities:		
Current liabilities	\$ 63,496,562	42,173,619
Long-term debt obligations, net of current portion	132,757,500	97,972,798
Other noncurrent liabilities	11,911,893	11,419,450
Total liabilities	<u>\$ 208,165,955</u>	<u>151,565,867</u>
Net assets:		
Invested in capital assets, net of related debt	\$ 236,156,349	208,106,831
Restricted, expendable	82,154,872	108,084,732
Unrestricted	77,221,911	62,742,053
Total net assets	<u>\$ 395,533,132</u>	<u>378,933,616</u>

**Total net assets increased from \$381 million to \$396 million in AY 2008-2009 or \$15 million.**

**Unrestricted net assets decreased from \$79 million to \$34 million from 6/2008 to 6/2009 or \$45 million.**

**CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**

Management's Discussion and Analysis

June 30, 2009

The University's condensed summary of net assets as of June 30, 2009 and 2008 are as follows:

**Condensed Summary of Net Assets**

	<b>June 30</b>	
	<u>2009</u>	<u>2008</u>
<b>Assets:</b>		
Current assets	\$ 139,641,113	127,776,382
Capital assets	418,901,319	337,505,773
Other noncurrent assets	80,463,653	138,416,932
Total assets	<u>639,006,085</u>	<u>603,699,087</u>
<b>Liabilities:</b>		
Current liabilities	115,883,719	63,496,562
Long-term debt obligations, net of current portion	128,408,997	132,757,500
Other noncurrent liabilities	13,837,670	11,911,893
Total liabilities	<u>258,130,386</u>	<u>208,165,955</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt	322,763,880	236,156,349
Restricted, expendable	23,416,077	80,370,308
Unrestricted	34,695,742	79,006,475
Total net assets	<u>\$ 380,875,699</u>	<u>395,533,132</u>

**Total net assets increased from \$447 million to \$485 million from 2010 to 2011 or \$38 million.**

**Unrestricted net assets increased from \$101.3 million to \$138.7 million from 2010 to 2011 or \$37.4 million.**

The University's condensed summary of net assets as of June 30, 2011 and 2010 is as follows:

**Condensed Summary of Net Assets**

	<b>June 30</b>	
	<b>2011</b>	<b>2010</b>
<b>Assets:</b>		
Current assets	\$ 209,697,074	163,937,075
Capital assets	506,187,915	469,812,531
Other noncurrent assets	29,193,955	68,780,044
Total assets	<u>745,078,944</u>	<u>702,529,650</u>
<b>Liabilities:</b>		
Current liabilities	72,990,929	70,479,800
Long-term debt obligations, net of current portion	173,185,073	169,032,266
Other noncurrent liabilities	14,128,987	15,708,653
Total liabilities	<u>260,304,989</u>	<u>255,220,719</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt	340,993,655	329,840,463
Restricted, expendable	5,043,319	16,178,459
Unrestricted	138,736,981	101,290,009
Total net assets	<u>\$ 484,773,955</u>	<u>447,308,931</u>

## **Summary on the Strength of CSUN's Financial Condition**

It is very likely that CSUN ran a \$30 million surplus in AY 2011-2012. However, the financial statements are not yet available.

The AY 2009-2010 CSUN surplus of close to \$49 million must have caused some discomfort on campus and at the Chancellor's Office.

We presume that large surpluses were behind the decision to not produce yearly audited financial reports. This appears to be a cover up and we feel that this practice is deceptive. We are a public agency and must be accountable to the public.

Out of all the CSU campuses, CSUN ran the highest surplus in AY 2009-2010. This probably occurred because so many CSUN faculty had retired and not been replaced while enrollment increased. Also CSUN salaries are in the bottom third of all CSU campus average instructional salaries. We believe that CSUN faculty can be paid equitable salaries and receive a 3% General Fund across the board salary increase. The rest of the report explains why.

### Analysis of CSUN Financial Trends: Revenue

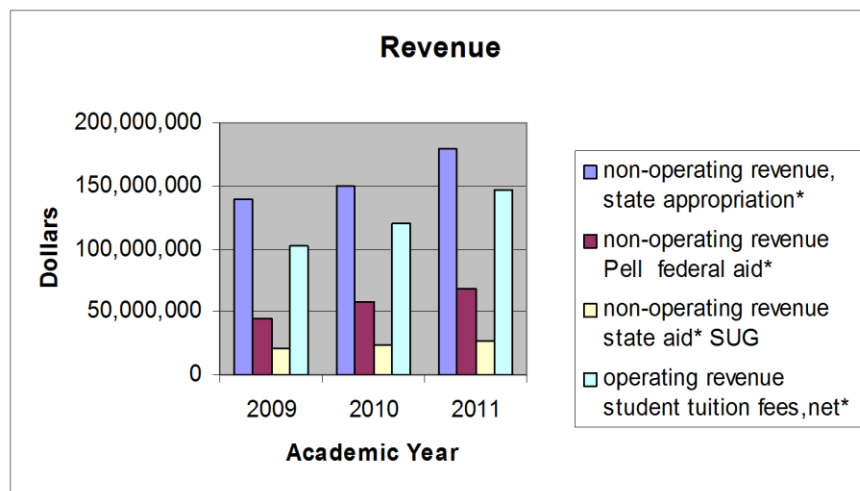
The vast majority of CSUN’s revenue is derived from tuition fees and other fees. Therefore, we need to understand our enrollment and fees. CSUN is now one of the CSU’s highest enrollment campuses. In Fall 2012, the headcount is nearly 35,000 and fees have gone up to \$7000 per year. The revenue from the fees and state is sufficient to produce surplus as they have in the past three years. We understand that the CSU budget crisis is manufactured and that there is a deliberate intention to not solve the budget crisis. We are dismayed that the surplus is not given to back to the students as a rebate or to faculty and staff as stipends.

#### CSUN Revenues (in millions)

	<b>Tuition/Fees (Net)</b>	<b>Non-Capital State Appropriations</b>	<b>Subtotal</b>	<b>Capital (non-bond)</b>	<b>Total</b>
<b>6/2008</b>	<b>93.4</b>	<b>195.8</b>	<b>289.2</b>	<b>6.1</b>	<b>295.3</b>
<b>6/2009</b>	<b>102.1</b>	<b>139.3</b>	<b>241.4</b>	<b>10.9</b>	<b>252.3</b>
<b>6/2010</b>	<b>120</b>	<b>149.9</b>	<b>269.9</b>	<b>21.9</b>	<b>291.8</b>
<b>6/2011</b>	<b>146</b>	<b>178.9</b>	<b>324.9</b>	<b>6.4</b>	<b>331.3</b>

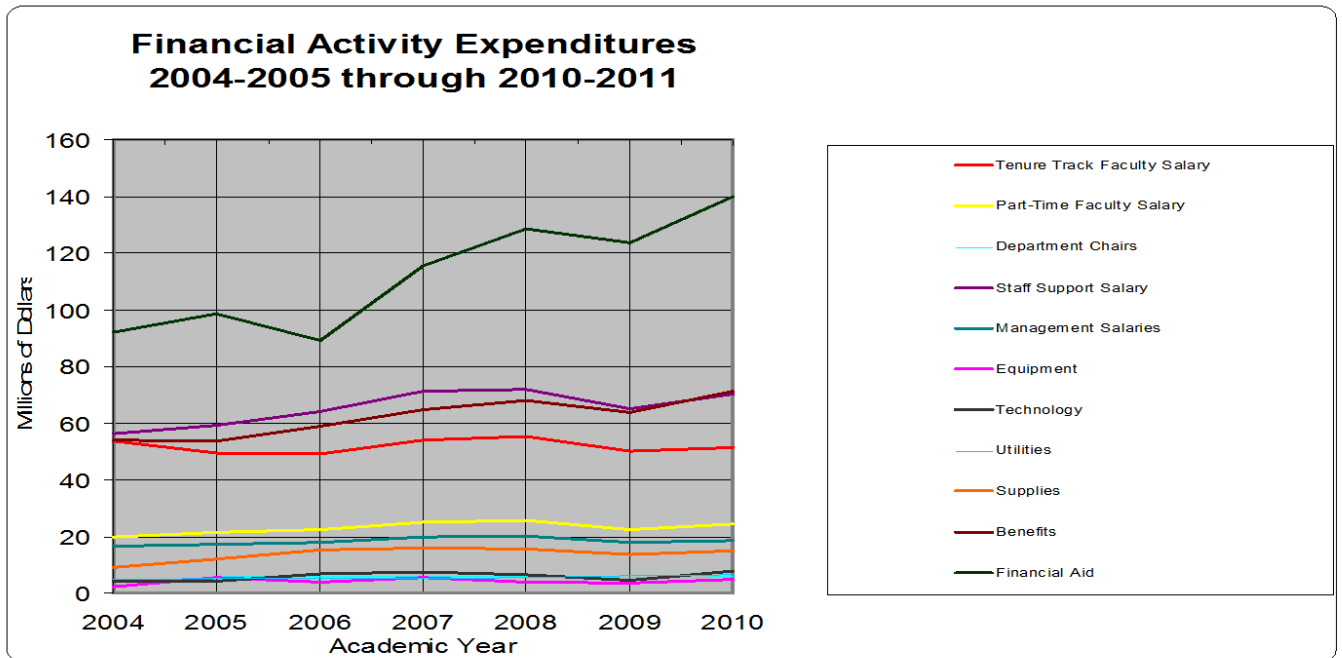
	<b>Non-operating revenue federal aid</b>	<b>Non-operating revenue state aid</b>
<b>6/2009</b>	<b>44,505,147</b>	<b>20,088,645</b>
<b>6/2010</b>	<b>58,279,414</b>	<b>23,480,325</b>
<b>6/2011</b>	<b>68,029,130</b>	<b>27,383,669</b>

	<b>Operating Revenue Auxiliary *</b>	<b>Operating Revenue Enterprise *</b>
<b>6/2009</b>	<b>27,072,715</b>	<b>8,515,473</b>
<b>6/2010</b>	<b>28,124,074</b>	<b>11,923,158</b>
<b>6/2011</b>	<b>28,825,179</b>	<b>12,007,879</b>



Source: <http://www-admn.csun.edu/financials/docs/csun-fin-stmts.pdf>

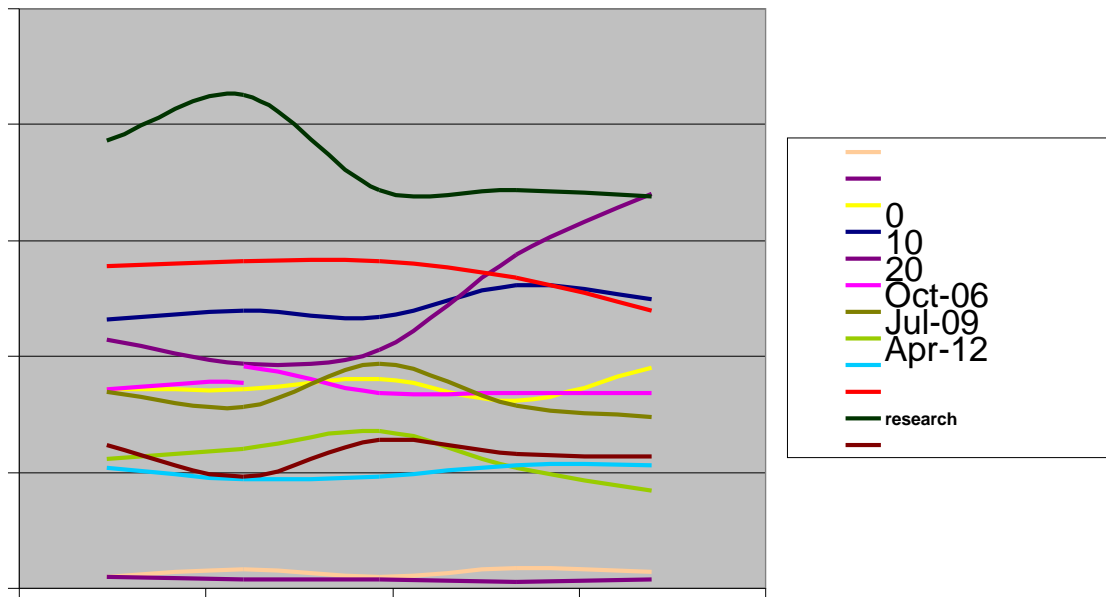
## Analysis of CSUN Financial Trends: Expenditures



## Change in Expenditures (in millions of dollars)

Year	Equipment	Technology	Utilities	Supplies	Benefits	Financial Aid	Expenses Out
2004 - 05	2.3	4.2	5.0	9.0	54.0	91.9	400.2
2005 - 06	5.6	6.9	5.3	12.1	53.6	98.4	463.3
2006 - 07	6.0	7.4	5.2	15.3	58.9	89.2	480.8
2007 - 08	5.4	8.2	5.2	15.8	64.6	115.3	525.7
2008 - 09	3.9	6.6	5.4	15.6	68.1	128.5	532.1
2009 - 10	3.6	4.5	6.3	13.5	63.9	123.6	521.8
2010 - 11	4.9	7.8	6.5	15.0	71.3	140.0	522.2
<b>Percent Increase</b>	<b>114.8%</b>	<b>85.7%</b>	<b>30.0%</b>	<b>67.8%</b>	<b>32.0%</b>	<b>52.3%</b>	<b>30.5%</b>

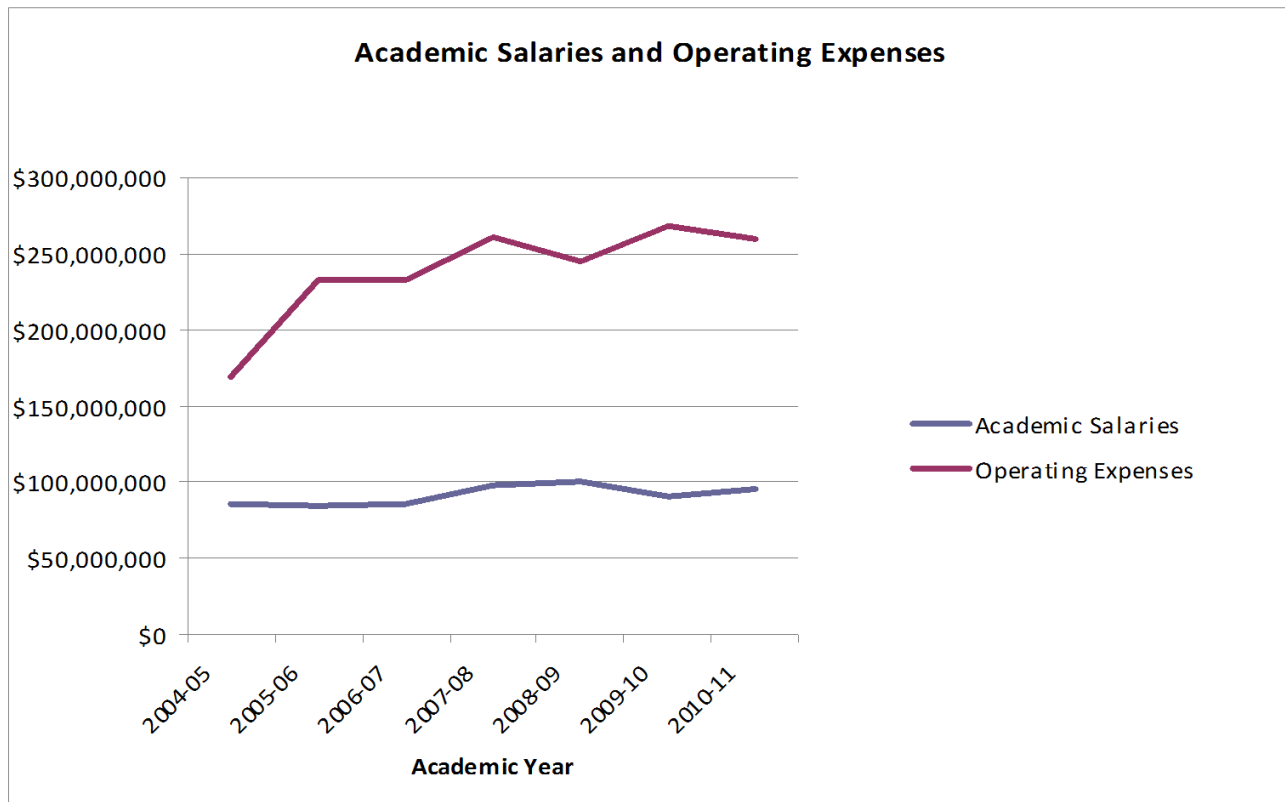
**We note that the percent of increase in benefits is LESS than equipment, technology, or supplies. (Source: CSUN Financial Activity Reports)**



### Expenses as Percent of Operating Cost

	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11
Research	0.5	0.8	0.5	0.9	0.7
Public Safety	0.5	0.4	0.4	0.3	0.4
Academic Support	8.6	8.6	9	8.1	9.5
Student Services	11.6	12	11.7	13.1	12.5
Student grants / Scholarships	10.7	9.7	10.3	14.4	17
Institution Support	9.3	9.6	8.4	8.4	8.4
Operation/Maintenance	8.5	7.8	9.7	7.9	7.4
Auxiliary Enterprise	5.6	6	6.8	5.2	4.2
Depreciation/Amortization	5.2	4.7	4.8	5.3	5.3
Tenure/Tenure Track Salary	13.9	14.1	14.1	13.4	12
Other Instructional Costs	19.3	21.3	17.2	17.2	16.9
Part-time Instructor Salary	6.2	4.8	6.4	5.8	5.7

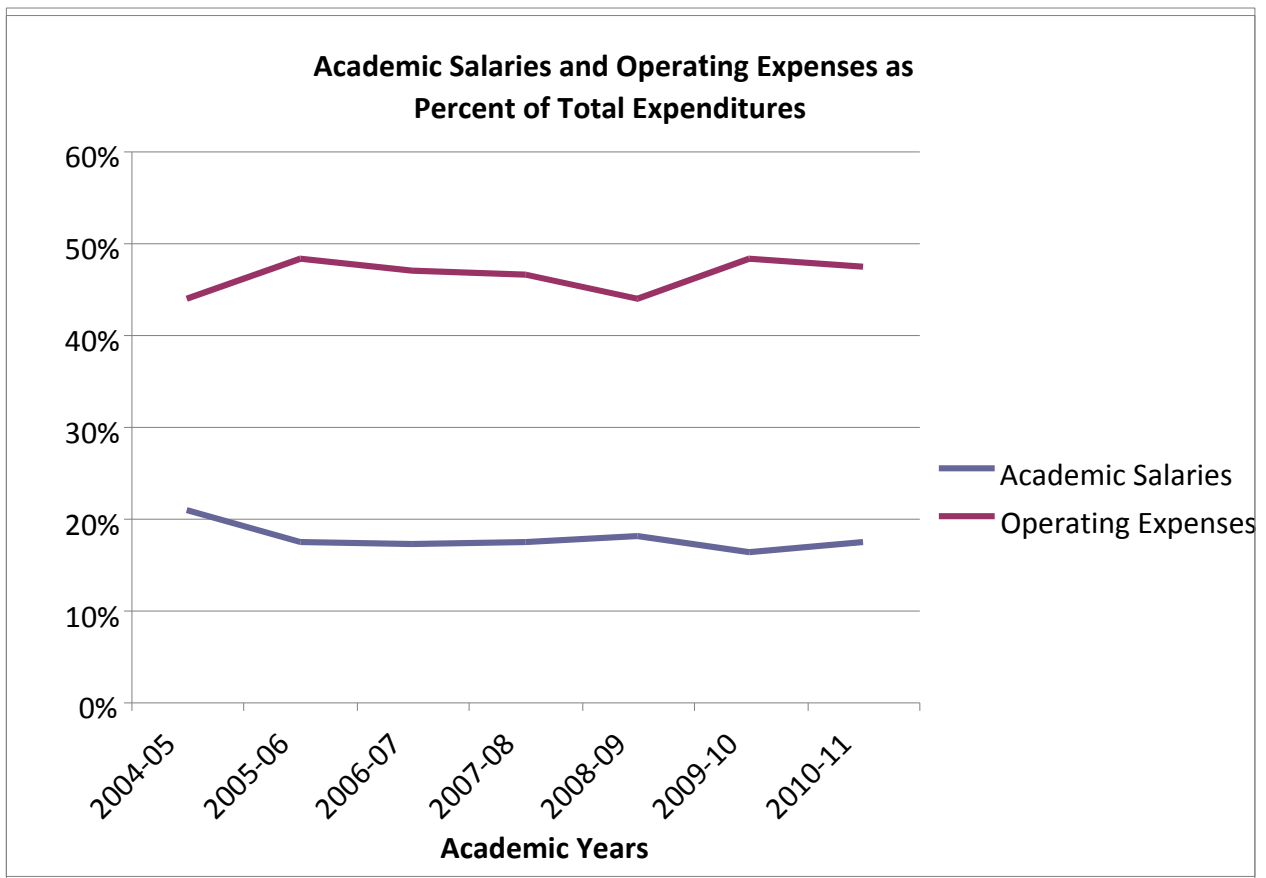
Although California State University Northridge has experienced overall reductions in State funding over the past decade, it has not experienced significant operating budget reductions due to tuition fee increases during that period. Indeed as tuition/fees rose, operating expenses rose and academic salaries declined.



Source: by Wayne Smith from Financial Activity Reports.

Since 6/2005, we see that operating expenses have risen as percent of the total expenditures.

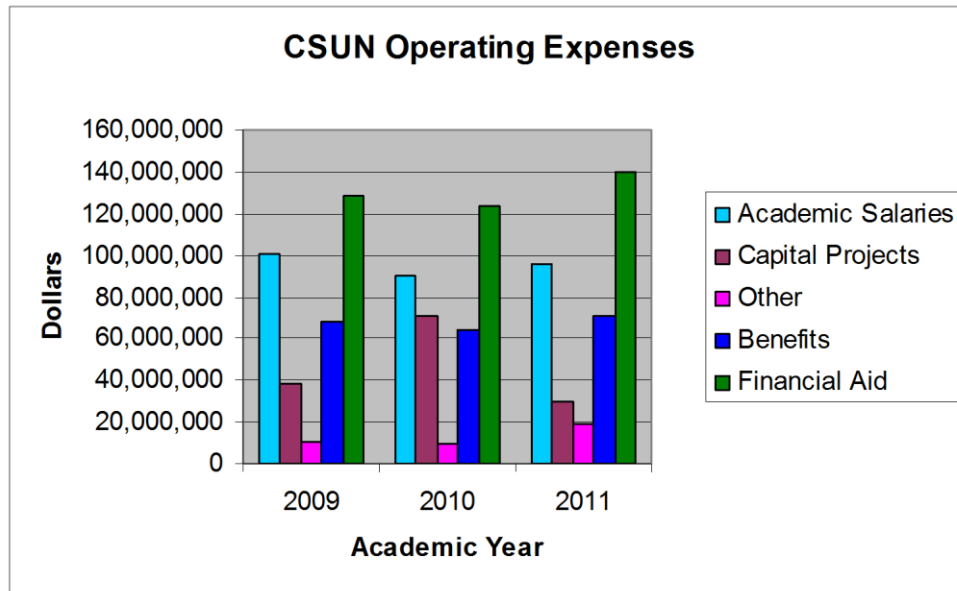
During the same time, enrollment increased by roughly 15%. The percent of expenditures devoted to academic salaries declined as a percent of our total expenditures.



Source: by Wayne Smith from Financial Activity Reports.

## CSUN Operating Expenses

Academic Year	Academic Salaries	Capital Projects	Other	Benefits	Financial Aid
June-09	100,636,294	37,991,558	10,079,364	68,061,011	128,500,000
June-10	90,021,536	70,931,952	9,702,833	63,884,149	123,570,000
June-11	95,910,874	29,237,153	19,562,054	71,280,822	140,000,000



<http://www-admn.csun.edu/financials/docs/fin-statements-2009.pdf>

<http://www-admn.csun.edu/financials/docs/fin-statements-2011.pdf>

<http://www-admn.csun.edu/financials/docs/fin-activity-rpts.pdf>

[http://www-admn.csun.edu/budget/general\\_fund/gf-11-12.pdf](http://www-admn.csun.edu/budget/general_fund/gf-11-12.pdf)

## Analysis of CSUN Financial Trends: Investments

Pool and the State of California Surplus Money Investment Fund

Investment Type	6/2009	6/2011
Money market	4,012,816	354,357
Certificates of deposit	2621119	28,239,048
U.S. agency securities	36375227	
Repurchase Agreements		481,069
Commercial Paper		15,102,335
Corporate and fixed income		66,723,580
Securities	37208674	63,173,095
US Treasury Securities	2,049,076	27,078,683
State of California Surplus		15,559,794
Money Investment Fund SMIF	65051354	
Mortgage-backed securities	2512899	1,083,382
Local Agency		6,000
Total	149831165	217,801,223

There is more than enough unrestricted net assets available to the University for general and educational obligations, including instruction.

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### Some Miscellaneous Re Contractual Services and Worker's Compensation

Academic Year	Expenditure Contractual Services (millions of dollars)
2005-06	10
2006-07	12
2007-08	11
2008-09	9
2009-10	8.6
2010-11	6.7

## Analysis of CSUN Financial Trends: Capital Expansion

**President Koester oversaw a major physical transformation of the campus. She formed a committee which envisioned the campus master plan many years into the future. <http://www.csun.edu/envision2035/>**

CSU capital expansion is financed through University Funds, issuance of debt, issuance of California State University System Revenue Bonds, and general obligation bonds, of which the latter are not reflected in the accompanying financial statements.

The table below contains data on CSUN's capital outlays since 2005:

**Capital Outlays** (in millions of dollars)

	General Fund	Trust/ Enterprise Funds	Other + Reimbursed Funds	Total
2005-2006	1.9	4.3	51.3 +10	67.4
2006-2007	2.8	4.6	56.1+6.7	70.2
2007-2008	3.4	46.4	4.7	54.6
2008-2009	0.3	24.0	13.6	38
2009-2010	2.1	23.3	45.6	70.9
2010-2011	2.8	17.9	8.6	29.2

There are many additional costs beyond the initial capital outlays which do impinge on general funds. Buildings require, staff time devoted to feasibility studies, planning, and construction, staffing, utilities, equipment, technology, maintenance, supplies, insurance, and debt. The vast majority of the funding is made possible by Student Fees, State of California, California Taxpayers, California Legislators, the CSU Chancellor's Office and Board of Trustees.

### re Debt for Capital Projects and Interest

	Principal	Interest	Total
6/30/2009	\$134,587,000	\$79,444,747	\$214,031,747
6/30/2011	\$178,497,000	\$121,439,188	\$299,936,188

The increase principal increased about \$44 million and the interest payments from \$42 million -- all from 2009 to 2011 -- during the "budget crisis." Our current yearly debt repayment is about \$11 million.

When labor and material costs, as well as interest rates, are low, as now, CSUN management wants to leverage debt. Although debt does not sap campus resources, it does sap State resources. So while campus surpluses soar and CSU construction booms, the State is in real trouble. There is a long time delay between the private market and public market slump due the length of time of the planning of capital projects funded by bonds. So the CSU's building boom continued long after the market bust.

There are definite positives about the time delay, but it seems like we have reached the time when the CSU should put less debt burden on the State's resources for non-essential, non-academic expensive presidential trophy projects which fail to be matched with privately donations. But how would our spending patterns change if we were responsible for our own debt? (Thankfully, the Legislature spared us from this fate this year.) How would our spending patterns change if financial aid suffered deep cuts?

The CSUN Valley Performing Arts Center is an example of a project in which the promised private funding never arrived in full. Indeed, we wonder if as much \$30 million of campus-based funds went into the project (perhaps as much as \$42 million?). In addition, the building is very expensive to maintain. CSUN Advancement had little history of bringing in large sums of private money. The scale of the project was too grand for our resources. During the height of the CSU budget crisis, CSUN pledged to pay off the VPAC with campus-based funds.

Imagine how the hard working employees of the CSUN felt to see that venue that benefits so few could be funded, while our contracts could not. Of course, this was not CSUN management's fault. CSU policy covered Advancement's shortfalls, but did not pay negotiated salary increases. If budget policies were aligned with student success and our mission, students would have received the classes that they needed. Students and faculty would not have been held hostage to pressure the state. Perhaps that is how power politics are played, but the CSU might have a hard time justifying itself to the public or the Los Angeles Times.

Sometimes it feels like all increases in efficiencies in instruction have been matched by spending on anything but instruction and instructors. Surpluses grow. Buildings are completed. Have we become a university of construction rather than instruction, or a university of entertainment over academics?

## Analysis of CSUN Financial Trends: Auxiliary Funds

**On Easing of Revenue Restrictions:** “CSU and State regulations / laws place restrictions on the types of expenditures that can be made from specific revenue sources. Despite having balances in various types of funds, the University in many cases cannot advance key programs and initiatives or enhance support of existing ones because of these restrictions.

One example is tuition fee revenue. With the CSU moving from a “State supported” to a “State assisted” model, greater flexibility in use of tuition fee revenue might be explored. More than half of Cal State Northridge’s total funding is now provided by tuition fees and other fees paid by students, which are collected by the campus and are separate from State of California General Fund allocations. *If the tuition and other fees paid by students were not subject to the same restrictions imposed on General Fund allocations, the campus would gain flexibility for the funding of priorities such as capital projects, special programs and scholarships. (Italic added for emphasis.)*” Draft CSUN 10 -Year Resource Plan, McCarron and Theodoulou

CSUN Auxiliaries Net Revenue (in millions)

Year	Foundation	University Corp	Student Union	Associated Students	North Campus	Auxiliary Total
Jun-05	14.1	1.1	0.32	-0.4	0.14	15.26
Jun-06	13.2	0.9	0.12	0.59	0.3	15.11
Jun-07	21.9	3.6	0.87	0.65	0.36	27.38
Jun-08	6.3	-5.6	0.35	0.21	0.04	1.3
Jun-09	-10.6	-1	0.11	0.4	0.16	-10.93
Jun-10	-0.9	-1.1	0.23	0.67	0.38	-0.72
Jun-11	16.9	2.1	0.21	0.17		19.38

Detail on the Foundation (millions)

Year	Unrestricted Revenue	Restricted Revenue	Investment Purchase	Stock	President Fund	Depart. Fund	VPAC Fund
6/2007	4.1	6.1	2.9	-7.6		3.4	
6/2008	0.8	1.8	5.4	5.3	2	3.2	
6/2009	6.2	6.4	3.8	15.1	2	4.1	
6/2010	2.6	5	14.9	-5.3	2	3.2	12.25
6/ 2011	4.8	10.9	3.7	-12.8	2	4.6	2

<http://www.csun.edu/ua/foundation/financial/>

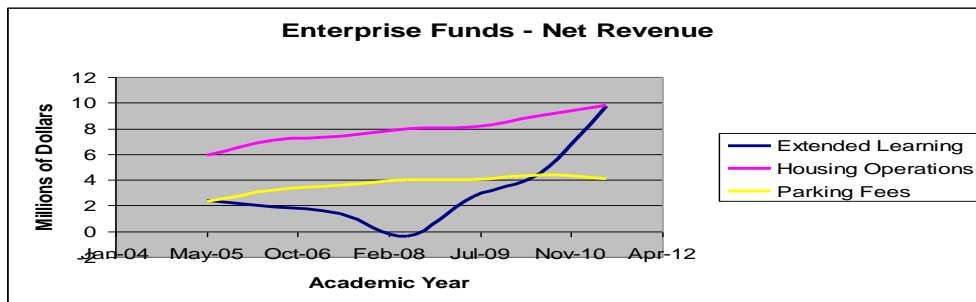
## Revenue from Enterprise Funds

CSUN has several enterprise funds including Extended Learning, Housing, Parking, and Student Health.

Enterprise Funds: Net Revenue (millions of dollars)

Year	Extended Learning	Housing Operations	Parking Fees
<b>Jun-05</b>	<b>2.4</b>	<b>5.9</b>	<b>2.3</b>
<b>Jun-06</b>	<b>1.9</b>	<b>7.1</b>	<b>3.2</b>
<b>Jun-07</b>	<b>1.4</b>	<b>7.4</b>	<b>3.6</b>
<b>Jun-08</b>	<b>-0.4</b>	<b>8</b>	<b>4</b>
<b>Jun-09</b>	<b>2.7</b>	<b>8.1</b>	<b>4</b>
<b>Jun-10</b>	<b>4.5</b>	<b>9</b>	<b>4.4</b>
<b>Jun-11</b>	<b>9.7</b>	<b>9.8</b>	<b>4.1</b>

Student Health basically breaks even.



## General Funding Information about CSUN

### Surplus per FTE for CSU Campuses from 6/2009 to 6/2010

CAMPUS /AY 2009-2010	Revenue per FTE	Expense per FTE	Surplus per FTE	FTE	Surplus million \$	Statement available
Bakersfield	16849	14667	2182	6873	15.0	Yes
Channel Islands	28186	26398	1788	3132	5.6	Yes
Chico	14351	12433	1918	15332	29.4	Yes
Dominguez Hills	15691	13064	2627	9810	25.8	NO
East Bay	14418	13134	1284	11856	15.2	NO
Fresno	17049	17049	1336	17733	23.7	NO
Fullerton	14260	12925	1335	26790	35.8	NO
Humboldt	19330	17562	1768	7245	12.8	Yes
Long Beach	13089	12942	147	27320	4.0	Yes
Los Angeles	14971	13105	1866	14850	27.7	Yes
Maritime Academy	33991	29053	4938	1031	5.1	Yes
Monterey Bay	21224	16679	4545	4331	19.7	Yes
<b>Northridge</b>	<b>15790</b>	<b>13350</b>	<b>2440</b>	<b>25916</b>	<b>63.2</b>	<b>NO</b>
Pomona	17530	14564	2966	17525	52.0	NO
Sacramento	15182	14047	1135	22823	25.9	Yes
San Bernardino	17346	14412	2934	13805	40.5	Yes
San Diego	16483	14564	1919	27524	52.8	Yes
San Francisco	16887	15944	943	23613	22.3	NO
San Jose	15767	14503	1264	22720	28.7	NO
San Luis Obispo	16051	15604	447	17715	7.9	NO
San Marcos	18149	16177	1972	7227	14.2	NO
Sonoma	19479	17517	1962	7333	14.4	Yes
Stanislaus	17376	15843	1533	6726	10.3	Yes
<b>Total</b>					<b>534.4</b>	

Surplus was used to backfill the previous year's deficit.

NO means that the Audited Financial Statement was not available to the public for that year.

Table sources: 2009-2010 Audited Financial Statement available at [http://www.calstate.edu/SFSR/GAAP/financial\\_statements.shtml](http://www.calstate.edu/SFSR/GAAP/financial_statements.shtml)

IPEDS: <http://nces.ed.gov/ipeds/datacenter/InstitutionByName.aspx>

### Net Assets of CSU Campuses Change from 6/2007 to 6/2011

CSU Campus	Jun-07	Jun-11	change net assets
Bakersfield	95274775	M	
Channel Islands	145789616	M	
Chico	182608729	M	
Dominguez Hills	113043091	186189852	73,146,761
East Bay	199452059	169828099	-29,623,960
Fresno	276999702	270790433	-6,209,269
Fullerton	M	426816787	
Humboldt	176093173	M	
Long Beach	377637507	M	
Los Angeles	203636923	306627430	102,990,507
Maritime Academy	53178962	M	
Monterey Bay	291994517	M	
<b>Northridge</b>	<b>378933616</b>	<b>484773955</b>	<b>105,840,339</b>
Pomona	300692494	M	
Sacramento	238775435	M	
San Bernardino	266540866	M	
San Diego	307720657	M	
San Francisco	261656539	416951887	155,295,348
San Jose	235276742	247881677	12,604,935
San Luis Obispo	396715785	477619138	80,903,353
San Marcos	177625421	211030451	33,405,030
Sonoma	123635433	172843479	49,208,046
Stanislaus	M	M	
Systemwide	5056287000	5906856000	850,569,000

**This does not look like a university system in crisis!**

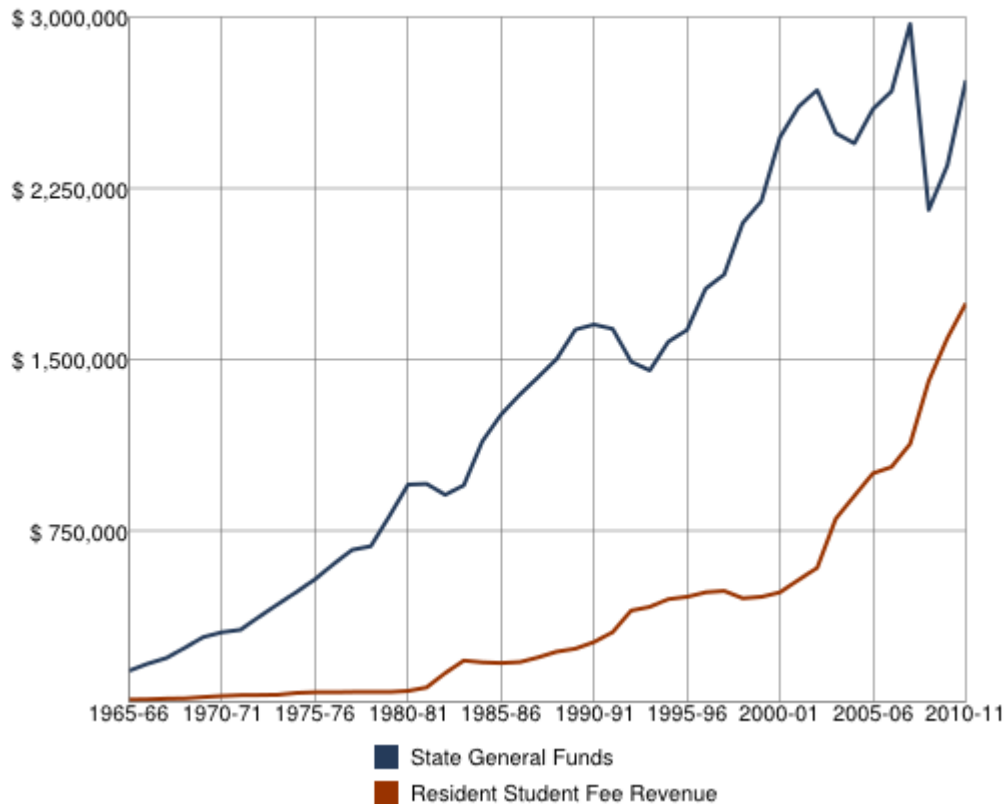
**CSU Campuses by Percent of State Funding  
from 6/2009 to 6/2010, IPEDS Data**

Campus	Tuition %	State %	Other %
Monterey Bay	19	51	30
Channel Islands	19	49	32
Humboldt	23	46	31
Maritime	23	46	31
Stanislaus	19	43	38
Los Angeles	21	42	37
Bakersfield	18	42	40
Chico	29	41	30
San Marcos	30	40	30
Dominguez	27	38	35
Fresno	23	38	39
East Bay	39	36	25
Sacramento	32	36	32
Sonoma	28	36	36
SLO	28	36	36
Pomona	23	36	41
Fullerton	35	35	30
San Diego	33	35	32
<b>Northridge</b>	<b>28</b>	<b>35</b>	<b>37</b>
San Jose	39	34	27
Long Beach	32	34	34
San Bernardino	26	33	41
San Francisco	33	31	36

## Public Higher Education Funding Graphs

Funding for California State University

Amounts are in thousands of dollars.



**General Purpose Funds** State General Funds revenues used for ongoing operations. The numbers do not include Federal American Recovery and Reinvestment Act (ARRA) funding of \$716.5 million in fiscal year 08-09 and \$106.5 million in 10-11 each for both CSU and UC.

**Resident Student Fee Revenues** Mandatory systemwide and campus-based fees paid by California resident students.

<http://www.cpec.ca.gov/FiscalData/FundingGraph.asp?Report=CSU&Print=Y>

## **11. Proposal for Study of Faculty Salaries and Workload at CSUN, Fullerton, Long Beach, and San Diego State**

### **Proposal**

We will need to agree on meaningful measures of work and compensation. We need to develop a campus profile including Headcount, Full-time Equivalent Students, Full-time Equivalent Faculty, Student to Faculty Ratio (SFR), number of graduate students, and other faculty/student characteristics which will reflect on workload. [We need to figure out how to study this data preserving confidentiality.]

Here are some questions we want to ask:

1. Are CSUN faculty members, tenure and lecturers, paid less than those at comparable CSUs?
2. If so, why? Is the RTP process slower? Do salaries start lower? Are raises at promotion lower?
3. Does CSUN have a higher percent of equity cases than other campuses? Are the pay gaps larger?
4. Does CSUN have a higher percent of part-time to tenure/tenure track staff compared to like institutions?

Our goal is to test the following:

Hypothesis 1: CSUN faculty get paid less than comparable CSUs (over a three or five year time span, similar rank)

Hypothesis 2: CSUN faculty members have higher workloads than comparable CSUs (over a three or five year time span, similar rank)

Depending on the results we obtain, we can also comment on the long term impact re benefit/pensions.

In order to build a convincing case for increasing salaries at CSUN, we will add demographic data about the cost of living and housing at comparable CSUs.

We can look at the composition (lecturer to tenure/tenure track) and age of instructional staff. That data will also provide a window into workload.

The CSUN faculty is very productive in terms of publication and grants. Some measure of non-teaching duty "workload" should be considered in comparison to other CSUs.

## **Future Direction**

The "budget crisis years" of prolonged financial stringency placed the financial burden on faculty compensation and working conditions. Faculty's class size and work load have increased. The faculty has become demoralized by neglect.

In recent years, poor leadership has also led to a culture of incivility. Bully deans have gone unchecked. There has been a decline in respect of the work of instructors as well as in the learning outcomes of students.

A future direction of research could include an investigation into the non-instructional expenditures during the "budget crisis years." Surpluses have been used to "reinvest in the campus" with non-essential improvements. Much as many of the projects improved the overall atmosphere of the campus, it is clear that funding instruction and instructors was given the lowest funding priority. Indeed, we believe that political gains were made at the expense of instruction and the students. We seek to show that this was particularly true at CSUN.

## **Summary**

We hope that results from our report will start to change the CSUN culture which currently vastly undervalues the faculty knowledge, expertise, and civility. We believe that better compensation has many long-term effects. It will not only improve life for CSUN instructors financially, but will also bring back some respect for our profession. It is time that we recover the value of academics over entertainment and non-essential non-instructional improvements.

It is time to put the Graduation Initiative in place --- but we need to graduate well-educated students --- success depends on restoring the faculty to the core of the university.

## **12. Revisiting the CSUN Devonshire Downs Faculty/Staff Community Housing Project**

The North Campus Development Corporation Board of Directors voted to suspend work on Devonshire Downs until market conditions improve on 1/20/2009.

"The Board remains steadfast in its goal of developing a high quality, family friendly community of homes for CSU Northridge faculty and staff and regrets this necessary delay. The Board appreciates the patience and understanding of the faculty and staff during this difficult period that calls for fiscal restraint. Rest assured that the situation will be monitored closely so that work on Devonshire Downs can resume as soon as financially possible." See <http://www.csun.edu/northcampus/>

NCDC is governed by a Board of Directors comprised of representatives from University administration, faculty, students and the community. The Board meets annually. Donald Bleich, faculty member on the Board of Directors, died in May 2012.

Current faculty housing:

### 1. College Court Townhomes

The University Corporation owns thirty-one condominiums in the College Court Townhomes, situated one-half block from the California State University, Northridge campus. These units may be rented by CSU Northridge faculty and staff at below market rental rates.

<http://www.csun.edu/tuc/collegecourthome.html>

### 2. Single Family Homes

The University Corporation owns four (4) single family homes adjacent to the California State University, Northridge campus. These homes may be rented by CSU Northridge faculty and staff at below market rental rates. <http://www.csun.edu/tuc/sfh.html>

See physical masterplan CSUN Envision 2035

<http://www.csun.edu/pubrels/envision2035/overriding.pdf>

h) The provision of affordable faculty/staff housing will assist California State University, Northridge in meeting its workforce housing needs, and will enhance the University's ability to attract well-qualified faculty and staff members, thereby enhancing California State University, Northridge's standing as a premier undergraduate, graduate and research institution in the state of California. Escalating housing prices in the Los Angeles region have made it extremely difficult to attract and retain quality faculty. Most starting salaries at the University fall within the low to moderate-income levels of the region. Less than 17 percent of the CSU faculty and staff in southern California have income levels sufficient to afford the average priced home in the communities where the campuses are located. New faculty and staff recruitment is needed to replace retiring campus employees and to provide for expanded enrollment. Development of affordable housing is key to attracting and retaining the qualified faculty and staff necessary to provide quality public higher education for the San Fernando Valley region.

i) The locations identified in the master plan for faculty/staff housing provide the most compatible use of land with respect to the adjacent residential neighborhoods.

for more on physical plans see <http://www.csun.edu/pubrels/envision2035/documents.html>