



California State University Employees Union (CSUEU), SEIU 2579/CSEA

October 12, 2020

Timothy White, Chancellor
California State University
Office of the Chancellor
401 Golden Shore
Long Beach, CA 90802

Re: CSU Support Staff Layoffs

Dear Chancellor White,

As you are aware, the morning after Governor Newsom signed the 2020-21 state budget, CSUEU was notified by the CSU chief negotiator that “Each campus will be looking at a reduction in work force to deal with the state allocation reduction.” CSUEU has reached out to the Governor’s Office and legislative leaders concerned about the decision by some CSU presidents to lay off CSU support staff.

Our union understands that CSU faces a \$299 million state budget reduction this year, but the notice received from the CSU chief negotiator also cites an additional \$230 million in debt service to justify employee layoffs that are unrelated to state General Fund cuts. In fact, the CSU has hundreds of millions of dollars set aside in restricted fund accounts specifically for this purpose. The CSU notice also urged that a dialogue begin “on potential mitigation opportunities as layoffs are the least preferred option.” CSUEU was not consulted prior to CSU’s unilateral decision to pursue layoffs, and the CSU has not provided sufficient evidence that justifies the need for campuses to issue layoff notices.

The CSU 2020-21 state budget includes language directing the CSU to use its unrestricted discretionary budget surplus – with a balance of \$1.5 billion as reported by a 2019 state audit – to mitigate the impacts of ongoing state budget cuts. Despite this directive, CSUEU has seen very little evidence that budget surpluses are being used by the campuses that have issued staff layoff notices. However, campuses such as CSU Channel Islands are using their budget surpluses to explicitly avoid staff layoffs.

At San Francisco State University where over 110 support staff received layoff notices, SFSU reported these layoffs would save \$9.1 million. In last year’s state audit of the \$4 billion total budget surplus held in CSU accounts outside of the State Treasury, the SFSU budget surplus as of June 2018 totaled \$191.7 million. To avoid eliminating 115 staff positions, only a fraction of SFSU’s budget surplus would need to be used, and SFSU would still have a remaining budget surplus of tens of millions of dollars to address future budget shortfalls. Conversely, at CSU Fullerton where layoff notices were issued due to a “lack of work,” 17 custodians are losing their jobs while other CSUF custodians work overtime hours. Even though CSU Fullerton is laying off employees, it has not offered the Early Exit Program severance pay being offered on other CSU campuses with no pending layoffs.

The loss of employee jobs will worsen the financial, psychological, and emotional hardships these support staff and their families face – families already reeling from the pandemic when the state’s devastating fires added further uncertainty. Noticed CSU employees – many who are the lowest paid – will also lose their healthcare insurance, resulting in an increased vulnerability to COVID-19 and terminating vital care for spouses and children with existing medical conditions.

Last year's state audit investigating the CSU budget surplus concluded that "Although CSU designates portions of the [\$1.5 billion] discretionary surplus... these designations are flexible, and campuses and the Chancellor's Office have the discretion to use the surplus as they deem necessary." The Auditor confirmed this with the CSU associate director of accounting for the Chancellor's Office financial services division, who stated that "campuses have the discretion to use any portion of their surplus based on their needs..." The Auditor also reported that state law gives the CSU great discretion to use the \$1.5 billion budget surplus for broad purposes.

The audit's conclusions were the foundation for the 2020-21 legislative budget language directing CSU to use its \$1.5 billion unrestricted budget surplus to mitigate state budget cuts.

I honestly don't understand why we are having these disagreements. How the CSU and its campuses respond to the COVID-19 pandemic and state budget cuts will not be kept a secret. CSUEU does not want to approach the 2021-22 budget year at odds with the CSU, but any actions by the CSU or its campuses that ignore legislative intent and hurt employees cannot be ignored.

In difficult times we must avoid decisions that result in long-term harms and short-term benefits. During these challenging economic and societal crises – exacerbated by record unemployment – the protection of employee jobs and student services should be an utmost CSU priority.

CSUEU wants to work with you, campus presidents and the Board of Trustees to openly collaborate and identify budget solutions that are both equitable and responsible for CSU support staff and the students we serve.

It is our hope and desire that you will welcome this engagement.

Sincerely,



Neil Jacklin
President

cc: The Honorable Gavin Newsom, Governor of California
The Honorable Eleni Kounalakis, Lieutenant Governor of California
The Honorable Senate President Pro Tempore Toni Atkins
The Honorable Assembly Speaker Anthony Rendon
The Honorable Senator Richard Roth
The Honorable Senator Connie Leyva
The Honorable Assemblymember Philip Ting
The Honorable Assemblymember Kevin McCarty
The Honorable Assemblymember Jose Medina
The Honorable Assemblymember Sharon Quirk-Silva
Board of Trustees, CSU
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Nichole Muñoz-Murillo, Assistant Vice Chancellor, Advocacy and State Relations, CSU
Jeff Bell, Program Budget Manager, Department of Finance
Jennifer Kuhn, Higher Education Deputy, Legislative Analyst's Office