**FOR IMMEDIATE RELEASE**
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**Highly Critical State Audit of California State University Is Focus of Special Legislative Hearing**

*Troubling conclusions by CA State Auditor question the CSU’s significant growth in management positions, executive compensation, and lack of oversight and accountability of campus budgets.*

**9:30 a.m., Wednesday, Aug. 23, State Capitol Room 437**

Live webcast available: [www.calchannel.com](http://www.calchannel.com)/live-webcast (**Confirmed**)

**SACRAMENTO, Calif.** - The Joint Legislative Audit Committee, Assembly Higher Education Committee and the Budget Subcommittee on Education will hold a special hearing to review a highly critical state audit of California State University (CSU) personnel and budget practices that was released in April by the California Bureau of State Audits. *(See audit highlights below.)*

Among the multitude of red flags raised in the audit: the CSU hired campus management positions that were unnecessary and provided generous salaries and benefits to executives that were deemed excessive; campus budgets were being operated without proper oversight; a majority of the campuses investigated could not account for state funding expenditures; and reports submitted to the Legislature lacked explanations on how state appropriations were spent. State law exempts CSU from many budget accountability measures required of other state agencies.

The audit noted that the CSU’s response to the report failed to address many of the audit’s recommendations.

“This confirms what we have seen on our campuses,” stated Pat Gantt, president of the CSU Employees Union which requested the audit. “Unfortunately, the CSU continues to disregard the need for adequate accountability, and this report confirms the irresponsibility of the CSU as a guardian of state monies. This hurts our students and our employees.”

“There is compelling evidence of a disproportionate number of CSU management and executive personnel, as well as inexcusable compensation increases of CSU executives,” stated Assemblymember Shirley Weber (D-San Diego). “The CSU budget lacks adequate oversight and accountability, and I am concerned that this lack of transparency has created a climate of spending that is a disservice to our state and the students we serve.”

The special legislative hearing was initiated to hold the CSU accountable and determine whether the CSU has taken steps to comply with the audit’s recommendations. The CSU audit may be found at: <http://www.bsa.ca.gov/reports/2016-122/index.html>

\*Audit report highlights include:

* From 2007-2016, CSU management and supervisory positions grew *more than double* the growth rate of CSU support staff. *(Page 12)*
* Compensation for CSU management personnel grew to nearly a *half-billion dollars per year*, and significantly outpaced the salary increases of other staff. *(Page 7)*
* The CSU *violated state regulations* by granting salary increases to management personnel *without evaluating* their job performance. *(Page 22)*
* CSU campuses *“cannot adequately justify the significant increase”* in management personnel and their compensation. *(Page 21)*
* CSU campuses “*do not* adequately oversee their budgets,” which “reduce assurances” that state funds are being spent “efficiently and appropriately.” *(Pages 27-30)*
* There are *no limits* on the amount of money CSU executives can receive for moving expenses and other “questionably large reimbursements”; payments as high *as 30% of salary* ($94,000 at $349 per mile). *(Page 40)*
* By 2015-16, in addition to *salaries* ranging from $283,668 to $370,240/year, most CSU presidents also received $45,000 to $60,000/year *housing allowances*, and $11,000 to $12,000/year *car allowances*. Additionally, many CSU presidents received campus *foundation stipends* ranging from $25,000 to $30,000/year. *(Page 39)*

*The CSU Employees Union represents more than 15,000 information technology, healthcare, campus operations, clerical and administrative support staff of the California State University.*

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