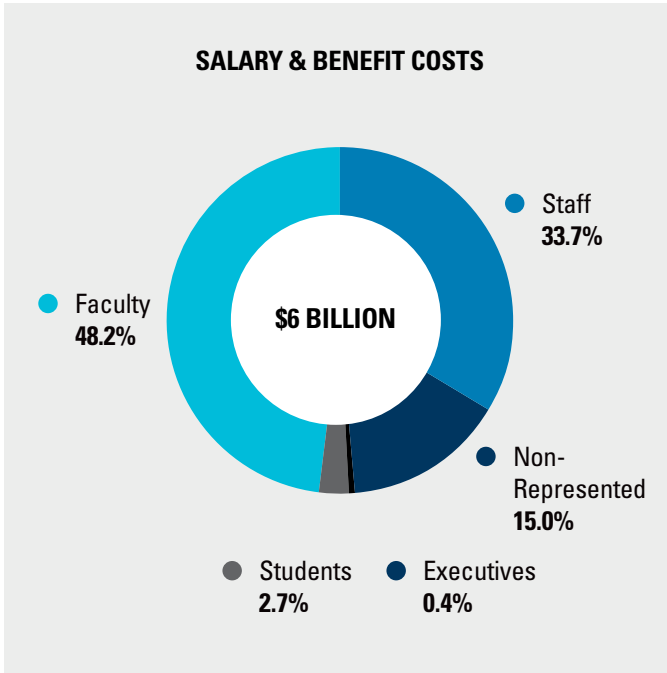


CSU WORKFORCE INVESTMENTS: \$299 MILLION

Three-quarters of the operating budget (\$6 billion) goes toward salaries and benefits. For salaries to keep pace with inflation and to cover related health care and pension cost increases requires many tens of millions of dollars more per year.



With some minor exceptions, no collective bargaining agreements have salary provisions that extend beyond 2022-23. At this stage, it would be premature to identify specific amounts or forms of compensation (e.g., general salary increases) for any employee group. The cost of a 1% increase in employee salaries is estimated to be \$55.2 million. In addition, the CSU anticipates substantial increases in health care premium costs.

The CSU Board of Trustees recognizes that competitive salary and benefits for faculty, staff and management is a key element to our universities' success. Continued investment in competitive salary and benefits is critical to recruit and retain a world-class workforce to provide access to an affordable, high-quality education and graduate a well-prepared workforce.

Faculty and Staff Compensation Pool	\$220,704,000
Health Premium Increases	78,361,000
TOTAL	\$299,065,000

Faculty and Staff Compensation Pool

The faculty and staff compensation pool is funding that could be used for different elements of compensation, such as salary and benefit changes for all employees of a bargaining unit. Under mutual agreement between the CSU and CSU bargaining units, pool funding is used to address specific market, salary structure, or job framework issues for employees within a bargaining unit. The mutual agreement between the CSU and each CSU bargaining unit will determine the form of compensation that the compensation pool will support.

This budget plan includes \$220.7 million to fund 2024-25 compensation increases for all employee groups. The compensation pool is subject to collective bargaining and contingent on the state providing the funding to support this priority.

Recognizing the CSU is a people-driven institution—people who support, inspire and uplift the diverse and talented students who are California’s future leaders.

Health Premium Increases

Permanent base budget costs associated with January 2024 employer-paid health care premium increases are \$78.4 million, reflecting an 11% increase in costs. Health care premiums are shared between the CSU and its employees, with the CSU funding a significant portion of the costs. The CSU is governed by California Government Code Section 22871, which defines the employer-paid contribution rates.

2023-24 Base	\$699 million
2024-25 Increase (11%)	78 million
2024-25 Base	\$777 million