

SHORT- CHANGING STUDENTS:

How the CSU is Failing
Our Future

Spring 2025



Research Justice Statement

CFA's anti-racism work means applying a critical, questioning lens when conducting research. What type of information counts as "data" anyway? Who collected the data we are viewing? How did they collect it? How did they organize it? Who does it benefit to report data in a certain way? What stories do we lose, what activism is stifled when data collection is not intentional and inclusive? The research presented in this paper is based on our searches for the best information publicly available and should be considered critically.

Data on higher education access, student debt, and post-graduate outcomes often fail to fully capture the racialized dimensions of inequality. Historical exclusions, underfunding of institutions serving communities of color, and discriminatory lending practices have compounded financial burdens for Black, Indigenous, and other marginalized groups. The absence of comprehensive data that reflects these realities obscures the structural nature of the racial wealth gap, amongst many other structural inequities. Moreover, data availability is shaped by whose experiences are deemed worthy of measurement and analysis, often privileging dominant narratives while minimizing or erasing Black, Brown, Indigenous, and Asian experiences.

In particular, the paper makes use of demographics data. The demographic categories in these data are inadequate and limiting for a multitude of reasons and contribute to the erasure and invisibilization of faculty and students, who are marginalized on various dimensions of race, gender, religion, sexuality, class, ability, or more. Some of these reasons can include limited assumptions about the entitativity of identities as categories.^{1,2} In the measurement, analyses, and communication around these dimensions, it is easy to rely on social categories as fixed, immutable, naturally occurring groups. This contributes to the erasure of many identities, and the essentialization of others that aren't erased.³ The production of empirical "evidence", and narratives derived from them, can further entrench essentialist representations that link social phenomena to group categories (as default, inherently received features), thus drawing attention away from the systems that produce and reinforce these categories.⁴

For example, the existing categories for race do not create space for the multiplicity or intersectionality of identities. Many people do not fit neatly into only one race category. If a person marks both Black and Latinx in response to race/ethnicity identification questions on a survey, many researchers may recategorize them as "Two or More" while transforming data for analysis, or summarizing analyses for a report. This then makes it impossible to represent them fully in their day-to-day experience as an Afro-Latinx person. Moreover, in the case of data in the CSU, there is currently no data gathering on LGBTQIA+ and disabled people's experiences. Similarly, data on Native and Indigenous communities is often missing or under representative. This happens for reasons related to how the federal government codes race and ethnicity, the first is that primacy is given to Chicax/Latinx when it is selected and Native Americans "are classified as Latino or Hispanic at a higher rate than single-race individuals in the other four major racial categories" and Native and Indigenous people also identify as two or more races at higher rates than others.⁵ In the absence of this data, there is no way to even begin to report on the representation of people in these communities. This is not to suggest that simply gathering more information or expanding

¹ James, A. (2008). *Making sense of race and racial classification*. In: Zuberi, T., & Bonilla-Silva, E. (Eds.). (2008). *White logic, white methods: Racism and methodology*. Rowman & Littlefield Publishers.
² Saperstein, A. (2006). *Double-checking the race box: Examining inconsistency between survey measures of observed and self-reported race*. *Social Forces*, 85(1), 57-74
³ Duster, T. (2005). *Race and reification in science*. *Science*, 307(5712), 1050-1051.
⁴ Fields, B. J., & Fields, K. E. (2022). *Racecraft: The soul of inequality in American life*. Verso Books.
⁵ www.brookings.edu/articles/why-the-federal-government-needs-to-change-how-it-collects-data-on-native-americans/

the options for categorizing information will alone make research more just. To do so requires a continuous retool of the fundamental knowledge positions (i.e., epistemology) of research. Indeed, what distinguishes research—as a data collection and interpretation process—from evaluation or from surveillance is not so much in the how of data collection, but the why and the who^{6,7} In labor, research focuses on power as much as it focuses on knowledge.

We hope you view the research in this report with the understanding that it draws from primary data, collected with imperfect tools, and that the data are meant to serve as a launching point for our activism. The quantitative data presented tells a broad story, one that is dependent on data collected by others for their own aims, and we encourage you to think critically about it. As the saying goes, we must seek truth from the facts; moreover, we encourage and prioritize the use of research to challenge oppression, not just incorrectness. Consider the questions presented earlier, think critically about what data is convenient for those in power to amplify. The stories people tell of their experiences, are first-hand accounts of the impact of CSU management. This is simply a starting point for this discussion and as future papers are released, we will expand and develop our assessments of what justice in labor research can become.

⁶ E.g., Westbrook, L., & Saperstein, A. (2015). New categories are not enough: Rethinking the measurement of sex and gender in social surveys. *Gender & Society, 29*(4), 534-560.
⁷ E.g., Benjamin, R. (2022). *Viral justice: How we grow the world we want*. Princeton University Press.

Introduction

Welcome to the California State University,

Where wealthy executives and administrators spend an ever-increasing amount of taxpayer money on campus cops instead of on instruction and student support services – a white supremacist betrayal to our 500,000 students, predominantly students of color, at the largest, public, four-year higher education institution in the WORLD;

Where disconnected, overpaid administrators exploit faculty passion for students and learning to extract more money from students, a.k.a. “consumers;”

Where students’ basic needs, access to mental health counseling, and faculty compensation take a backseat to racial profiling, harassment, and violence by university police;

Where administrators face student enrollment challenges with fearmongering to falsely justify instruction and service cuts while hoarding money in reserves and investment accounts to create phony budget deficits to further financially squeeze students and workers;

Where, as the student body becomes less white, CSU investments shift away from its core education mission and systems of care toward surveillance and policing;

Where students are paying more and getting less;

Where the perspectives of faculty, staff, and students – that are more representative of California than ever before – are not honored or elevated by management;

Where there exists a diversity of experiences and perspectives so vibrant that CSU management can’t begin to comprehend, much less serve.

Welcome to today’s CSU, the so-called People’s University.



The CSU Impacts the Lives of Millions Across the State of California, and Beyond

As the largest four-year public university system in the world, the California State University enrolls nearly half a million students annually, and employs more than 60,000 workers.¹ According to the CSU's Communications team, one in 10 workers in California graduated from a CSU, and one in 20 people in the U.S. who have a bachelor's degree earned theirs at a CSU.² It boasts 4 million living alumni, and adds more to that number each year, with more than 100,000 students graduating from the CSU's 23 campuses annually.³

Nonetheless, its sheer size has not inoculated it from broader trends in the privatization of public higher education, or of racial capitalism in the United States more generally.

In 2017, CFA highlighted that the CSU's burgeoning racially diverse student body faced increasingly under-funded and under-resourced campuses.⁴ In the years shortly after, internal whistleblowers and the California State Auditor sounded numerous alarms over the CSU's severe mismanagement (of finances,⁵ health and safety,⁶ California Native American Graves Protection and Repatriation Act,⁷ whistleblower protections⁸). Alongside scandals involving its leadership⁹ that culminated in the resignation of Chancellor Joseph Castro in 2022,¹⁰ these issues cast considerable scrutiny on the CSU's managerial class.

In this context, management redoubled attempts to portray the university system as more accountable, progressive, and a leader in public education. In recent years, CSU management has begun funding programs to address student basic needs,¹¹ bolster mental health services,¹² and increase graduation rates for Black students¹³ with considerable funding support from the State of California and splashy press releases. Is management really committed to these efforts? And how successful have these efforts been?

¹ CSU. (2024). Employees. "Facts about the CSU." Retrieved September 17, 2024. www.calstate.edu/csu-system/about-the-csu/facts-about-the-csu/Pages/employees.aspx

² Retrieved from CSU Alumni Site, July 24, 2024. www.calstate.edu/impact-of-the-csu/alumni

³ Taken from CSU student data portal, Retrieved July 24, 2024. tableau.calstate.edu/views/SelfEnrollmentDashboard/EnrollmentSummary

⁴ California Faculty Association (2017). "Equity, Interrupted: How California is Cheating its Future." www.calfac.org/wp-content/uploads/2021/10/equity_interrupted_1.12.2017.pdf

⁵ California State Auditor. (2017, April). "California State University: Stronger Oversight is Needed for Hiring and Compensating Management Personnel and for Monitoring Campus Budgets." Report 2016-122. information.auditor.ca.gov/pdfs/reports/2016-122.pdf. California State Auditor. (2021, November). "Higher Education Emergency Relief Fund: Some University Campuses Did Not Maximize Available Federal Pandemic Funds, and They Prioritized Students Differently When Awarding Relief Funds." Report 2021-611. information.auditor.ca.gov/pdfs/reports/2021-611.pdf

⁶ Callahan, M. (2017, March 16). "Sonoma State Asbestos Whistle-Blower Wins Verdict in Civil Case." [Petaluma Argus-Courier. www.petaluma360.com/article/news/sonoma-state-asbestos-whistle-blower-wins-verdict-in-civil-case/](http://petaluma360.com/article/news/sonoma-state-asbestos-whistle-blower-wins-verdict-in-civil-case/)

⁷ California State Auditor (2023, June). "The California State University Must Do More to Ensure the Timely Return of Native American Remains and Cultural Items to Tribes." Report 2022-107. information.auditor.ca.gov/pdfs/reports/2022-107.pdf

⁸ "Citing 'Novel' Legal Question, Judge Allows PAGA Claims in Cal State University Suit." *Daily Journal: California Lawyer*. (2019, April 5). www.dailyjournal.com/article/351881-citing-novel-legal-question-judge-allows-paga-claims-in-cal-state-university-suit

⁹ California State Auditor (2023, June). "The California State University Must Do More to Ensure the Timely Return of Native American Remains and Cultural Items to Tribes." Report 2022-107. information.auditor.ca.gov/pdfs/reports/2022-107.pdf. California State Auditor (2023, July). "California State University: It Did Not Adequately or Consistently Address Some Allegations of Sexual Harassment." Report 2022-109. information.auditor.ca.gov/pdfs/reports/2022-109.pdf

¹⁰ Zinshteyn, M. (2022, February 17). "Cal State Chancellor Resigns Under Fire over How He Handled Sexual Harassment Complaints." *CalMatters*. calmatters.org/education/higher-education/2022/02/cal-state-chancellor-resigns/

¹¹ The California State University, Basic Needs Initiative (n.d.). "About Us." Retrieved July 24, 2024. www.calstate.edu/impact-of-the-csu/student-success/basic-needs-initiative/Pages/about-the-basic-needs-initiative.aspx

¹² CSU Business and Finance. (2024, March 11). "Student Mental Health and Basic Needs Initiatives Report." *Legislative report*. www.calstate.edu/impact-of-the-csu/government/Advocacy-and-State-Relations/legislative-reports1/Mental-Health-and-Basic-Needs-Legislative-Report-2024.pdf

¹³ CSU. (n.d.). "Advancing Black Student Success and Elevating Black Excellence." Retrieved July 24, 2024. www.calstate.edu/impact-of-the-csu/diversity/Pages/Black-Student-Success.aspx

In this report, we explore where the CSU is today in its progress toward a more just “People’s University,” and assess its impact on the students, faculty, and staff who learn, teach, work, and live on its campuses.

CHANGING STUDENT DEMOGRAPHICS: AS THE STUDENT BODY BECOMES LESS WHITE, INVESTMENTS ARE DIVERTED FROM CORE EDUCATION MISSION

As its student body becomes less white, the CSU shifts its investments away from its core education mission and systems of care – and toward a growing class of managers, contracts for private third parties (especially in sectors related to financial, consulting, and construction), and systems of surveillance and policing. The managerial class at the CSU has continued to reallocate its priorities and funds away from instruction, while leaving students with the bill. In our 2017 Equity Interrupted report, we remarked: “as the students got darker, the funding got lighter.”¹⁴ Seven years later, as the student body continues to change, we see something different. While instructional funding does get lighter, the CSU now stashes more funds in investments, spends more on management, surveillance, and policing, and awards big contracts to private third parties.

In other words, overall state funding isn’t getting lighter anymore; in fact, funding from the state has consistently increased! But CSU management is diverting money away from the core mission of the CSU. The State of California has allocated significant funds to the CSU, including new streams of funding allocated specifically for student basic needs and student mental health, as well as a new grant program for affordable student housing.¹⁵ However, a class of executives and upper management have siphoned off these to fund their own interests in finance, real estate, consulting, unnecessary construction, and policing. There’s money to genuinely fund the People’s University. To do otherwise? Willful negligence – the active choices of administrators who want to treat students as consumers, and the university as merely a pipeline to funnel them into labor markets – where the burdens of student debt make it harder for them to avoid exploitation.

To illustrate this, Figure 1 below presents continuing changes in the proportion of students of color enrolled at the CSU over the last few decades. Alongside that, Figure 2 presents percentage changes in the CSU’s state funding over the last five years, and compares them against its growing investments, management spending, campus police budgets, and plans for capital spending on growth (e.g., lower-priority new buildings), and declining spending on instructional services. In the same five-year time period, the average percentage of students of color enrolled at the CSU continued to grow, from 72.5% to 75.8% in Academic Year 2022-23, more than three-quarters of all students enrolled. The five-year time period also includes the onset of the COVID-19 pandemic, a drastic disruption which exacerbated educational inequities in the CSU, as discussed later.

¹⁴ California Faculty Association. (2017). "Equity, Interrupted: How California is Cheating its Future." www.calfac.org/wp-content/uploads/2021/10/equity_interrupted_1.12.2017.pdf

¹⁵ The CSU has availed itself of these funds, and reports its uses of them in its Legislative reports. These include its July 30, 2024, CSU Higher Education Student Housing Grant Program (HESHGP) report and its March 11, 2024, Student Mental Health and Basic Needs Initiatives report.

Figure 1: CSU Total Enrollment by Race, 1985-2023

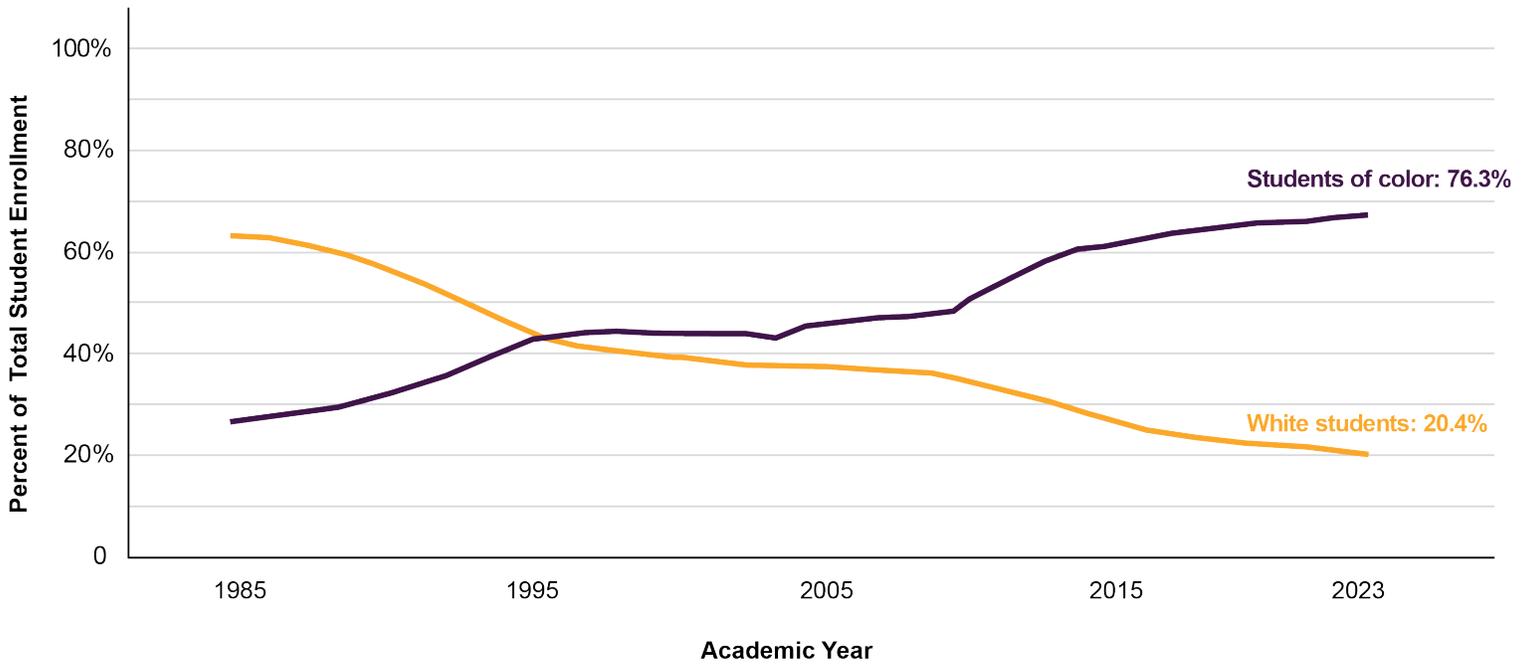
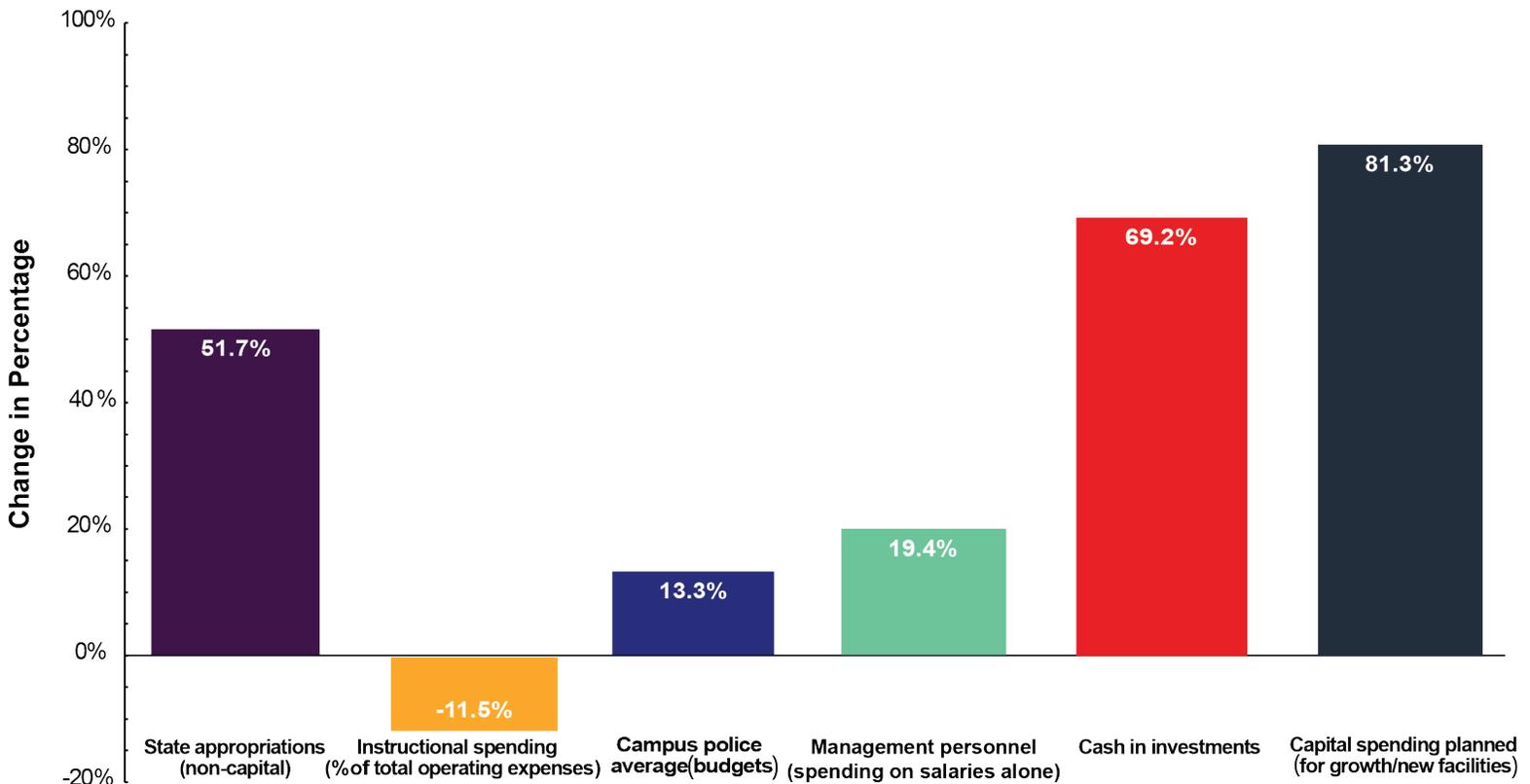


Figure 2 : Change in Financial Priorities from 2018-19 to 2022-23



Moreover, as the student body changes, students' needs do, too. Some of these needs are intensified by the rising cost of attendance, and cost of living more broadly. Students cobble together support from different sources. More than before, many students work while attending school, and policy advocates are just beginning to turn their attention toward the needs of the many parenting students at the CSU.¹⁶ By some estimates, one in five students at the CSU is a parent.¹⁷ ¹⁸ What considerations has management given to their experiences? How does the CSU serve students working full-time? Not all educational programs were necessarily designed for people who have to work long hours or commute from far away – and adapting these would certainly allow the CSU to better serve the people with a more thorough acknowledgment of their broad life conditions.

Today's students need more support and resources from people who understand and accommodate the various experiences and realities students bring to the classroom.

"It's the basic understanding of cultural differences and how that plays out within students," said Jarred Cuellar, CFA Pomona member and Assistant Professor in political science at Cal Poly Pomona. "An Anglo student whose parents went to college, their experience is completely different than what a first-born Latina daughter experiences in college. And it's vastly different and it even differs based on your parents' immigration status, your socio-economic status."

Cuellar comes from a Latine family and has observed this experience with friends, colleagues, and students. First-born Latinas are not necessarily seen as a child, he explains, "you're seen as a third parent, you're seen as a caretaker." Whether or not you go to college, your family is seen as the priority, which means you juggle a lot more than what the CSU student body did back in the 1990s, Cuellar said. Black and Latino male students also face different realities or experiences than their white counterparts; a lot of times, they're pushed into the workforce earlier, he added.

"That means taking an intersectional approach to our students. And that also means having counselors that have an intersectional approach or an idea of the theory of intersectionality," Cuellar said. ***"It's falling on the students to provide a community for themselves rather than being able to lean on the CSU to help them navigate this process. And it only compounds when you come from backgrounds where their parents didn't go to college, they come from low-income backgrounds and they don't feel like they have anybody to turn to."***

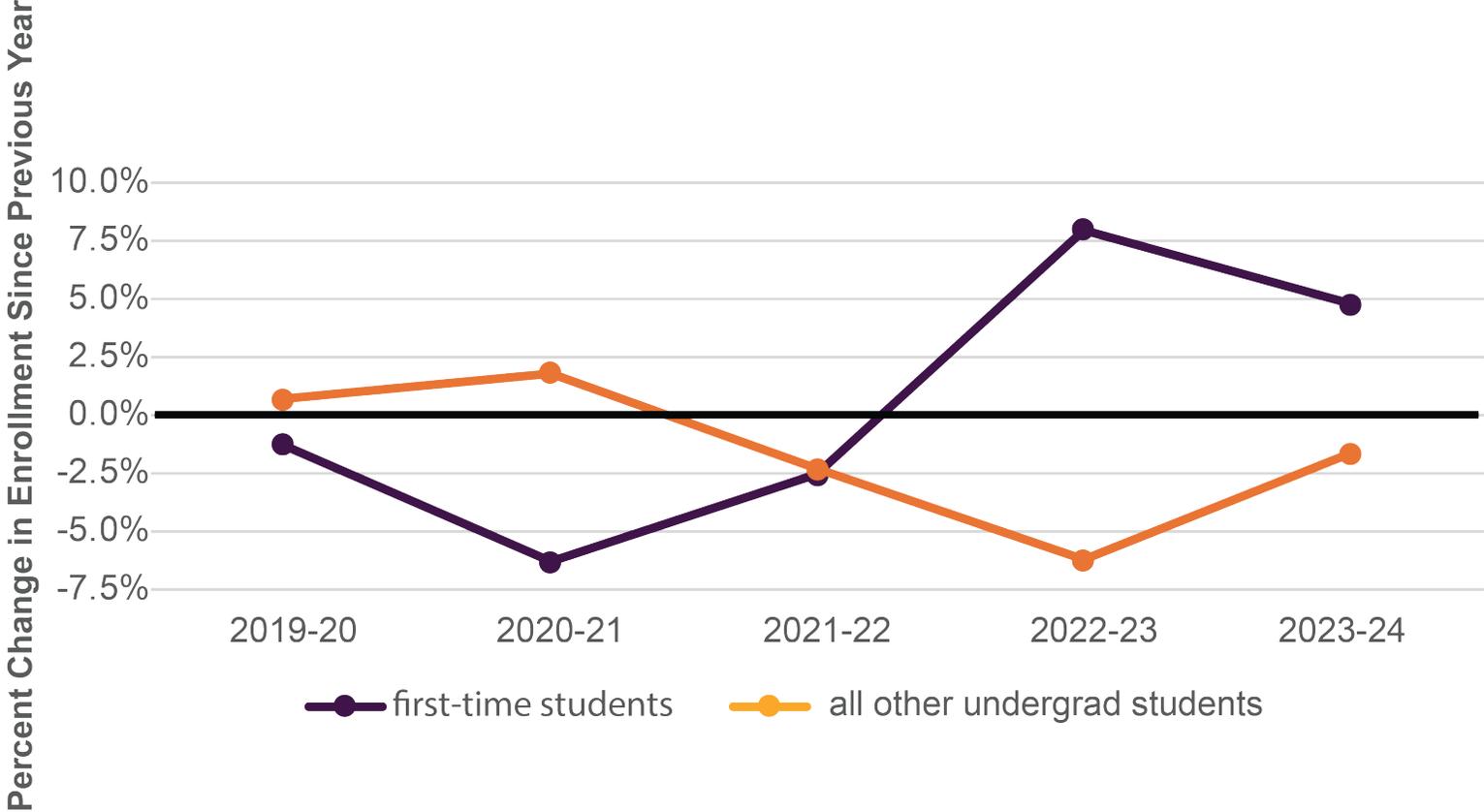
CSU administrators, state legislators, education policymakers, and others need to update and deepen their awareness of the students the People's University is (supposed to be) serving. When we begin to understand the needs and expectations of students, we can provide them the learning, resources, and support they deserve.

¹⁶ Michelson 20MM Foundation. (n.d.). "Pregnant and Parenting Student Initiative." Retrieved October 29, 2024. 20mm.org/pregnant-and-parenting-student-initiative/
¹⁷ Michelson 20MM Foundation. (n.d.). "Pregnant and Parenting Student Initiative." Retrieved October 29, 2024. 20mm.org/pregnant-and-parenting-student-initiative/
¹⁸ See also: The California Alliance for Student Parent Success. (2024, September). "Making the Invisible Visible: Taking Stock of How the California State University Collects and Uses Data About Parenting Students."

WHERE ARE WE TODAY? THE CSU SAW AN ENROLLMENT DIP AFTER THE PANDEMIC BEGAN, AND CONTINUES TO STRUGGLE WITH STUDENT RETENTION

As the COVID-19 pandemic evolved, universities did eventually return to more in-person instruction. At the CSU, this return coincided with a considerable resurgence in first-time student enrollment (see the purple line in Figure 3). Nonetheless, the enrollment of continuing students demonstrates the opposite trend: there is indeed a decline in students continuing at the CSU. Taken together, these two trends indicate a concerning pattern; it's clear that the CSU can still recruit students to campus, it just

Figure 3: First-time Student Enrollment Rebounds, but Retention Falters



can't retain them after they arrive, as underscored by the declining enrollment of continuing students. Indeed, a recent analysis of the 2023 Diverse Learning Environments Survey finds that lack of affordability and need for more robust academic support strongly contributed to students pausing their education for more than one term.¹⁹ Students' own academic performance not meeting their expectations and changes in their career plans were two of the top five reasons students stopped taking classes. The remaining reasons include the expense of college, medical issues, and family responsibilities. These three reasons are all strongly shaped by students' and their families' broader financial circumstances. More than two-thirds of students who discontinued classes reported occasionally or frequently contributing money to support their families.

When we read that student enrollment recovered after COVID-19 but student retention did not, that means students continue to join the university year after year but they do not stay. A complex of factors contributes to this reality but first and foremost is a mismatch between what students need to stay in school and what the university system provides them. It would be a mistake to label these students dropouts since that name is a blame game that puts the onus on them for stopping out. Indeed, it may be more fair to say students are being pushed out due to the misplaced priorities of CSU administrators.

When we look at the demographics of students who leave we can see they are disproportionately first-generation student and students of color. But instead of taking a deficits lens to the situation – asking “what is wrong with them that they can't stay in?” – we must ask the question of “servingness:” is the CSU serving students' needs or pushing them out with practices and policies that are at best uncaring and at worst, just as punishing as the disciplinary policies that push students of color out of middle and high school.

“I recently spoke with a student who was demoralized about his education. He is working full time and struggling to render a peak performance that he is fully capable of rendering if not for having to work full time to meet the ever-increasing costs of his education,” said Sharon Elise, CFA Associate Vice President, Racial & Social Justice, South, and CSU San Marcos Professor.

¹⁹ Swirsky, Wright, & Zhao. (2024). *Reasons Students Consider Leaving or Stopping Out: Insights from the 2023 Diverse Learning Environments Survey.* www.acenet.edu/Documents/Reasons-Students-Consider-Leaving-DLE-Survey.pdf

“He is demoralized about his professors because they say they care about students of color and addressing systemic racism, but his department has no Black male faculty to mentor and advise him. Similarly, there are seldom other Black male students in his classrooms to share ideas and experiences. He lacks a welcoming environment with faculty, advisors and classmates who understand and reflect his life experiences, his understanding of reality, his world view.”

Ethnic Studies, though it is now required, is a fledgling program at CSU San Marcos, Elise added, and there are few courses in Black Studies. “He could benefit from a counselor to help address his anxiety, depression, and demoralization and just to help navigate the challenges of pursuing a university education, but there are no Black counselors.

Moreover, the policing budget on his campus is robust and he can count on regularly coming under the gaze of a uniformed, fully armed police officer each time he visits campus, though he cannot count on seeing a Black faculty or staff member, or even having a Black classmate,” Elise said.

Though CSU campuses are overwhelmingly “minority serving” based on significant enrollments of Latinx and Asian Pacific Islander Desi American students, they too cannot count on having faculty and staff who represent their affinity community. Moreover, the turn toward disproportionate hires of “temporary” faculty who are not compensated to serve as advisors contributes to an environment where the tenure-track faculty required to provide service are overburdened, especially when they are faculty of color paying a “cultural tax” to serve students in their highly underserved communities.

Scholars like George Dei, Professor of Education at the University of Toronto, coined the term “push-out.” Matthew R. Morris, a Black educator, argues that, “...By using the term drop-out, we are saying that these are the type of kids who consciously leave school on their own accord because of their own priorities...”²⁰ We need to peel back the blinders to our own educational policies: rising tuition, faculty precarity, and failure to address white supremacy are doing the same thing to our college students effectively cutting off opportunities to these “at promise” students.



**Sharon Elise
CFA Associate Vice President,
Racial & Social Justice, South
CSU San Marcos Professor**

20 Morris, M. (2017, November 1). "Dropout v. Push-out." www.matthewr Morris.com/dropout-v-push/

While the CSU doesn't have a systemwide examination of student retention trends publicly available, we can look to some campuses that have attempted to address their own retention issues for a more local understanding. CSU East Bay is one campus that has faced a higher-than-average enrollment and retention issue. Indeed, CSU East Bay's own office of Institutional Effectiveness & Research reports that 21.4% of students in Fall 2022 didn't return after their first year. As of 2023, more than half (54.9%) of students enrolled 6 years ago (in 2017) have graduated. This is an issue of racial equity: students of color are even less likely to graduate within six years, and more than a quarter (26.3%) of Latinx first-year students left after their first year. Just under a quarter (24.7%) of Black first-year students leave after their first year.

According to a 2020 survey they conducted for their "Students Who Stop Out Project," course timing and lack of course availability were the top two "institutional reasons" students stop out. Additionally, nearly a third (30%) of students indicate financial issues as the main reason they stop out. This primarily affected third- and fourth-year students (an estimated 77% of students who stop out), and more low-income and first-generation students (an estimated 49% and 58% of students who stop out, respectively). Of students who stopped out, only 44% connected with a faculty or staff member before leaving, despite that 64% indicated they wanted to speak with someone to plan a return.

Across the CSU, an excess of 12,292 students discontinued their enrollment in the last three years. That is, compared to pre-2020 enrollment numbers as an estimate of "normal" or baseline rates of student discontinuations/stop outs, 12,292 additional students stopped out.²¹ This number is nearly half the total current enrollment of Cal Poly Pomona, and would be enough to bring enrollment back up to pre-2020 levels from 2023-24 enrollment at CSU East Bay, CSU Monterey Bay, San Francisco State, Sonoma State, and then some.²²

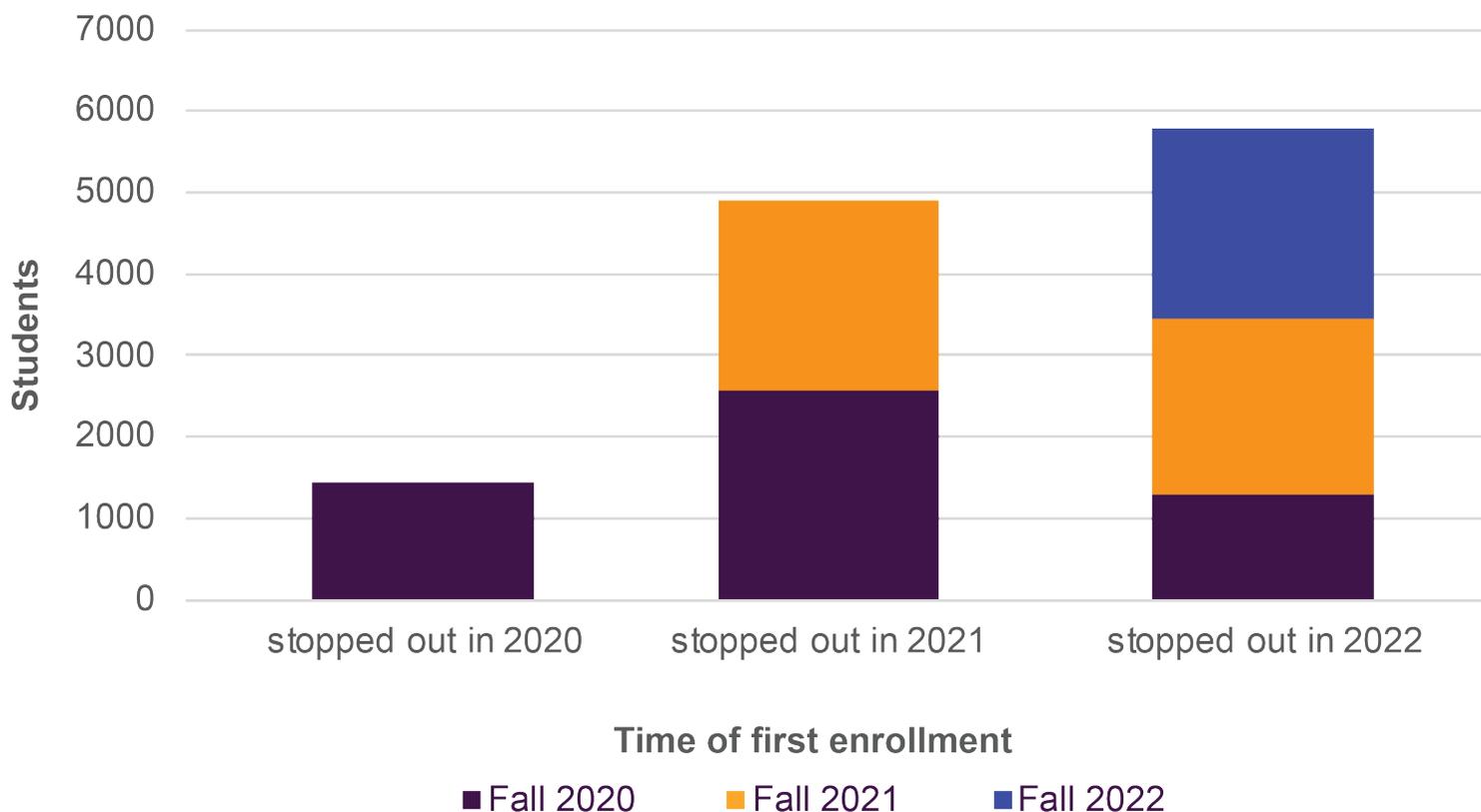
Figure 4 displays the times at which students discontinue their enrollment at the CSU after their first, second, and third years. Each bar represents the excess amount of students who stopped out, over and above pre-2020 rates, in a given year, and the shading within each bar illustrates the breakdown of when these students had first enrolled at a CSU.

For instance, the bar on the far left illustrates that more than 1,000 students who entered the CSU in 2020 then stopped out that same year. Since these bars estimate excess, it is important to note that the total number of students stopping out is even higher.

²¹ Calculated from CSU Enrollment Dashboard and CSU Graduation and Continuation Rates Dashboard. tableau.calstate.edu/views/GraduationRatesPopulationPyramidPrototype_liveversion/SummaryOverview

²² Ibid.

Figure 4: Students Who Stopped Out in Excess of Pre-2020 Rates



As another comparison, in the 2018-19 Academic Year, out of the 121,335 students who just began their first year at the CSU (either as first-year students or transfers from community colleges), 19,580 (16.1%) stopped out within a year. Two years later, in the 2020-21 Academic Year, out of 124,256 students who just began their first year, 21,294 (17.1%) stopped out. This single percentage increase in the stop-out rate amounts to an additional 1,714 students who didn't return to the CSU after their first year. This rate also doesn't account for students who discontinued enrollment after their second, third, or any subsequent years at the CSU – figures which become increasingly difficult to estimate.²³

The CSU's attempts at bringing back students who've temporarily discontinued enrollment have had very modest impact. Each year, approximately 4,000 students enrolled across the system are students who have returned to a CSU campus, compared to the approximately 20,000 students who stop out each year – just after their first year.²⁴ It's clear that the CSU needs greater investment in instruction and support services to retain students and bring back those who have left. Student re-entry is made even more difficult by administration decisions to hike tuition annually by 5%, increase student fees, and decrease student support programs.

²³ CSU Enrollment Dashboard: Student Characteristics. Retrieved July 24, 2024. tableau.calstate.edu/views/SelfEnrollmentDashboard/EnrollmentSummary?iframeSizedToWindow=true&%3Aembed=y&%3AshowAppBanner=false&%3Adisplay_count=no&%3AshowVizHome=no
²⁴ Mir, A. & Toor, S. (2021). "Racial Capitalism and Student Debt in the U.S." *Organization*, 30(4), 754-765.

CSU'S TUITION AND FEE GROWTH FAR OUTPACES INFLATION, AND EVEN OTHER FOUR-YEAR PUBLIC INSTITUTIONS

To the collective detriment of students and the California State University, CSU trustees approved a plan on September 23, 2023, to raise student tuition by 6% a year over the next five years starting Fall 2024. Research shows that students of color and those from low-income families bear the largest burden of student debt.

Adding insult to injury, 38 minutes after approving the 34% tuition hike, trustees approved astronomical executive compensation packages for three campus presidents.²⁵ We discuss the bloat of executive pay and management personnel in a later section, "Increasing Administrative Bloat." CSU management is quick to fund the CSU out of the pockets of students and their families and pass on those dollars to line the pockets of administrators who are paid more than the President of the United States.

Compared to just 20 years ago, tuition will have more than doubled from \$3,048 in 2008-09 to \$7,682 in 2028-29. This increase far exceeds those of other public four-year institutions, as reported by the National Center for Education Statistics (NCES).²⁶ It also doesn't include the rapid expansion of other ways universities charge students for education and related services, particularly mandatory fees that are set by individual campuses. Indeed, in one audit report, the California State Auditor noted that mandatory fees contributed to an increasing financial burden on students, and yet received little oversight or sufficient justification.²⁷ These mandatory fees range from an additional \$1,000 to over \$5,000 on top of systemwide tuition.²⁸

The disparity is more extraordinary when one compares student tuition increases to inflation, as in Figure 5. Since 1986, tuition rose 900% while inflation increased by less than 200%.

The total cost of attendance for students includes being able to afford housing and food. The ever-rising costs of housing and food impacts students, whether they live and eat on campus or not. While CSU management may claim it can do little about larger economic impacts (statewide housing prices or inflationary pressures on groceries), they administer (and thereby influence the cost of) housing and dining for hundreds of thousands of students and workers across the state. Furthermore, increases in student tuition, fees, and other costs of attending the CSU disproportionately impact students of color, specifically Black students, who end up taking on the most student debt to attend college.²⁹

²⁵ CSU Board of Trustees (2023, September 10–13). Past meetings. Agendas and recordings. www.calstate.edu/csu-system/board-of-trustees/past-meetings/Pages/September-10-13-2023.aspx

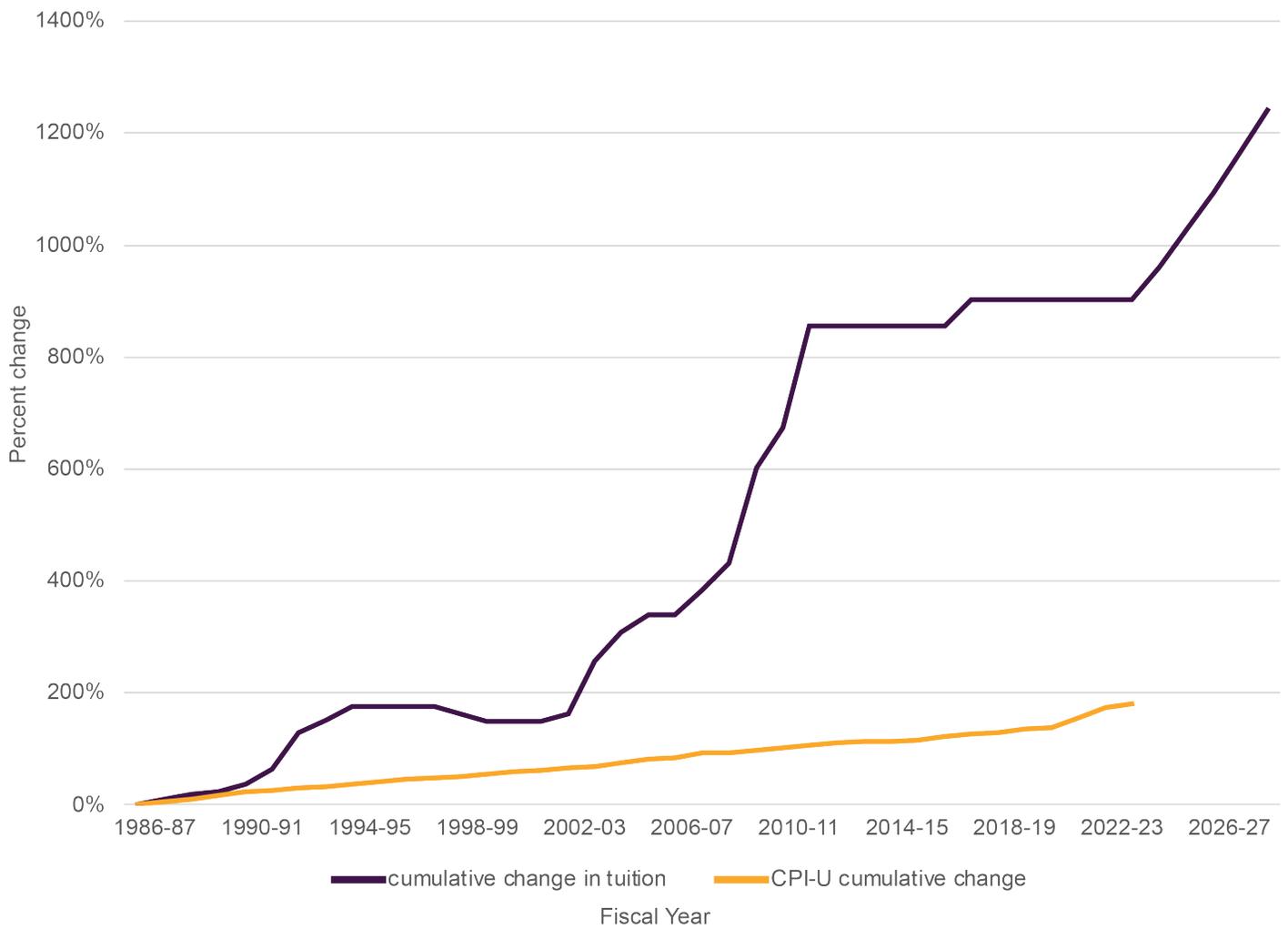
²⁶ NCES (2023). "Price of Attending an Undergraduate Institution." Retrieved May 30, 2024. Accounts for 2023 dollar unit adjustments.

²⁷ California State Auditor (2020, May). Audit Report 2019-114. "California State University: The Mandatory Fees its Campuses Charge Receive Little Oversight Yet They Represent an Increasing Financial Burden to Students." information.auditor.ca.gov/pdfs/reports/2019-114.pdf

²⁸ www.calstate.edu/attend/paying-for-college/csu-costs/tuition-and-fees/campus-mandatory-fees

²⁹ EdTrust. (2021, April). "Black Student Debt Hub." edtrust.org/rti/blackstudentdebthub/

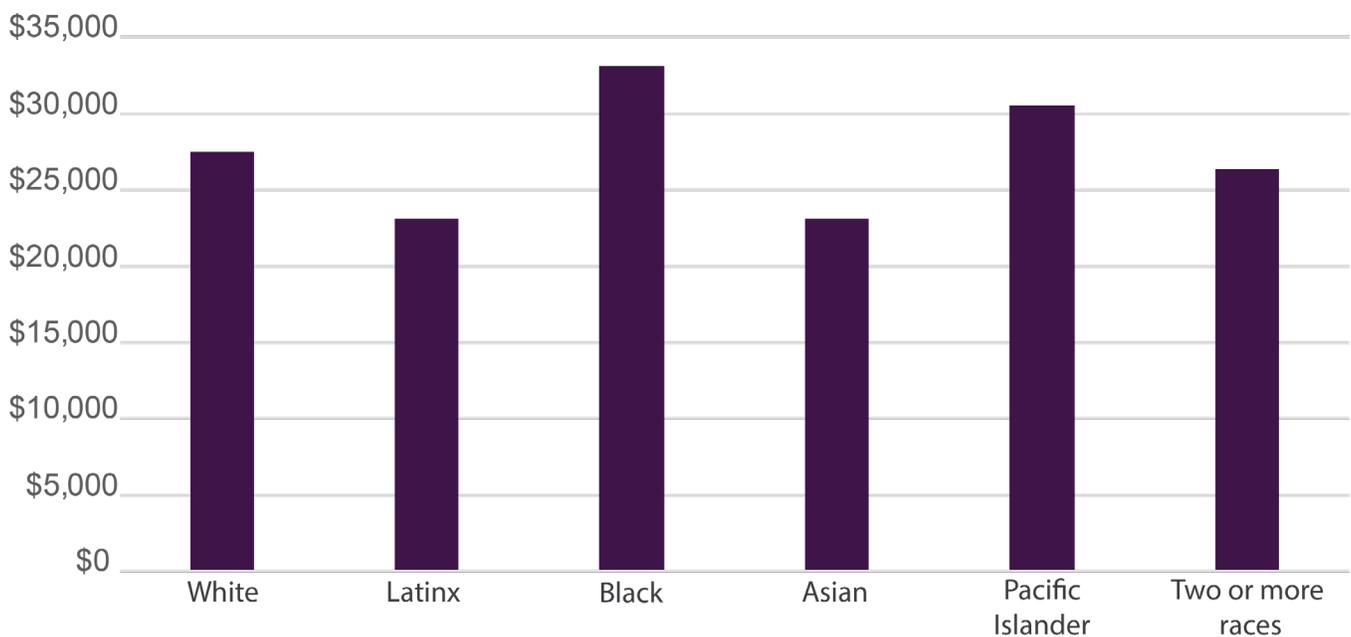
Figure 5: Cumulative Percent Change in CSU Tuition vs. Consumer Price Index (CPI-U)



The Student Debt Sentence

The impact of increased tuition ripples outward and contributes substantially to racial generational wealth gaps. According to a recent report by The Century Foundation, California ranks in the top third of states for average student debt balance despite relatively low public tuition, with significant racial inequities in amount and types of debt.^{30 31 32} Students of color are more likely than white students to leave college with student debt, whether they leave by graduating or stopping out. Figure 6 displays estimates of the percentage of California households that have any form of student loan debt, disaggregated by race.^{33 34}

Figure 6: Average Cumulative Student Debt by Race



³⁰ The Century Foundation (2023, September 27). "The Student Loan Borrowing Undermining California's Affordability Efforts." Research report. tcf.org/content/report/the-student-loan-borrowing-undermining-californias-affordability-efforts/
³¹ The Century Foundation (2023, September). "What the Data Tell Us about Student Debt in California." rpubs.com/TheCenturyFoundation/CaliforniaStudentDebt
³² National Center for Education Statistics (2016). "National Postsecondary Student Aid Study (NPSAS: 16)." nces.ed.gov/pubs2018/2018466.pdf
³³ Calculated from the U.S. Federal Reserve Survey of Household Economics and Decisionmaking (SHED), with survey data from each year between 2015–2022.
³⁴ As discussed in the Data Justice Statement, note that the use of race categories differs from sources used for other figure, and that both inherently reify racial categories, limit interpretation, and can often be misaligned with respondents' own identification.

Compared to their white counterparts, Black students will take on more debt, owe more in student loans after/if they graduate, are twice as likely to default, and have more difficulty repaying loans once in the workforce due to pay discrimination.³⁵ ³⁶ Moreover, as a survey by the California Student Aid Commission (CSAC) finds, Black students, older students, and students with dependents are more likely to carry higher credit card balances to pay for educational expenses.³⁷ Of the approximately 46% of California college students that CSAC estimates pay for educational expenses with credit cards, 61% of those (or about 28% of all students) carry over a balance from month-to-month, at an average of \$4,306. This credit card debt does not show up in the statistics about what one might conventionally think of as student debt (i.e., debt through student loans). It's also another place where wealth inequities are exacerbated by race and class.

Another significant aspect of tuition-related debt also may not show up in the usual statistics around student debt: debt that students' families take on to support them. Families take out Parent PLUS loans, and like students themselves, may use credit cards to obtain more upfront cash on top of the use of student loans.³⁸ It's not just students who are affected, but most families who hope to secure a path into higher education for their children. The impact of tuition and fee increases (alongside inflating costs of attendance) and their disparate impact on students of color thus spills over beyond the students enrolled at the CSU to their families, further worsening generational wealth gaps between communities of color and white communities. As discussed later, these impacts are facilitated by the CSU's management of its own institutional debt, which it pays down by passing costs to students.

Put simply, increasing student tuition – as CSU trustees did by 34% over the next five years – contributes to the racial wealth gap. Indeed, in another way of representing this, Figure 7 depicts how, on campuses with a greater percentage of students of color, the cost of attendance relative to median family income, is significantly higher.³⁹

³⁵ EdTrust. (2021, April). "Black Student Debt Hub." edtrust.org/rti/blackstudentdebthub/

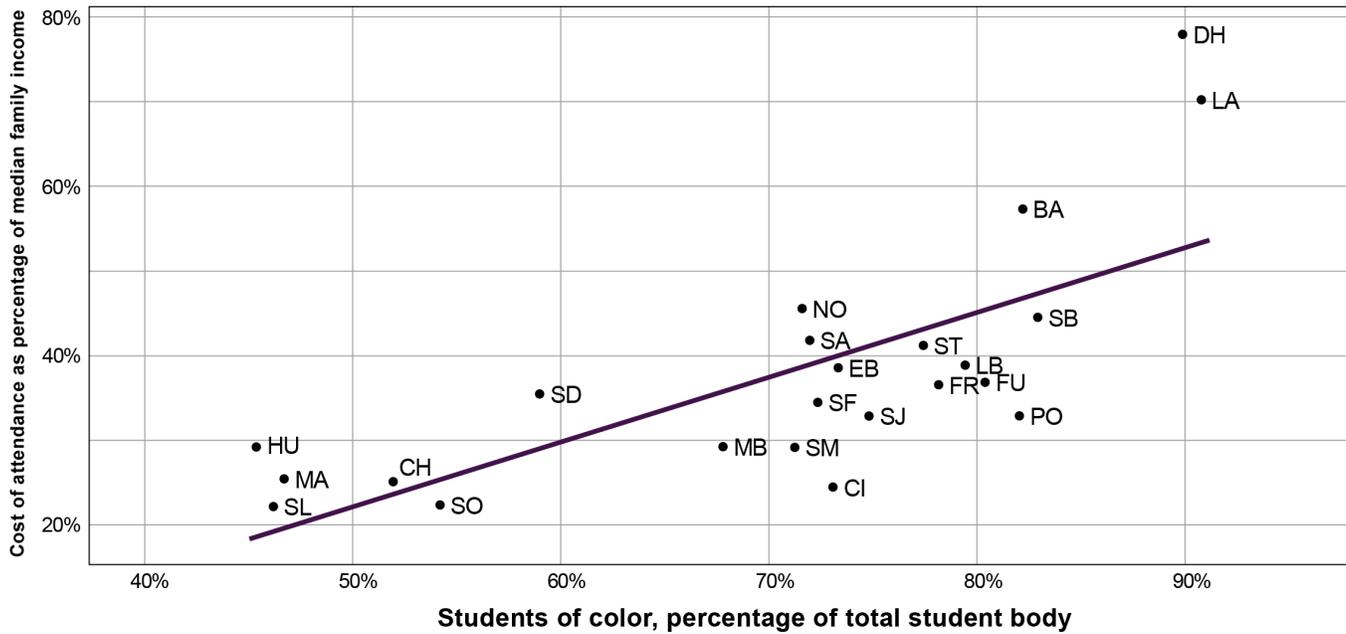
³⁶ See also IASP report from dfpi.ca.gov/2023/02/13/student-loan-debt-a-disproportionate-burden-on-black-and-latino-borrowers and the Thurgood Marshall Institute. minstituteldf.org/publications/the-black-white-racial-wealth-gap/ can also bring in some reports from the Student Borrower Protection Center for more timely cites.

³⁷ California Student Aid Commission. (2019). SEARS (Student Expenses and Resources Survey) Survey Spotlight, 2018–19. www.csac.ca.gov/sites/main/files/file-attachments/credit_cards_and_students_debt.pdf

³⁸ The Century Foundation (2022, May 31). "Parent PLUS Borrowers: The Hidden Casualties of the Student Debt Crisis." Research report. tcf.org/content/report/parent-plus-borrowers-the-hidden-casualties-of-the-student-debt-crisis/

³⁹ A Pearson correlation of these two variables is substantial and statistically significant, $r = .736, p < .001$. These data were gathered from a report by Opportunity Insights (2018), New York Times reporting and collation of that report's findings (2019), and retrieval of student attendance and cost information from the CSU's own Institutional Research and Analysis (IR&A) Office (2024).

Figure 7: Cost of Attendance by Campus vs. Percentage Students of Color on Campus*



* Campus abbreviations are as follows: BA = CSU Bakersfield, CI = CSU Channel Islands, CH = Chico State, DH = CSU Dominguez Hills, EB = CSU East Bay, FR = Fresno State, FU = CSU Fullerton, HU = Cal Poly Humboldt, LB = CSU Long Beach, LA = CSU Los Angeles, MA = Cal State Maritime Academy, MB = CSU Monterey Bay, NO = CSU Northridge, PO = Cal Poly Pomona, SA = Sacramento State, SB = CSU San Bernardino, SD = San Diego State, SF = San Francisco State, SJ = San José State, SL = Cal Poly San Luis Obispo, SM = CSU San Marcos, SO = Sonoma State, ST = Stanislaus State.

Here it's also important to note that debt isn't just carried by students as individuals, but also by their families.⁴⁰ In this way, the debt accrued just to pay tuition, fees, rent, dining plans, books, and other educational expenses, negatively impacts whole communities – especially communities of color.

A STUDENT BODY PREDOMINANTLY COMPOSED OF STUDENTS OF COLOR IS LEFT WITH THE BILL

The choices to increase the CSU's costs of attendance as the student body becomes more diverse effectively widens the racial wealth gap. Critically, because CSU management increases tuition while it siphons funds away from instruction to management, construction, and policing/surveillance, students of color take on more financial burden for worse experience compared to a student body with more white students 20 years ago.

⁴⁰ Granville, Peter. (2022, May 31). "Parent PLUS Borrowers: The Hidden Casualties of the Student Debt Crisis." Research report. The Century Foundation.

The magnitude of the financial burden is staggering. The CSU’s Class of 2022 graduated with approximately \$730 million in total student debt.⁴¹ That same year, the CSU paid \$645 million in debt service, to cover the bonds they’d issued to finance more buildings.⁴² More than half of that, \$328.8 million, was on interest alone.

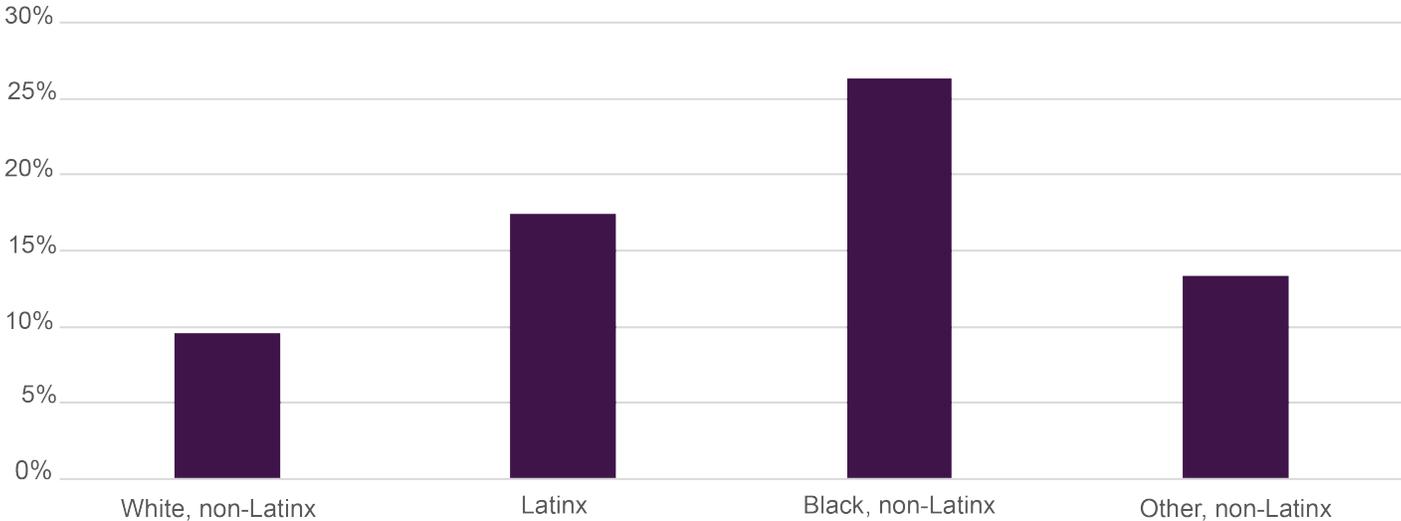
Student debt and university debt are interconnected. Administrators raise student tuition to get better bond ratings in order to take on more university debt, which then drives tuition increases to pay off.

This doesn’t just mean that students graduate with more debt. As previously illustrated, the CSU struggles to retain students – many discontinue enrollment. Students who leave before graduating often have less debt on average, but are paradoxically in worse shape after they leave campus – because they don’t graduate, and thus take on the cost of their education without the benefits of a degree in the job market. For students who left the CSU, 50% of graduates were making positive loan repayment progress in 2022, compared with 39% of non-graduates.^{43 44}

In light of this, we are wary of CSU management’s boast that students graduate with less debt than their national counterparts. The issue is also about students who don’t graduate, which will continue to become a bigger issue if the CSU’s retention rates continue to drop. As previously discussed, approximately 20,000 first-year CSU students alone stop out each year. Their debt is not represented in these statistics.

Student debt is a critical issue of racial justice. As noted above, several reports highlight significant racial disparities in student loan debt, as well as credit card debt associated with higher education expenses. Figure 8 displays the average cumulative debt of college graduates in California by race. Note that this data includes only those who have graduated college, not those who have stopped out.

Figure 8: Percentage of California Households with Student Debt by Race



⁴¹ Estimated from Table 1 of Cal State Student Association and The Institute for Access & Success (September 2023). "CSU at All Costs: The Inequitable Burdens of Affording a College Degree," and by-campus graduating class headcounts from the "Degrees Issued" data dashboard from CSU Institutional Research & Analyses.

⁴² CSU Consolidated Annual Financial Statements, FY 2021-22.

⁴³ Public Policy Institute of California (July 2022). "Repaying Student Loans a Struggle for Those Who Do Not Graduate." www.ppic.org/blog/repaying-student-loans-a-struggle-for-those-who-do-not-graduate/

⁴⁴ U.S. Department of Education (2022). College Scorecard.

Figure 8 displays estimates of the percentage of California households that have any form of student loan debt, disaggregated by race.⁴⁵ Examining the CSU specifically, a joint report by the Cal State Student Association (CSSA) and The Institute for College Access & Success (TICAS) finds similar racial disparities in debt amongst CSU graduates.⁴⁶

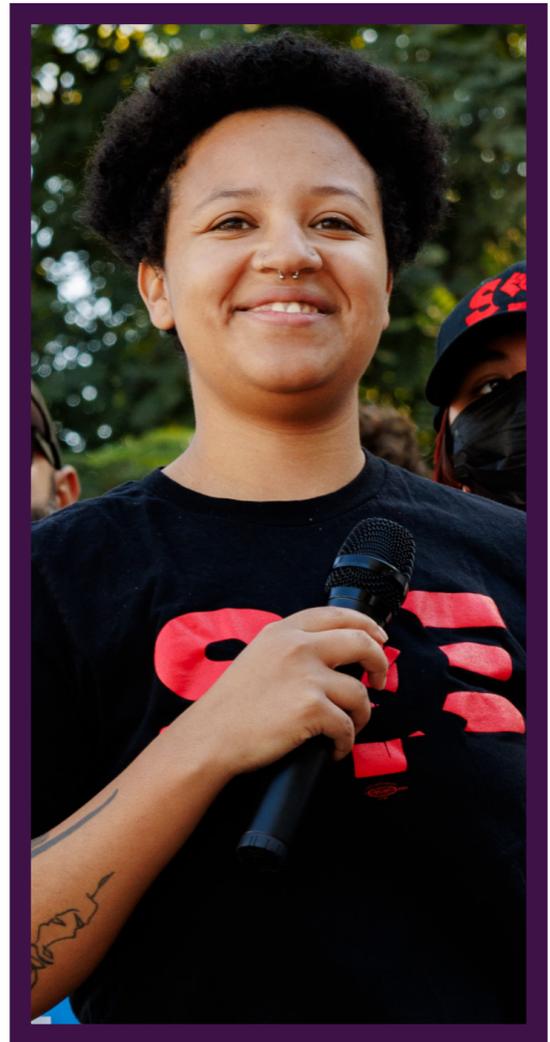
2024 CSU East Bay graduate Rin Anderson feels fortunate that their family is able to help fund their college. Anderson and their parents have taken out loans to cover the costs of attendance and Anderson worked 25 hours a week at two on-campus jobs their final undergraduate year.

“Sometimes, I forget that I’m a student – I get so caught up in the work I do,” Anderson said. “It takes away from other things that are important to me – spending time with family and friends, offering support to others. Having to work and take on debt definitely takes away from the connections I wanted to make. I missed out on those opportunities.”

The amount of student loan debt weighs on Anderson’s mind when considering graduate school.

“I’m not sure I can afford it. I already owe so much. I have to think about entering the workforce now to start making money to pay off my loans,” said Anderson, noting how this continues the racial wealth gap cycle for graduates of color like themselves.

“Education is a powerful thing. If we’re a student, we’re trying to better ourselves. It’s not just about us, it’s the people behind us, the people in front of us, the people who don’t have the opportunities that I have,” Anderson added.



**Rin Anderson
SQE Alumni
CSU East Bay**

⁴⁵ U.S. Federal Reserve Survey of Household Economics and Decisionmaking (SHED), each year from 2015–2022.

⁴⁶ Cal State Student Association and The Institute for Access & Success (September 2023). “CSU at All Costs: The Inequitable Burdens of Affording a College Degree.” ticas.org/california/csu-at-all-costs-the-inequitable-burdens-of-affording-a-college-degree/

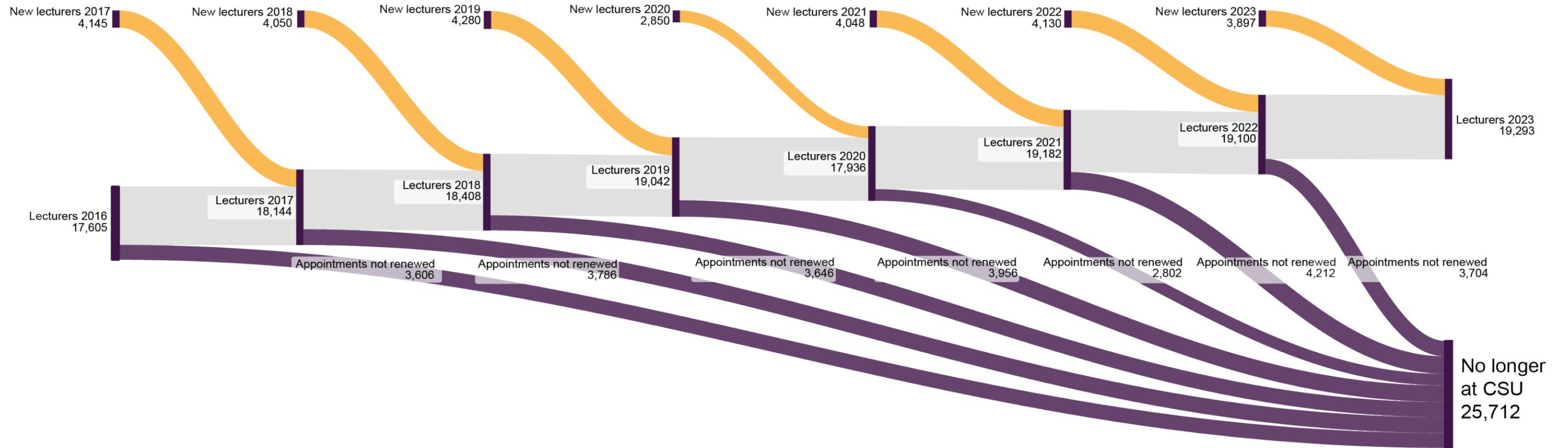
CSU's Deprioritization of Students is Deeply Entwined with its Disinvestment in Faculty

CSU management's seeming disregard for students has grown alongside its active allocation of funds away from instruction – and from the labor force that makes student success possible. They have allowed working conditions to deteriorate, in the name of cutting costs, thus enabling higher faculty turnover and worsening learning and living conditions for students. As a consequence, students' learning conditions become secondary to their bottom line.

And fundamentally, students' learning conditions stem from faculty working conditions. Mirroring the CSU's struggles to retain students, it also does not retain lecturer faculty (lecturers) well, though this may be less of a struggle than an intentional practice. In other sectors, lean staffing (i.e., understaffing a workplace just enough that a smaller number of workers will have to work harder to produce the same amount of work while keeping labor costs down) and promoting high turnover are management practices designed to prevent unionization, suppress wages, and circumvent requirements to provide full-time workers benefits. This practice impacts the majority of CSU faculty; 56.7% of all faculty at the CSU are lecturers.

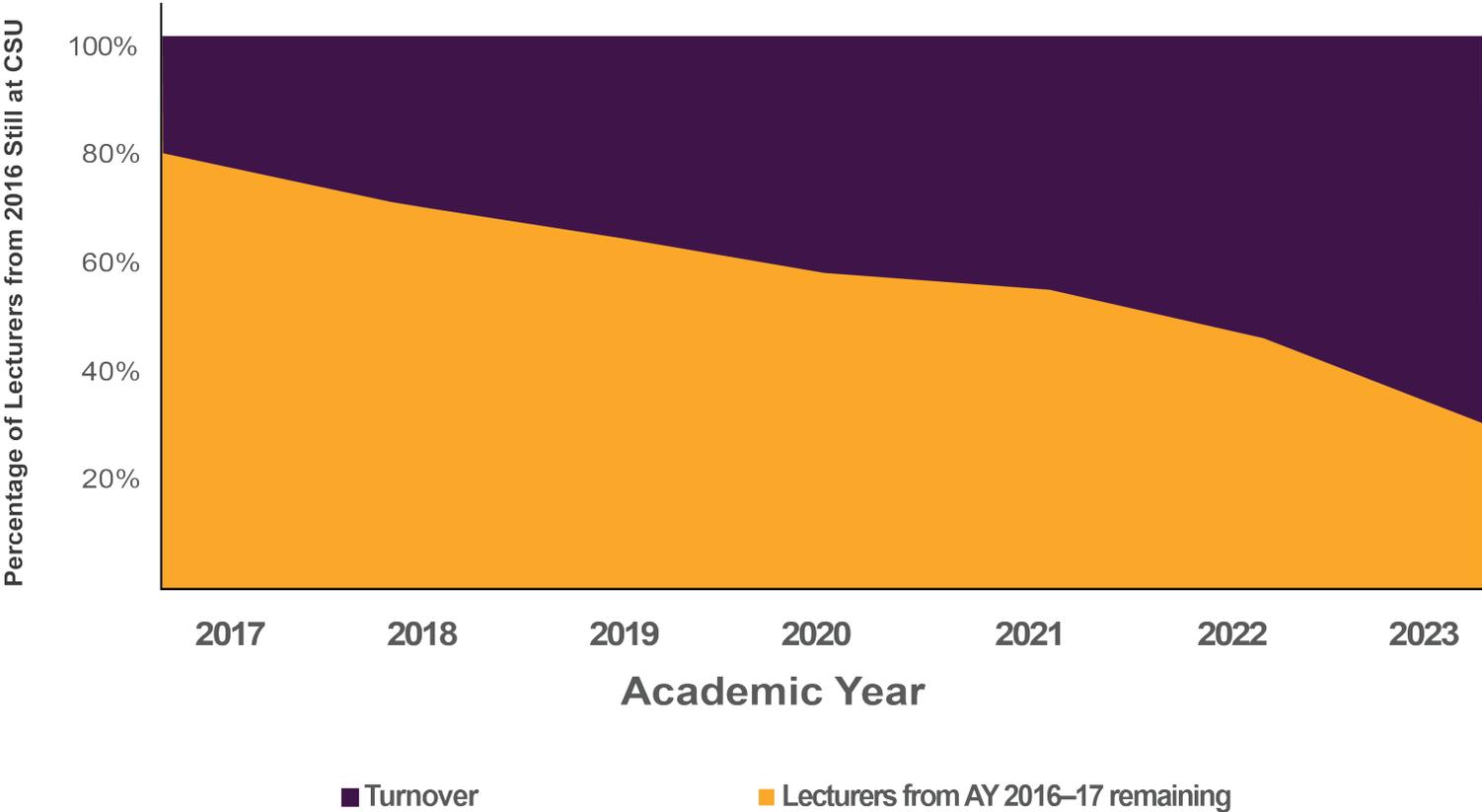
Illustrating just how drastic lecturer turnover is, Figure 9 presents the inflows and outflows of lecturers at the CSU for every academic year (using fall semester headcounts). The light gray horizontal lines in the center represent lecturers who work from one academic year and continue to have an appointment in the next, while the orange lines (towards the top) represent lecturers who join the CSU for their first appointment that academic year, and the dark purple lines (towards the bottom) represent lecturers who don't return to the CSU the following year. The degree of turnover underscores that job stability for lecturer faculty is low and, consequently, instructor continuity for students is, too.

Figure 9: Lecturer Turnover



Meanwhile, Figure 10 depicts the percentage of lecturers who worked at the CSU in Academic Year 2016-17 still working at the CSU in subsequent academic years. By Academic Year 2023-24, less than 40% of lecturers who had worked at the CSU in Academic Year 2016-17 were still working at any CSU campus. Put differently, the CSU approaches a majority (>50%) lecturer turnover rate in less than seven years. After one year alone, from Fall 2016 to Fall 2017, 21% of lecturers no longer worked at the CSU, even higher than the K-12 turnover rate for public school teachers, which was at 8% in both 2012 and 2021.⁴⁷

Figure 10: Lecturer Turnover Since 2016



Increasing reliance on faculty with temporary contracts, lecturer faculty, is one way that CSU management uses its workforce to bail them out of mismanagement of resources. Lecturer faculty are educators who are just as committed as those on the tenure line, but their precarity means many will leave for better jobs that can guarantee them ongoing work. Faculty on the tenure line, with the job protections that come with that, can set the expectation of seeing students through their educational career. Lecturer faculty, instead, find budgets balanced on their employment. This is what the CSU wants: more faculty on temporary contracts and fewer faculty with tenure.⁴⁸ The impacts are far reaching for service work, student advising, shared governance, academic freedom, scholarly and creative activity production, and more.

⁴⁷ National Center for Education Statistics (May 2024). "Teacher Turnover: Stayers, Movers, and Leavers." nces.ed.gov/programs/coe/indicator/slc/teacher-turnover
⁴⁸ California Faculty Association. (2015). "Race to the Bottom: The Price Students Pay." Research report. www.calfac.org/wp-content/uploads/2021/10/The-Price-Students-Pay.pdf

STUDENT INTERACTION WITH FACULTY WANING ON SEVERAL CAMPUSES

Another consequence of the CSU's disinvestment from its central educational mission is that students not only have less continuity with faculty, but also less opportunities for interaction with faculty at all. Indeed, in NSSE (National Survey of Student Engagement) results for various CSU campuses in recent years, few students note that they have connected with faculty outside of the classroom on career plans, student groups, or even course topics and their own academic performance.⁴⁹ As campuses face manufactured austerity cuts, librarian faculty also report having to reduce library hours — how might this correspond with less educational interaction outside of the classroom? What does this mean for students who have jobs and may not be able to access critical academic resources like their campus library in the middle of the day? We note that this trend will also result in cultural taxation for the faculty of color who are supporting students of color without necessarily having the resources needed to support themselves.⁵⁰

⁴⁹ E.g., CSU Channel Islands NSSE 2022 data; CSU Fullerton NSSE 2022 data, from statistical summary reports.

⁵⁰ Canton, Cecil. (2012). "The 'Cultural Taxation' of Faculty of Color in the Academy." www.calfac.org/wp-content/uploads/2021/07/cultural_taxation_cfmagfall2013.pdf

Where is the Money Actually Going?

INCREASING ADMINISTRATIVE BLOAT

The CSU continues to invest in management, while letting funding for other groups (except campus police) remain stagnant. In Fiscal Year 2016-17, the California State Auditor declared in a report that a lack of oversight enabled management personnel to expand out of control.⁵¹ Since then, spending on management personnel (MPPs, for Management Personnel Plan) increased by \$145 million (32%), from \$459 million to \$604 million. For comparison, consider that the Chancellor's Office has allocated \$149 million for "student access and success" across the entire system, for the 2024-25 year; \$30 million of those for the Graduation Initiative, and \$7 million for student basic needs and mental health.⁵²

In terms of staffing numbers, consider also that the staffing levels of MPPs means that for every 100 students, there is one MPP. By contrast, mental health counselors are severely understaffed, such that for every 1,813 students⁵³ there is one full-time counselor, considerably over the 1,000-1,500:1 students-to-counselor ratio recommended by the International Accreditation of Counseling Services (IACS).⁵⁴ At some campuses, this disparity is even more pronounced. For example, at San José State, there are 2,262 students enrolled for every full-time counselor employed there. Meanwhile, there are 271 MPPs at that campus, a 119:1 student-to-MPP ratio.

It's more than just the growing bloat of administrators. It's also who's at the very top. Executive compensation at the CSU has ballooned in the last decade, as illustrated in Figure 11. Hiring executives costs more than the average faculty member's salary. Spending on a single executive search routinely gets into the six-figure range; of the 22 contracts awarded to four executive search firms since Fiscal Year 2018-19, only four contracts amounted to less than \$100,000 each; the average contract amount was \$129,029.⁵⁵

⁵¹ California State Auditor. (2017, April). "California State University: Stronger Oversight is Needed for Hiring and Compensating Management Personnel and for Monitoring Campus Budgets." Report 2016-122. information.auditor.ca.gov/pdfs/reports/2016-122.pdf

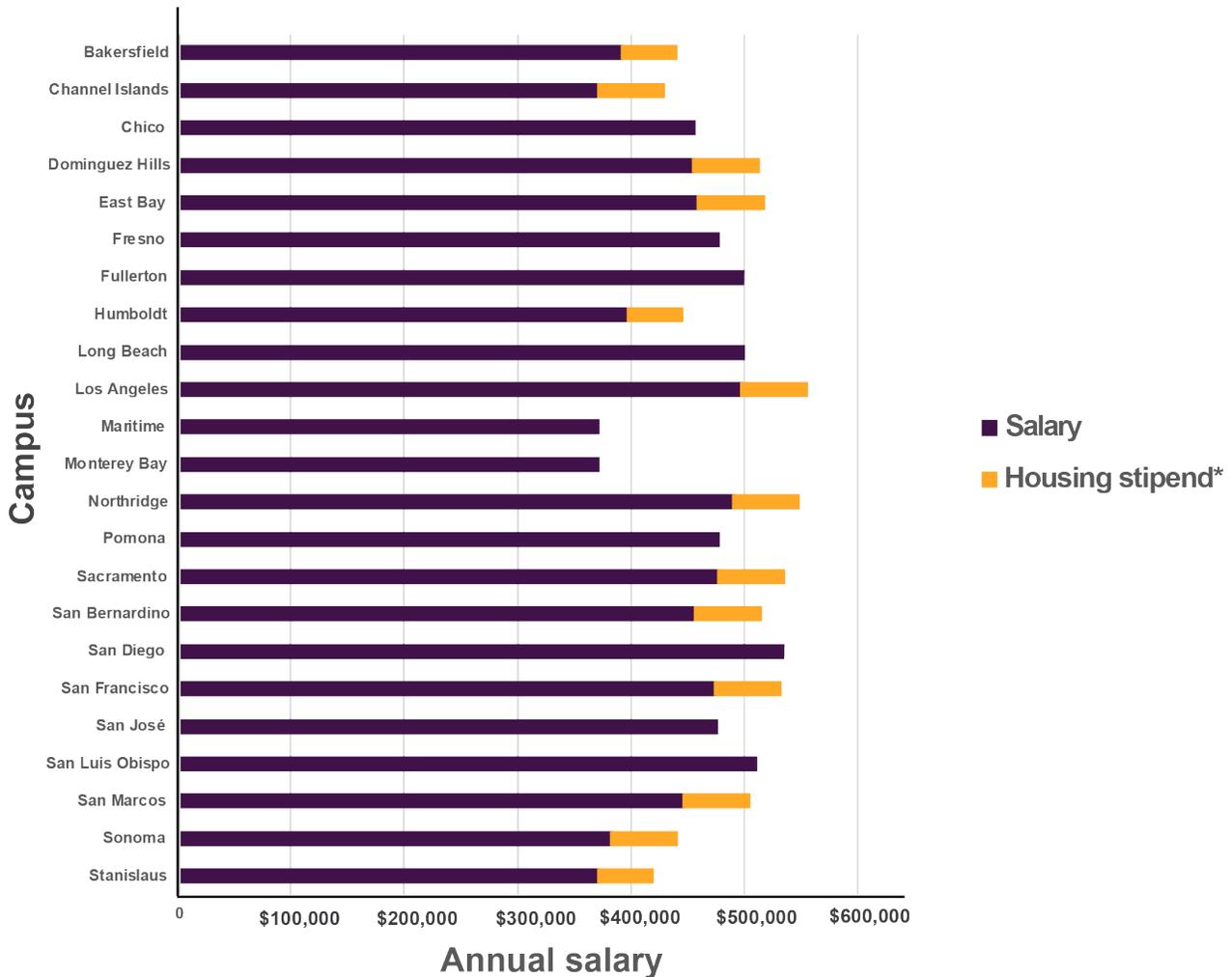
⁵² CSU 2024-25 Operating Budget. Uses of Funds. Retrieved July 3, 2024. www.calstate.edu/csu-system/about-the-csu/budget/2024-25-operating-budget/uses-of-funds/Pages/Student-Access-and-Success.aspx

⁵³ Student enrollment numbers retrieved from the CSU enrollment data dashboard (2024). Counselor staffing numbers calculated from CSU payroll data.

⁵⁴ International Accreditation of Counseling Services (IACS). (1970; rev. 2023). Standards for university and college counseling services. <https://iacsinc.org/wp-content/uploads/2024/09/IACS-2023-STANDARDS.pdf>

⁵⁵ These only include contracts awarded to firms that primarily specialize in executive search (Witt/Kieffer, Inc., Storbeck/Pimental & Associates, Isaacson Miller, Inc., and AGB Search, LLC). Other consulting firms like Deloitte may have also been awarded contracts for executive search, but without the content of every one of those contracts, it is not currently possible to estimate their impact on this trend.

Figure 11: CSU Presidents' Salaries, July 2024**



* Note that, aside from the interim president at Sonoma, presidents who do not receive a housing stipend are provided housing.

** Four presidents were awarded salary increases at the May 2024 Board of Trustees meeting, with an average increase of \$32,870. At the July 2024 Board of Trustees meeting, another five presidents were awarded salary increases, averaging \$28,506.

For instance, while CSU East Bay faces drastic austerity cuts in response to decreased enrollment, the Chancellor’s Office gave its campus president, Cathy Sandeen, a \$41,649 raise. Sandeen had previously left her position as Chancellor at the University of Wisconsin after facing a vote of no confidence⁵⁶ and left a subsequent Chancellor position at the University of Alaska, Anchorage under similarly fraught conditions.⁵⁷

This growing class of management personnel continues to advocate for austerity measures, squeezing funding out of classrooms, labs, libraries, mental health services, athletics, and all

⁵⁶ Moberg, G. (2015, May 22). "UW Colleges Chancellor Faces Faculty No-Confidence Vote." Wisconsin Public Radio. www.wpr.org/education/uw-colleges-chancellor-faces-faculty-no-confidence-vote

⁵⁷ In a subsequent position as chancellor at the University of Alaska, Anchorage, Sandeen left shortly after the President of the University of Alaska system, Jim Johnsen, resigned. UA faculty had twice voted no confidence in Johnsen, who then sought a job as president of the University of Wisconsin, Sandeen’s old university system.

HOW THE SHIFT AWAY FROM INSTRUCTION IS ACHIEVED: AUSTERITY CUTS

manner of operations that nurture student education – while they pocket more and more for themselves, and channel more funds to their associates in the consulting and finance sectors. Due to the aforementioned enrollment decline, management has cynically advanced messaging about budgetary crises and the need to cut more and more.

At the same time, while the CSU does face real financial constraints, some brought on by management policy – including enrollment changes and ballooning administrative costs, the messaging of austerity that reaches campus communities is misapplied and blown out of proportion. One particularly egregious example comes from CSU East Bay, one of the campuses facing the most severe cuts. In October 2023, their vice president of administration and finance/ CFO and their university budget officer presented a set of financial figures and graphics to advance the narrative that the campus was in a “structural deficit” and thus motivate more cuts to instruction.⁵⁸ They did so by highlighting that, in Fiscal Year 2022-23, revenues had fallen below expenditures for the first time in five years.

However, when the CSU released its annual financial statements for Fiscal Year 2022-23 in Spring 2024, CSU East Bay’s income statement showed a total \$30.9 million surplus – total revenue minus total expenses – for that year.⁵⁹ How could this be? Whether willfully or not, management conflated expenditures with expenses, two similar-sounding but distinct financial terms; an organization has a surplus when its revenues exceed expenses, not expenditures. Management never explicitly named that their alleged “structural deficit” was because operating revenues were less than expenditures: that would have been factually incorrect. Instead, they simply presented these two points next to each other and allowed their audience to make the association. Second, they also calculated their alleged deficit only counting operating finances, which thereby excludes state and federal funds entirely, since these monies are not considered part of university operations.

Cutting courses and programs is a direct attack on student success by increasing class sizes, expanding faculty workload, and reducing support programs that help student achieve, particularly first-generation and immigrant students, and those from marginalized communities. Students are paying more and getting less, while administrators value austerity cuts as evidence of their fiscal prowess.

⁵⁸ CSU East Bay Senate COBRA VP Finance Report (2023, October 23). Slide 3. Budget update, presented by Myeshia Armstrong, Vice President, Administration and Finance/ CFO, and Monique Cornelius, University Budget Officer.
⁵⁹ CSU Financial Statements, 2022-23. Schedule 8: CSU East Bay, Statement of Revenues, Expenses, and Changes in Net Position, p. 145–146. Retrieved on June 20, 2024. www.calstate.edu/csu-system/transparency-accountability/Pages/financial-statements.aspx.

THESE PRIORITIES REFLECT THE INTERESTS OF A CLASS OF CONSULTANTS AND FINANCIERS, RATHER THAN CSU STUDENTS, FACULTY, AND STAFF

Who reinforces austerity? The CSU's priorities are set by a board mostly comprised of a wealthy managerial class with more connections to real estate, finance, and consulting than to education. Reflecting the composition and interests of the Board of Trustees, the Chancellor's Office has awarded an increasing amount of money to private consulting firms. Perhaps one of the more egregious examples comes from Deloitte (Deloitte Consulting, LLP). Between Fall 2020 and the time of this writing, the Chancellor's Office had awarded 107 contracts to Deloitte, totaling \$74.1 million, at an average of \$18.5 million a year.

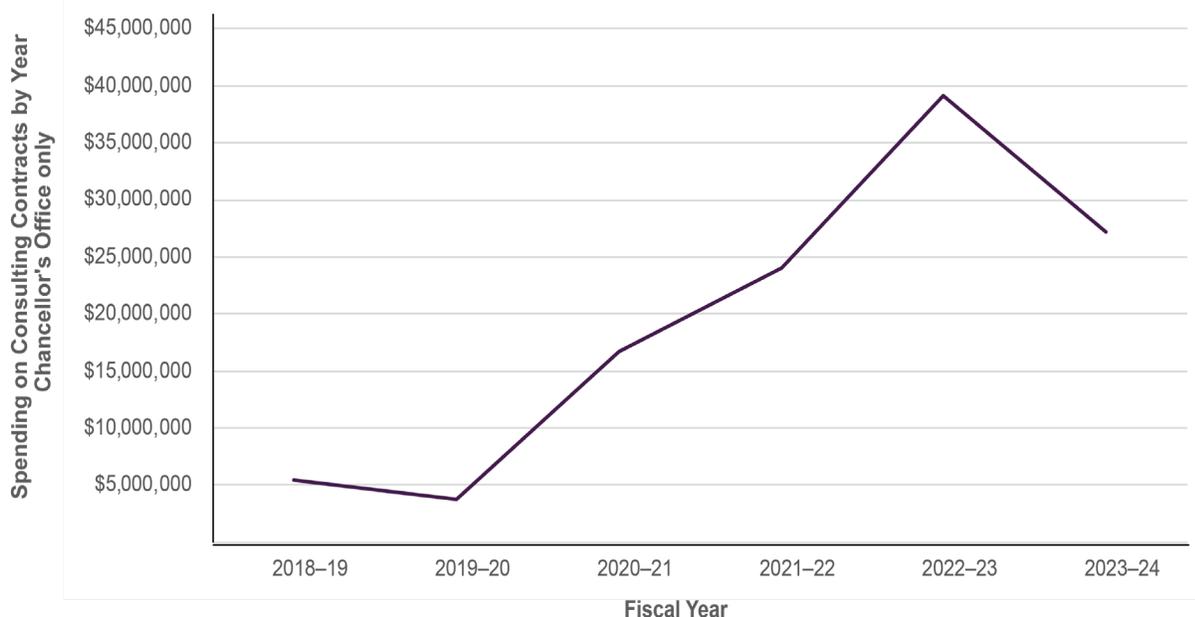
The Chancellor's Office also awarded an \$18.4 million contract to EAB Consulting in September 2022, which more recently presented a "state of the industry" slide deck at a Board of Trustees meeting, where they advocated for a doing "less with less" approach at the CSU. Previously, in 2017-18, the Chancellor's Office had awarded a \$5.8 million contract to EAB's parent company, the Advisory Board Company, from which it has since spun off as a distinct business entity.

In sum, the Chancellor's Office has awarded approximately 225 contracts totaling \$116.3 million in the last five years (from Fiscal Year 2018-19 to Fiscal Year 2023-24).⁶⁰ These contracts do not even include consulting contracts awarded by individual campuses. Figure 12 displays amounts awarded for these consulting contracts by fiscal year. Note that award amounts don't necessarily equate actual spending – time of payment is not the same as date of award, and depending on contract terms, payment may be distributed in installments. Moreover, the initial award amount may not reflect the amount billed in a final invoice. Indeed, according to the CSU's own independent audits, lack of financial oversight has contributed to spending several million dollars in excess of the original contract amount, on multiple occasions.⁶¹ If we were to plot this five-year percentage increase – 622% – in spending on consulting firms on the Figure 2 bar chart (on page 5), it wouldn't fit on the chart, or even the whole page.

⁶⁰Note that some contracts for 2023-24 may not have been reported yet; 2018-19 data may be incomplete.

⁶¹For example, see: CSU Audit and Advisory Services (2024, March 11). Audit Report 23-52: "Construction -- Library Replacement, California State University, East Bay." www.calstate.edu/csu-system/transparency-accountability/audit-reports

Figure 12: Spending on Consulting Contracts



Instead of hiring outside consultants with dubious experience in education, the CSU could invest in faculty and staff who play direct roles in promoting student success during their day-to-day work. The \$74 million awarded to Deloitte in the last four years could have covered the entire cost of attendance for all four of those years (tuition, fees, room and board, books) for 657 students. In terms of promoting racial equity at the CSU, \$74 million could fund the CSU's Black Student Success initiatives at current levels for more than 20 years.⁶² In terms of tuition alone, this contract amount could have covered four years of tuition for 2,425 students, more than enough to bring enrollment at CSU Monterey Bay, CSU San Marcos, and Sacramento State back up to Academic Year 2019-20 levels.⁶³

MORE MISMATCHED PRIORITIES: POLICING, SURVEILLANCE

CSU management's priorities for students have also shifted toward surveillance, policing, and extraction of resources. Students have become a resource for profit. The expansion of policing on campus is one part of this shift.

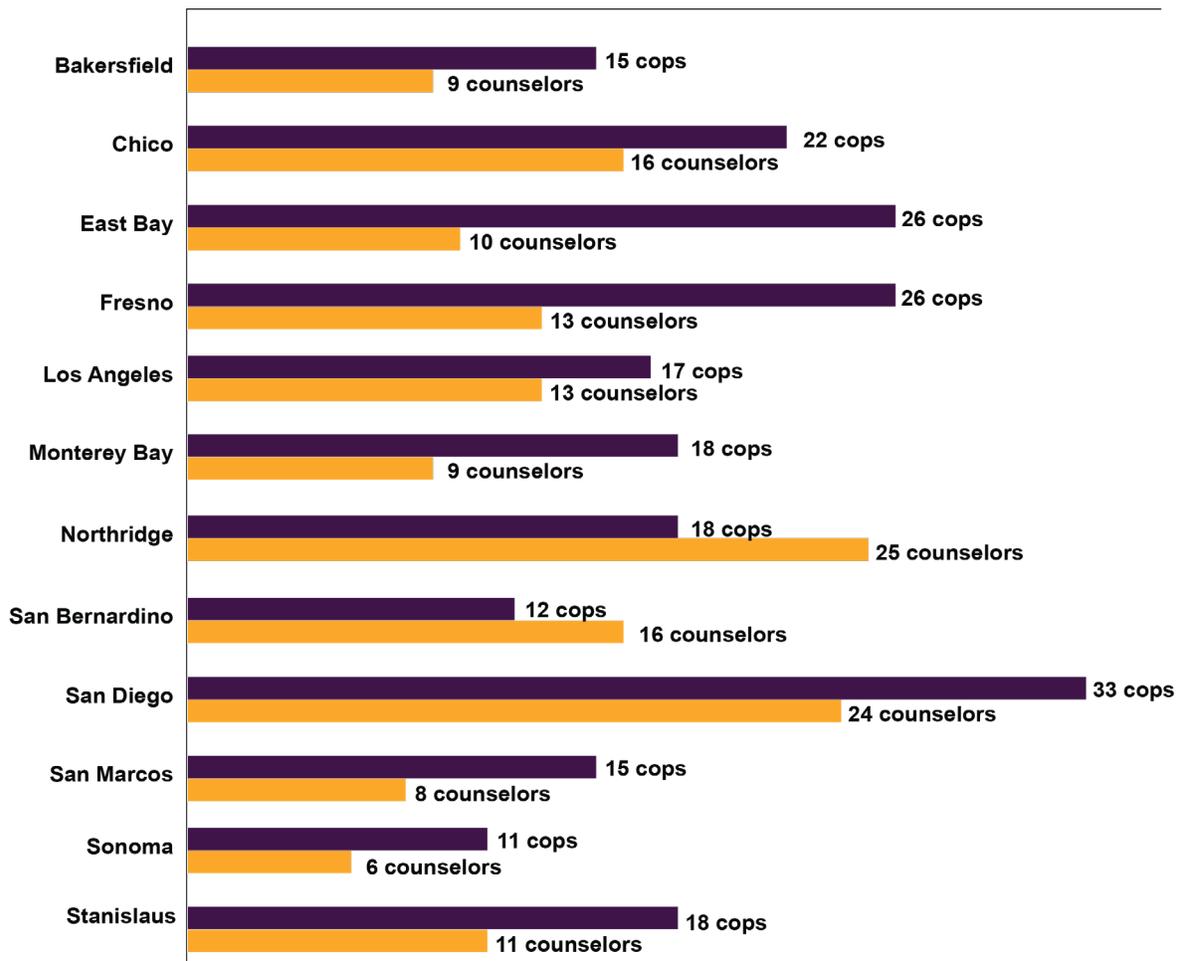
⁶² CSU has committed to this initiative at \$10M over 3 years. From: CSU News. (2023, June 19). "CSU Report Calls for Bold Actions to Improve Black Student Success and Elevate Black Excellence." www.calstate.edu/csu-system/news/Pages/CSU-Report-Calls-for-Bold-Actions-to-Improve-Black-Student-Success.aspx

⁶³ Up from AY 2023-24 levels.

While campus police departments' responses to our requests for information were rather mixed, omitting significant amounts of information required for more comprehensive analyses, we have enough to roughly estimate that spending on campus police increased by over 250% on average, over the last 10 years. At CSU Dominguez Hills, expenditures by the campus police department nearly doubled in just four years, jumping from \$1.4 million in 2013–14 to \$2.8 million in 2017-18. As depicted in Figure 13, 10 of these 12 campuses employ more cops than counselors, sometimes even twice as many.⁶⁴ Given how understaffed many campuses' mental health services are, this contrast raises questions of how effectively or not the CSU is funding systems that actually ensure campus communities' well-being.

Figure 13: University Police Compared to Mental Health Counselors

At 10 of the 12 campuses where we have available information, campus police are significantly more staffed than mental health counselors.



⁶⁴ Staffing numbers from records requests filed with individual campus police departments and corroborated with official campus police organizational charts, where available.

Worse, when the CSU received state funds to bolster spending on mental health services, some campuses spent those on programs that ended up funneling money to police, including a team at CSU Long Beach that would coordinate with campus police to respond to students in crisis.^{65 66}

Police departments are just one facet of the carceral systems in place to surveil and punish students, disproportionately students of color. Their records also reveal an expansive network of surveillance equipment, including mobile license plate recognition devices, which may not show up in budgets if they were purchased in previous years but continue to contribute to campus surveillance networks. License plate recognition technology presents significant privacy concerns; in 2020, the California State Auditor found that, out of hundreds of millions of images stored by four police departments that they sampled, 99.9% were not related to criminal investigations, and that these departments retained images longer than necessary and used few safeguards in storing these data.⁶⁷

University funds go toward private security contractors and surveillance technology. For instance, CSU Northridge awarded \$303,569 to a private security contractor, Contemporary Services Corp., in May 2024. Elsewhere in Los Angeles County, CSU Los Angeles regularly awards Draken Private Security, around \$80,000 every spring. That same campus houses crime labs for the Los Angeles County Sheriff's Department (LASD) and the Los Angeles Police Department (LAPD) in its Hertzberg-Davis Forensic Science Center, and has several information-sharing agreements with other law enforcement agencies, including the LASD, LAPD⁶⁸, the California Highway Patrol, and the Long Beach Police Department. These agreements specifically concern the daily exchange of data collected through Palantir, a surveillance technology company with extensive ties to the military, and the use of automatic license plate recognition.⁶⁹

In one amendment to an agreement, the campus police department of CSU Los Angeles agrees that LASD can sign future amendments on its behalf, effectively granting partial control over campus surveillance data to LASD. This integrates campus police's operations into a much larger and explicitly corrupt network of policing: LASD's budget for 2024–25 is \$4.04 billion⁷⁰ and extensive records demonstrate the prevalence of racist deputy gangs throughout the department.^{71 72} When police spending at campus police departments appears relatively small – despite continuing to grow faster than instructional spending – it's largely because they only make up part of the broader surveillance and policing of campus communities, which are instead passed on to the city police and county sheriff's departments surrounding campuses.

⁶⁵ CSU Business and Finance. (2023, March 2). "Student Mental Health and Basic Needs Initiative Report."

⁶⁶ CSU Business and Finance. (2024, March 11). "Student Mental Health and Basic Needs Initiative Report."

⁶⁷ California State Auditor (2020, February). "Automated License Plate Readers: To Better Protect Individuals' Privacy, Law Enforcement Must Increase its Safeguards for the Data it Collects." Report 2019-118.

⁶⁸ Note that the LASD and LAPD are two separate entities, both with their own multi-billion budgets. The former operates in the jurisdiction of Los Angeles County, while the latter operates in the City of Los Angeles.

⁶⁹ Stop LAPD Spying. (2021). "Automating Banishment: The Surveillance and Policing of Looted Land." Research report. automatingbanishment.org/

⁷⁰ This doesn't include another \$1 billion for the county's Probation Department.

⁷¹ Chief Executive Office of Los Angeles County. (2024). LA County Budget, 2024–25 Final Changes Board Letter. file.lacounty.gov/SDSInter/bos/supdocs/192623.pdf

⁷² Castle, Cerise. (2021). "A Tradition of Violence: The History of Deputy Gangs in the Los Angeles County Sheriff's Department." KNOCK-LA, 15-part series. knock-la.com/tradition-of-violence-lasd-gang-history/

ARTIFICIAL INTELLIGENCE AND THE SALE OF STUDENT DATA: LEARNING MANAGEMENT SYSTEMS, SURVEILLANCE, AND DATA JUSTICE CONCERNS

The privatized university doesn't just generate revenue by treating students as consumers and finding additional ways to charge them more, but also by treating students as commodities themselves and selling their information. While the growing panopticon of surveillance systems fueled by fast-evolving developments in Artificial Intelligence (AI) extends beyond what we can capture in one report, a few points bear mentioning.

According to a recent report by the American Association of University Professors (AAUP), the companies that develop and sell learning management systems (LMS's: e.g., Canvas, Moodle, Blackboard) to universities continually update their products, making them more profitable and also hard to track, leading into murky regulatory waters around the use of classroom data. In particular, such developments result in tracking of information that disproportionately targets students of color, and student athletes.⁷³ One of the largest LMS companies, Instructure, which develops Canvas (widely used at the CSU) and related products, was recently acquired by Thoma Bravo, a private equity firm that now owns an 84% stake in Instructure. Thoma Bravo also owns Realpage, the real estate technology company which uses pricing algorithms to drive up rents by leaving units vacant to artificially create housing scarcity.⁷⁴

CONTINUED PATTERNS OF EXTRACTION: EVEN IN RESIDENCE AND DINING HALLS, MANAGEMENT'S MISMATCHED PRIORITIES ARE ON DISPLAY

The management of the CSU treats students as revenue streams – shown not just by their willingness to raise tuition, but also fees, and the costs of campus operations outside of the classroom (housing, dining, parking, bookstores, and more).⁷⁵ As Figure 14 illustrates, the CSU earns as much as a quarter billion dollars from student dining and residential hall operations a year.⁷⁶ At the same time, their rental and dining plan rates are prohibitive for some students, and thousands of spaces remain vacant. Considering that 39% of students at the CSU are food insecure and 36% are housing insecure,⁷⁷ a moral question emerges about why the CSU cannot use its excess revenue over expenditures to help these students.

⁷³ McGowan, G., Paris, B., & Reynolds, R. (2024). "Educational Technology and the Entrenchment of 'Business as Usual.'" *Academe*. www.aaup.org/article/educational-technology-and-entrenchment-%E2%80%9Cbusiness-usual%E2%80%9D

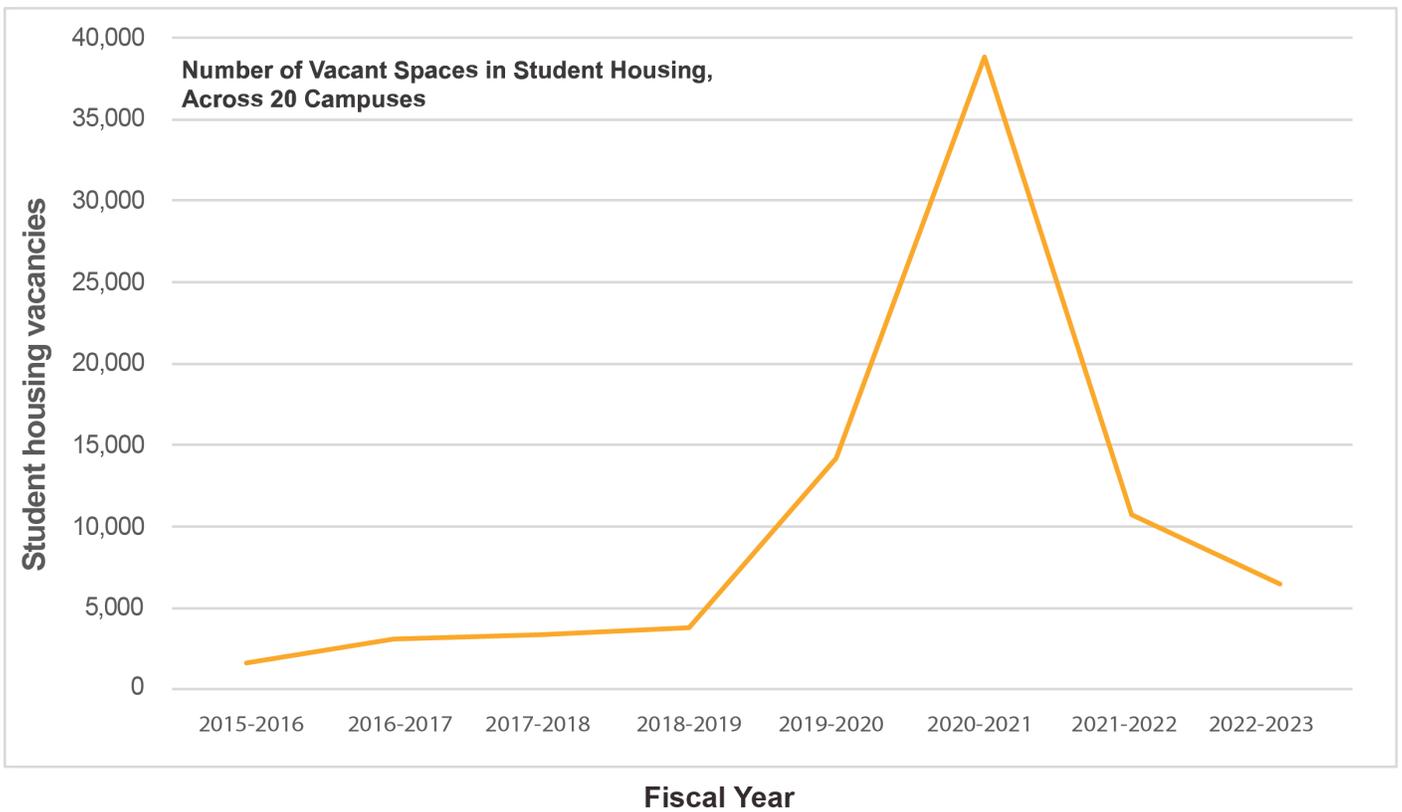
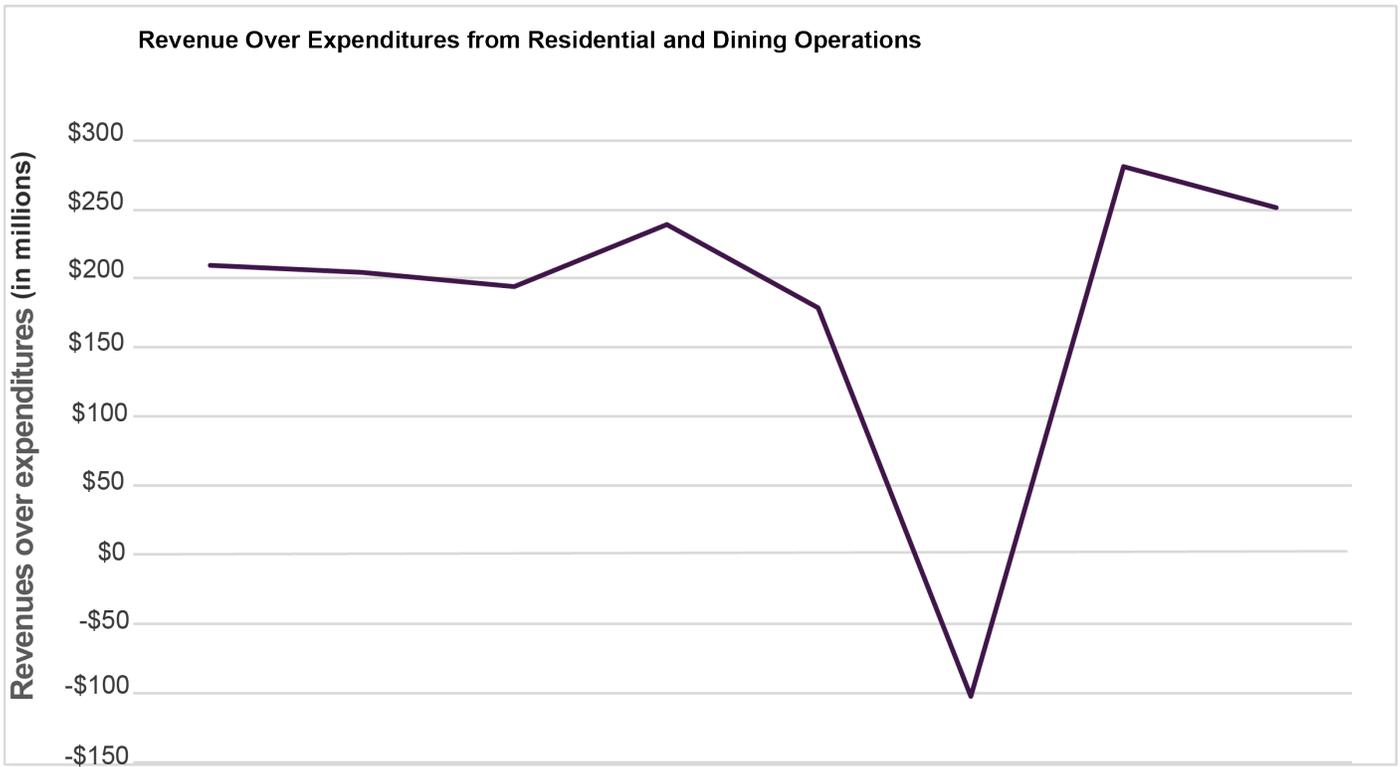
⁷⁴ Instructure Holdings Inc., "Form 10-K: Annual Report, 2023." See also: Stoikow, G. H. (2024, August 20). "Is a Software Company Owned by Miami Billionaire's Firm the Reason Your Rent Spiked?" *The Miami Herald*.

⁷⁵ California State Auditor (2020, May). Report 2019-114. "California State University: The Mandatory Fees its Campuses Charge Receive Little Oversight Yet They Represent an Increasing Financial Burden to Students." information.auditor.ca.gov/pdfs/reports/2019-114.pdf

⁷⁶ From Schedule 6 of the CSU's Consolidated Annual Financial Statements, FY 22–23. Another schedule indicates that most of the revenues generated from these operations (\$0.75 billion that year) become available for debt service, i.e., paying down debt incurred to issue bonds in previous years.

⁷⁷ California Student Aid Commission. (2023). "Food and Housing Survey: Understanding Students' Basic Needs."

Figure 14: Student Housing and Dining Profits vs. Student Housing Vacancies, Over Time



CSU Monterey Bay alum Daniel Cayton lived on campus and enrolled in campus dining meal plans his three years at the university.

Graduating in Spring 2024 with a degree in social and behavioral sciences, Cayton built long-lasting relationships and social justice campaigns. He also had some harrowing experiences with racism and homophobia.

Many colleges require that new students live on campus, saying the close and more-convenient access to academic programs and resources improves student success. In their thirsty quest for more money from students, administrators fail to acknowledge or account for the racism, sexism, transphobia, and homophobia students encounter.



Daniel Cayton
Alumni
CSU Monterey Bay

“I feel like there’s a lot of prejudice among many communities, not just for Black students. Also for my friends with disabilities, there were no sort of accommodations for them,” Cayton said.

Cayton’s roommates during his first year in on-campus housing were great. During his last two years, Cayton said he experienced a lot of racism and prejudice from his roommates, including microaggressions from gossiping about Cayton when they didn’t think he was home, to racist and homophobic rants at night.

The on-campus food wasn’t much safer, Cayton said. Several times, Cayton suffered food poisoning.

“Once, I spent a whole weekend throwing up,” he said. “When I shared my experiences with my friends, I learned it was pretty common to get sick from the food. We also noticed how many of the food service dishes were dirty.”

Reflecting on his time at CSU Monterey Bay, Cayton questioned if he made the right choice attending the university. After transferring from Norco College in Riverside, Cayton took out student loans to attend CSU Monterey Bay.

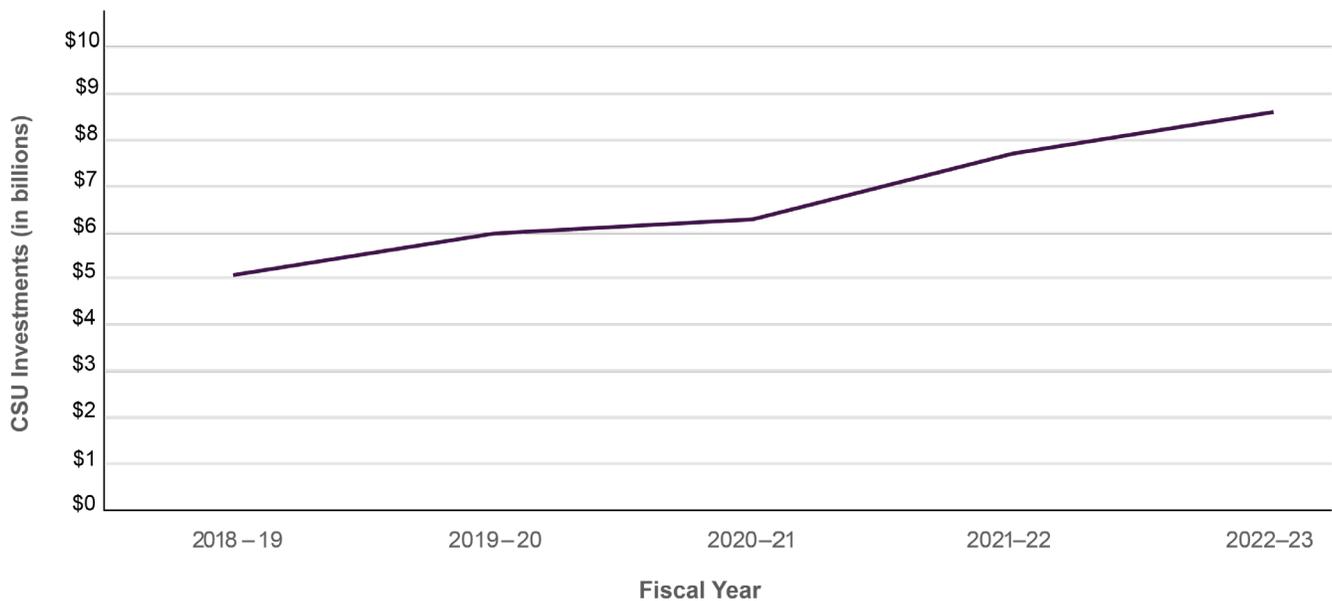
“A lot of times, I’m thinking, did I choose the right school to go to? Did I choose the right path to my education?” he said. “And I’ve spoken at the (CSU Board of Trustees) meetings. I know they don’t care. ***It feels very oppressive because they have the power to change things, but they don’t want to do anything.***”

CSU MANAGEMENT’S GROWING POOL OF INVESTMENTS AND RESERVES

Profits are rarely enough, and CSU administration has made it their priority that money is king. They have fought hard to expand their authority to manage investments, whether in the bond market, stocks, or other securities.

It is crucial to note here that investments and reserves are distinct. They are not the same thing. However, it is convenient for CSU management’s finance personnel to discuss multiple funds in the same conversation, and for its audiences to confuse these terms and think these funds come from one single, limited source. The CSU’s investments comprise four different funds/portfolios, administered centrally; CSU’s reserves include funds that are set aside for later (“rainy day”) use – many of these are “designated” meaning that they are marked for a specific purpose (e.g. economic uncertainty or catastrophic events). CSU management has invested more and more cash in a variety of funds, ballooning from \$5.1 billion cash invested in Fiscal Year 2018-19 to \$8.6 billion in Fiscal Year 2022-23. See Figure 15.

Figure 15: Cash Invested at Fiscal Year End



Note that these amounts represent the year-end balance of these accounts, just one part of the picture. While the net increase from year to year appears to be just a little short of \$1 billion, this number represents net changes. These do not include outflow, from these investment accounts – the CSU distributes millions of dollars to campuses through its Short-Term Investment Portfolio (STIP) each year. Nor do these amounts include bond proceeds, which are used to pay down capital expenses like construction and reach hundreds of millions of dollars each year, or investments made through the CSU’s many auxiliary organizations.⁷⁸ For example, the CSU Foundation itself had approximately \$39 million in investments on June 30, 2023.⁷⁹

⁷⁸ CSU Board of Trustees (2023). Committee on Finance minutes.
⁷⁹ The CSU Foundation. (2022). Form 990.

In 2021, management placed an additional \$1.23 billion in a new fund for longer-term, higher-risk investments to help fund more capital projects (e.g. buildings). They were only authorized to make these types of investments in 2016. They lost nearly 10%, or \$119 million, on these investments in the first 15 months of opening this fund.⁸⁰

In addition, management has grown their designated balances and reserves (not including accounts for undesignated balances and reserves) to \$3.7 billion, up by \$1 billion in the past five years.

ADMINISTRATION AND THE CONSULTANT CLASS REVOLVING DOOR

And where does this leave us? With a CSU administration that, instead of pushing back on systems of oppression, embraces and expands them.

New Chancellor Dr. Mildred García returned to the CSU after a stint as the President of the American Association of State Colleges and Universities (AASCU). Many of these industry associations for management personnel in the higher education sector, like AASCU, set policy priorities and distribute talking points that benefit the administrative class of university officers. These associations facilitate the flow of funds into a growing academic-industrial complex where administrators float between organizations and advance their own interests. For instance, the National Association of College and University Business Officers (NACUBO)⁸¹ develops and disseminates the talking point that it is financially prudent for universities to have a minimum of five months' worth of operating costs in reserves; this does not reflect the cash flow.⁸² This is a narrative which the CSU regularly deploys to justify hoarding more funds instead of spending them on instruction.

Chancellor García's previous employer received a contract for \$235,500 in May 2024 – eight months after she took the helm of the CSU. A few months before she began her tenure at the CSU, AASCU also received two contracts (one in May 2023, one in July 2023), totaling \$379,500.⁸³ Consider that these already supplement the contracts awarded to Deloitte, EAB, and other consulting groups.

For another example, the Chancellor's Office has awarded eight contracts totaling \$883,609 to AGB Search, the executive search arm of the Association of Governing Boards of Colleges & Universities (AGB), between Spring 2021 and Spring 2023. Recently, in June 2024, AGB hired former CSU Fullerton president Fram Virjee as president. (Their previous president, Henry Stoeber, resigned after it was discovered he plagiarized an article for their own publication, *Trusteeship*).⁸⁴

⁸⁰ CSU Board of Trustees. (2023, May 21–24). Committee on Finance minutes.

⁸¹ CSU. (2024). About the CSU: Steve Relyea. Retrieved September 10, 2024. www.calstate.edu/csu-system/about-the-csu/leadership/Chancellors-Council/Pages/relyea.aspx

⁸² NACUBO (n.d.). "Planning for Sustainable Financial Health Amid COVID-19." Retrieved September 17, 2024. www.nacubo.org/Publications/The-Solutions-Exchange/Meeting-the-COVID-Challenge/Planning-for-Sustainable-Financial-Health-Amid-COVID-19

⁸³ CSU Chancellor's Office. Contracts Awarded. Retrieved July 2, 2024.

⁸⁴ Moody, J. (2023, September 12). "AGB Head Resigns Over Plagiarism Flap." *Inside Higher Ed*.

Virjee and Chancellor García share a long history at the CSU. Virjee succeeded García as president of CSU Fullerton in 2018. One of Chancellor García's first acts at Chancellor was to set up Virjee with a \$333,300 position a year after he resigned.⁸⁵ Virjee's resignation came amid allegations that he inappropriately touched students, which administrators failed to investigate.⁸⁶

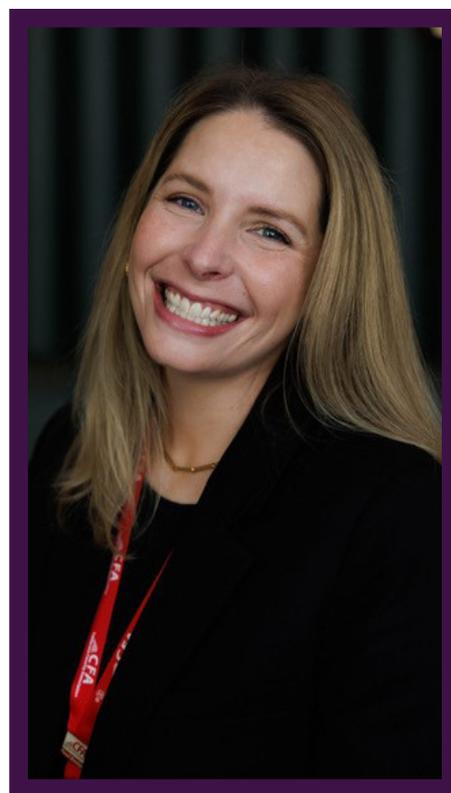
García has long demonstrated an interest in justifying high administrator salaries, and an allegiance to the managerial class rather than students and workers. In a 2012 interview with *The Daily Titan*, when asked about a \$30,000 pay raise (after moving from CSU Dominguez Hills to CSU Fullerton), she stated:

"I don't see my salary here [at CSU Fullerton] as a raise. ... This is not a transfer, this is not a raise. I am in a new position, a new institution, with over 37,600 students, almost triple the size of Dominguez Hills. It's a new job, it's not a raise. **I've never gotten a 'raise' in California.**"⁸⁷

Meanwhile, during Fall 2024, classes and jobs are being cut across the 23 CSU campuses. At CSU Monterey Bay, administration is slashing courses, laying off lecturers, and not filling tenure-track vacancies. CFA Associate Vice President for Lecturers, North, and CSU Monterey Bay Lecturer Meghan O'Donnell is seeing this in her department. Of 18 tenure-track positions last year, only 11 remain – leaving fewer faculty to guide curriculum and less time to engage with students in their majors and concentrations.

“Many of our CSU campuses are being hit hard right now by an austerity crisis that is largely being manufactured by the Chancellor's Office,” said O'Donnell. **“We finally win compensation that centers the lowest paid faculty in the system, and the CSU responds in retaliatory fashion by pushing the cost of those raises onto campuses who are not in a fiscal position to absorb them, as Chancellor García well knows.”**

“This comes at the same time as the chancellor continues her multi-year plan to starve campuses of desperately needed resources required to navigate enrollment pressures in the CSU,” O'Donnell added. **“It's always a race to the bottom with our chancellor. Her actions create or compound deficits, provide for fewer resources for students, cause widespread job loss for lecturer faculty, and increased workloads for those who remain. It's self-defeating austerity and it's a prime example of the ongoing failure in leadership in the CSU. No vision, no values, and no respect for the people who make the CSU possible.”**



**Meghan O'Donnell
CFA Associate Vice President for
Lecturers, North
CSU Monterey Bay Lecturer**

⁸⁵ CSU Board of Trustees. (2023, September 10–13). Committee on University and Faculty Personnel minutes.

⁸⁶ Lopez, R. J. & Shalby, C. (2023, May 21). CSU didn't investigate claims that Fullerton president inappropriately touched students. Los Angeles Times. <https://www.latimes.com/california/story/2023-05-21/csu-didnt-investigate-claims-that-a-president-inappropriately-touched-students>

⁸⁷ Hood, D. and Wheeler I. (2012). "Exclusive Interview with President García." *dailytitan.com/news/campus/exclusive-interview-with-president-garcia/article_4a81d0b2-21f2-51c7-8801-ada91105c8cc.html*

What's Next?

The current state of the CSU does not serve the people as it should, but rather benefits the interests of a class of administrators and financiers. At the same time, this crisis of what should be the People's University is not a foregone conclusion. As discussed, the problems the CSU faces result from active choices or negligence of groups of people imbued with the power to reshape the learning and working conditions of the students, faculty, and staff on its campuses.

Indeed, in the next parts of our Equity Report Series, we continue from the question of "where we are" to "how we got here" and then to "what do we do next?" The picture may be grim, but a deep commitment to the fight for public higher education has long been central to the students and workers who make the CSU what it is. From student protests in the 1960s up through fights against prison expansion, and the new "gig academy," many people, including CFA members, have fought against the privatization of education and its many consequences. CSU management co-opts and dishonors this legacy, undermining the quality education that so many struggled and continue to struggle for.⁸⁸

Students, faculty, staff, and community members at large care deeply for the People's University. We are not just subjects of history, but rather agents and active makers of the future of public higher education. Our communities have fought for it and will continue to, and as they do, we will amplify these stories so that they may illuminate paths forward. The CSU's managerial class must stop short-changing students. The future of the People's University depends on it.



⁸⁸ E.g., Newfield (2016), Konczal (2021).

Read the report online:

[www.calfac.org/
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