



PERB Received
07/10/25 13:17 PM

STATE OF CALIFORNIA

PUBLIC EMPLOYMENT RELATIONS BOARD

UNFAIR PRACTICE CHARGE

DO NOT WRITE IN THIS SPACE: Case No:

Date Filed: 07/10/2025

INSTRUCTIONS: File the original and one copy of this charge form in the appropriate PERB regional office (see PERB Regulation 32075), with proof of service attached to each copy. Proper filing includes concurrent service and proof of service of the charge as required by PERB Regulation 32615(c). All forms are available from the regional offices or PERB's website at www.perb.ca.gov. If more space is needed for any item on this form, attach additional sheets and number items.

IS THIS AN AMENDED CHARGE? YES If so, Case No _____ NO

1. CHARGING PARTY: EMPLOYEE EMPLOYEE ORGANIZATION EMPLOYER PUBLIC¹

- a. Full name: California State University Employees Union
- b. Mailing Address: 910 K Street, Sacramento, CA 95814
- c. Telephone number: (916) 319-4800
- d. Name and title of agent to contact: Kerianne R. Steele, Attorney E-mail Address: ksteele@unioncounsel.net, perb@unioncounsel.net
Telephone number: (510) 337-1001 Fax No.: (510) 337-1023
- e. Bargaining Unit(s) involved: Unit 2 - Health Care Support, Unit 5 - Operations Support Services, Unit 7 - Clerical/Administrative Support Services, Unit 9 - Technical Support Services, etc.

2. CHARGE FILED AGAINST: (mark one only) EMPLOYEE ORGANIZATION EMPLOYER

- a. Full name: California State University - System wide
- b. Mailing Address: 401 Golden Shore Long Beach, CA 90802-4210
- c. Telephone number: (562) 951-4500
- d. Name and title of agent to contact: Andrew Jones, General Counsel E-mail Address: _____
Telephone number: (562) 951-4500 Fax No.: _____

3. NAME OF EMPLOYER (Complete this section only if the charge is filed against an employee organization.)

- a. Full name:
- b. Mailing address:

4. APPOINTING POWER: (Complete this section only if the employer is the State of California. See Gov. Code, § 18524.)

- a. Full name:
- b. Mailing Address:
- c. Agent:

5. GRIEVANCE PROCEDURE

¹An affected member of the public may only file a charge relating to an alleged public notice violation, pursuant to Government Code section 3523, 3547, 3547.5, or 3595, or Public Utilities Code section 99569

Are the parties covered by an agreement containing a grievance procedure which ends in binding arbitration?

Yes No Unknown

PERB Received
07/10/25 13:17 PM

6. STATEMENT OF CHARGE

a. The charging party hereby alleges that the above-named respondent is under the jurisdiction of: (check one)

- Educational Employment Relations Act (EERA) (Gov. Code, § 3540 et seq.)
- Ralph C. Dills Act (Gov. Code, § 3512 et seq.)
- Higher Education Employer-Employee Relations Act (HEERA) (Gov. Code, § 3560 et seq.)
- Meyers-Milias-Brown Act (MMBA) (Gov. Code, § 3500 et seq.)
- Los Angeles County Metropolitan Transportation Authority Transit Employer-Employee Relations Act (TEERA) (Pub. Utilities Code, § 99560 et seq.)
- One of the following Public Utilities Code Transit District Acts: San Francisco Bay Area Rapid Transit District Act (SFBART Act) (Pub. Util. Code, § 28848 et seq.), Orange County Transit District Act (OCTDA) (Pub. Util. Code, § 40000 et seq.), Sacramento Regional Transit District Act (Sac RTD Act) (Pub. Util. Code, § 102398 et seq.), Santa Clara VTA, (Pub. Util. Code, § 100300 et seq.), and Santa Cruz Metro (Pub. Util. Code., § 98160 et seq.)
- Trial Court Employment Protection and Governance Act (Trial Court Act) (Article 3; Gov. Code, § 71630 – 71639.5)
- Trial Court Interpreter Employment and Labor Relations Act (Court Interpreter Act) (Gov. Code, § 71800 et seq.)

b. The specific Government or Public Utilities Code section(s) or PERB regulation section(s) alleged to have been violated is/are:
Gov't Code secs. 3550, 3553, 3565, 3571

c. For MMBA, Trial Court Act and Court Interpreter Act cases, if applicable, the specific local rule(s) alleged to have been violated is/are (***a copy of the applicable local rule(s) MUST be attached to the charge:***)

d. Provide a clear and concise statement of the conduct alleged to constitute an unfair practice including, where known, the time and place of each instance of respondent's conduct, and the name and capacity of each person involved. This must be a statement of the facts that support your claim and *not conclusions of law*. A statement of the remedy sought must also be provided. (*Use and attach additional sheets of paper if necessary.*)

See attached

DECLARATION

I declare under penalty of perjury that I have read the above charge and that the statements herein are true and complete to the best of my knowledge and belief. (A Declaration will be included in the e-mail you receive from PERB once you have completed this screen. The person filing this Unfair Practice Charge is required to return a properly filled out and signed original Declaration to PERB pursuant to PERB Regulations 32140 and 32135.)

(Type or Print Name)

/s/
(Signature)

07/10/2025
Date



1375 55th Street
Emeryville, California 94608
TELEPHONE: (510) 337-1001
FACSIMILE: (510) 337-1023
Kerianne R. Steele
ksteel@unioncounsel.net

July 10, 2025

VIA ELECTRONIC FILING

Public Employment Relations Board
Los Angeles Regional Office
425 West Broadway, Suite 400
Glendale, CA 91204

**Re: California State University Employees Union
California State University – System wide
New Unfair Practice Charge Regarding October 2025 Salary Increase**

STEWART WEINBERG
DAVID A. ROSENFELD
WILLIAM A. SOKOL
LINDA BALDWIN JONES
ALAN G. CROWLEY
KRISTINA L. HILLMAN
BRUCE A. HARLAND
CAREN P. SENCER
ANNE J. YEN
MANUEL A. BOJUES
KERIANNE R. STEELE
GARY P. PROVENCER
EZEKIEL D. CARDER
LISL R. SOTO
JOLENE KRAMER
CAITLIN E. GRAY
TIFFANY L. CRAIG
DAVID W.M. FUJIMOTO
ANDREA C. MATSUOKA
ALEXANDER S. NAZAROV
SEAN W. McDONALD
KATHARINE R. McDONAGH
MAXIMILLIAN D. CASILLAS

WILLIAM T. HANLEY
BISMA SHAHBAZ
MATTHEW J. ERLI
MICHAELA F. POSNER
ALEXANDER M. MILNE
WINNIE VIEN
NOREY L. NAVARRO
R. MAXWELL SINCLAIR
MIRANDA MAMMEN
ARDALAN "ARDY" RAGHIAN
SHANE M. REED
DOMINIQUE ARMSTRONG
MATTHEW C. FERNANDES
JONATHAN S. EZELL
MAX KOHN
COREY A. SHERMAN

OF COUNSEL

ROBERTA D. PERKINS
ROBERT E. SZYKOWNY
ANDREA K. DON
ANTONIO RUIZ
MICHAEL J. HAYES
ASHLEY K. IKEDA
JANNAH V. MANANSALA

LABOR EDUCATOR

NINA FENDEL (Retired Attorney)

Admitted in California, unless otherwise noted
Admitted in Hawaii
Also admitted in Nevada
Also admitted in New York and Alaska
Admitted in Nevada and Washington
Also admitted in Idaho
Also admitted in New York
Admitted in New York

Dear PERB:

Enclosed please find an Unfair Practice Charge, which we filed electronically on behalf of the above-named Union.

The Union opposes any request for an extension of time for the employer to provide a position statement unless the employer complies with Regulation 32132(a) and (b). That Regulation requires disclosure of the opposing party's position on any extension, proof of service and a showing of good cause.

Sincerely,

Kerianne R. Steele

KRS:sm

opeiu 29 afl-cio(1)

Enclosure

cc: Mr. Andrew Jones, General Counsel
161302\1582515



PERB Received
07/10/25 13:17 PM

STATE OF CALIFORNIA
PUBLIC EMPLOYMENT RELATIONS BOARD
UNFAIR PRACTICE CHARGE

DO NOT WRITE IN THIS SPACE: Case No: Date Filed:

INSTRUCTIONS: File this charge form via the e-PERB Portal, with proof of service. Parties exempt from using the e-PERB Portal may file the original charge in the appropriate PERB regional office (see PERB Regulation 32075), with proof of service attached. Proper filing includes concurrent service and proof of service of the charge as required by PERB Regulation 32615(c). All forms are available from the regional offices or PERB's website at www.perb.ca.gov. If more space is needed for any item on this form, attach additional sheets and number items.

IS THIS AN AMENDED CHARGE? YES If so, Case No. NO

1. CHARGING PARTY: EMPLOYEE EMPLOYEE ORGANIZATION EMPLOYER PUBLIC¹

a. Full name:
b. Mailing address:
c. Telephone number:
d. Name and title of person filing charge: E-mail Address: perb@unioncounsel.net
Telephone number: Fax No.:
e. Bargaining unit(s) involved:

2. CHARGE FILED AGAINST: (mark one only) EMPLOYEE ORGANIZATION EMPLOYER

a. Full name:
b. Mailing address:
c. Telephone number:
d. Name and title of agent to contact: E-mail Address:
Telephone number: Fax No.:

3. NAME OF EMPLOYER (Complete this section only if the charge is filed against an employee organization.)

a. Full name:
b. Mailing address:

4. APPOINTING POWER: (Complete this section only if the employer is the State of California. See Gov. Code, § 18524.)

a. Full name:
b. Mailing address:
c. Agent:

¹ An affected member of the public may only file a charge relating to an alleged public notice violation, pursuant to Government Code section 3523, 3547, 3547.5, or 3595, or Public Utilities Code section 99569.

5. GRIEVANCE PROCEDURE PERB Received
07/10/25 13:17 PM

Are the parties covered by an agreement containing a grievance procedure which ends in binding arbitration?

Yes _____ No _____

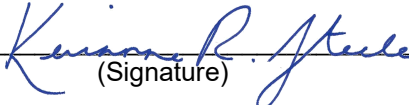
6. STATEMENT OF CHARGE

- a. The charging party hereby alleges that the above-named respondent is under the jurisdiction of: (check one)
 - Educational Employment Relations Act (EERA) (Gov. Code, § 3540 et seq.)
 - Ralph C. Dills Act (Gov. Code, § 3512 et seq.)
 - Higher Education Employer-Employee Relations Act (HEERA) (Gov. Code, § 3560 et seq.)
 - Meyers-Milias-Brown Act (MMBA) (Gov. Code, § 3500 et seq.)
 - A Covered Public Utilities Code Transit Employer (BART (Pub. Util. Code, § 28848 et seq.), Orange County Transportation Authority (Pub. Util. Code, § 40000 et seq.), and supervisory employees of the Los Angeles County Metropolitan Transportation Authority (Pub. Util. Code, § 99560 et seq.)).
 - Trial Court Employment Protection and Governance Act (Trial Court Act) (Article 3; Gov. Code, § 71630 – 71639.5)
 - Trial Court Interpreter Employment and Labor Relations Act (Court Interpreter Act) (Gov. Code, § 71800 et seq.)
- b. The specific Government or Public Utilities Code section(s), or PERB regulation section(s) alleged to have been violated is/are:
- c. For MMBA, Trial Court Act and Court Interpreter Act cases, if applicable, the specific local rule(s) alleged to have been violated is/are **(a copy of the applicable local rule(s) MUST be attached to the charge):**
- d. Provide a clear and concise statement of the conduct alleged to constitute an unfair practice including, where known, the time and place of each instance of respondent's conduct, and the name and capacity of each person involved. This must be a statement of the facts that support your claim and *not conclusions of law*. A statement of the remedy sought must also be provided. *(Use and attach additional sheets of paper if necessary.)*

DECLARATION

I declare under penalty of perjury that I have read the above charge and that the statements herein are true and complete to the best of my knowledge and belief and that this declaration was executed on _____ (Date)

at _____ (City and State) See attached verification of Jim Philliou

(Type or Print Name) 
(Signature)

Title, if any: _____

Mailing address: _____

Telephone Number: _____ E-Mail Address: _____

perb@unioncounsel.net

PROOF OF SERVICE

I declare that I am a resident of or employed in the County of _____,
State of _____. I am over the age of 18 years. The name and address of my
Residence or business is _____

On _____, I served the _____
(Date) (Description of document(s))

_____ in Case No. _____
(Description of document(s) continued) PERB Case No., if known)

on the parties listed below by (check the applicable method(s)):

placing a true copy thereof enclosed in a sealed envelope for collection and
delivery by the United States Postal Service or private delivery service following
ordinary business practices with postage or other costs prepaid;

personal delivery;

electronic service - I served a copy of the above-listed document(s) by
transmitting via electronic mail (e-mail) or via e-PERB to the electronic service
address(es) listed below on the date indicated. *(May be used only if the party
being served has filed and served a notice consenting to electronic service or has
electronically filed a document with the Board. See PERB Regulation 32140(b).)*

(Include here the name, address and/or e-mail address of the Respondent and/or any other parties served.)

I declare under penalty of perjury under the laws of the State of California that the
foregoing is true and correct and that this declaration was executed on _____,
(Date)
at _____
(City) (State)

(Type or print name)

(Signature)

**CALIFORNIA STATE UNIVERSITY EMPLOYEES UNION
CALIFORNIA STATE UNIVERSITY
Appendix to PERB Charge
(Statement 6.d)**

1. The Charging Party, California State University Employees Union (“CSUEU” or “Union”), is and has been at all times material hereto, a recognized employee organization within the meaning of Government Code section 3562(f), and is and has been at all times material, recognized by the California State University – System wide as an employee organization that represents employees in appropriate bargaining units, including the Unit 2 - Health Care Support, Unit 5 - Operations Support Services, Unit 7 - Clerical/Administrative Support Services, Unit 9 - Technical Support Services, Unit 14 – American Language and Culture Program Instructors, and Unit 15 – Student Workers.

2. The Respondent, California State University – System wide (“CSU”), is and has been at all times material hereto a public agency employer within the meaning of Government Code section 3562(g). At all times material hereto, CSU has been the employer of members of CSUEU in appropriate bargaining units, including the Unit 2 - Health Care Support, Unit 5 - Operations Support Services, Unit 7 - Clerical/Administrative Support Services, Unit 9 - Technical Support Services, Unit 14 – American Language and Culture Program Instructors, and Unit 15 – Student Workers.

3. The CSU and CSUEU are parties to a Collective Bargaining Agreement (“CBA”), which sets forth the wages, hours, and terms and conditions of employment of most CSUEU-represented bargaining unit employees. The CBA is current and in effect with a term of July 31, 2022 through June 30, 2026. A true and correct copy of the current Salary article of the MOU can be found at [Article 20 - Salary.pdf](#) and is incorporated by reference as though set forth at length herein.

4. Article 20 (Salary) of the parties’ CBA provides for a scheduled salary increase to be effective October 1, 2025. It states in relevant part:

Effective October 1, 2025, the CSU will transition employees to a new salary step structure as outlined in Appendix F as modified by mutual agreement.

A. Assuming that the below contingency is met, employees will be placed on a step corresponding to the highest of the following:

1. The salary step that corresponds to the employee’s cumulative length of service in their current classification at their current campus (Target Step). Cumulative length of service is defined in the related MOU set forth in Side Letter 4[.] The placement shall be consistent with the chart in Appendix F. Employees moved to a new classification, as a result of the new classification standards covered in the related MOU set forth in Side Letter 5, shall retain their cumulative length of service from their prior classification.

2. The closest (higher) salary step to their current salary.

3. Current pay rate for any employee whose current salary is higher than the top step of their classification.

B. If the below contingency is not met, then employees will be placed on the closest (higher) salary step to their current salary, and the union and CSU shall re-open negotiations on Article 20 (Salary) and Article 21 (Benefits).

Placement on the Target Step of the new salary structure is contingent upon the State of California's final Budget Act of 2025 containing a new, unallocated, ongoing appropriation to the CSU not less than the 2023 compact allocation of \$227 million. While the multi-year compact for 2025 calls for a 5% increase over the 2024 allocation, the 2023 allocation will be used for this contingency.

The final Budget Act of 2025 has an expected enactment date between June 27, 2025 and October 15, 2025.

5. Governor Gavin Newsom signed the California Budget Act of 2025 on or about June 27, 2025. The California Budget Act provided for "a new, unallocated, ongoing appropriation to the CSU not less than the 2023 compact allocation of \$227 million" for CSU. The California Budget Act of 2025 spread over the span of three (3) years the allocation that exceeds \$227 million. In years one (1) and two (2), the California Budget Act provides CSU interest-free loans to CSU to account for the fact that the installments exceeding \$227 million span over the course of three (3) years.

6. Notwithstanding the fact that the contingency specified in Article 20 has been satisfied, on or about June 30, 2025, CSU sent CSUEU a letter insisting the contingency language was not triggered because the "final Budget Act of 2025 (AB 102)...did not include such an appropriation. Instead it enacted a reduction to ongoing CSU funding in the amount of \$143.8 million – a 3 percent decrease in the state's base support and that the contract language requires reopener negotiations." The consequence of CSU's position in this case is that the CSU members shall only be placed on "the closest (higher) salary step to their current salary" instead of a far more beneficial "new salary step structure as outlined in Appendix F..." A true and correct copy of the June 30, 2025 letter from Joseph J. Jelincic III, Interim Associate Vice Chancellor, to CSUEU is attached hereto, marked as **Exhibit A**, and is incorporated by reference as though fully set forth at length herein.

7. Since June 30, 2025, CSUEU has met with CSU representatives on several occasions for the purpose of explaining to CSU that the contingency was satisfied. The contract language does not state within what budgetary year the \$227 million must be received by CSU. Additionally, the State's interest free loans to CSU during the first two (2) years following the Budget Act of 2025 constitute an allocation. The State is the source of the money, and the interest free character of the loans means CSU is receiving the loaned money in years one (1) and two (2) and will be able to afford to repay the loans in year three (3).

8. CSU has continued to insist without any basis that the contractual contingency was not satisfied. On or about July 8, 2025, CSU's agents Patrick J. Lenz, Interim Executive Vice Chancellor & Chief Financial Officer and Frank Hurtarte, Vice Chancellor for Human Resources

& Chief Human Resources Officer, sent to all CSU employees, including CSUEU-represented employee, a mass email communication that falsely expressed that the contingency in the CBA language was not satisfied and that the CSU labor unions are “mistakenly asserting” something to the contrary. The mass communication had the purpose and intent of undermining CSUEU’s position with respect to CSU’s contract obligations. A true and correct copy of the CSU mass communication to CSUEU-represented employees dated July 8, 2025 is attached hereto, marked as **Exhibit B**, and is incorporated by reference as though fully set forth at length herein.

9. On or about July 9, 2025, CSU campuses sent campus-specific mass communications to CSUEU-represented employees mischaracterizing the California Budget Act of 2025 with a purpose of undermining CSUEU. The mass communications invite the employees to attend a budget forum after the CSU Board of Trustees meeting. A true and correct copy of an example of a CSU campus-specific mass communication is attached hereto, marked as **Exhibit C**, and is incorporated by reference as though fully set forth at length herein.

10. In violation of the Prohibition on Public Employers Deterring or Discouraging Union Membership Act (“PEDD”), CSU failed and refused to provide prior notice or opportunity to meet and confer over the substance of CSU’s mass communications to CSUEU members which pertained to public employees’ rights to join or support an employee organization, or to refrain from joining or supporting an employee organization. CSU did not provide CSUEU an opportunity to simultaneously transmit an alternative viewpoint either.

11. CSU’s mass communications deterred and discouraged employees from becoming or remaining members of an employee organization, or from authorizing representation by an employee organization, or from authorizing dues or fee deductions to an employee organization, in violation of the PEDD, and constituted interference under Higher Education Employer-Employee Relations Act (“HEERA”) with the rights of CSUEU members to be represented by their union and for CSUEU to represent its members.

12. By and through its conduct described above, CSU violated Government Code sections 3565, 3571, and thus committed an unfair practice under Government Code section 3571(a)-(c). CSU is repudiating its contractual obligation to “transition employees to a new salary step structure as outlined in Appendix F” effective October 1, 2025. It is bargaining in bad faith with CSUEU, in violation of the HEERA, by improperly interpreting the contract language, disavowing its obligation to place people on a beneficial salary step structure, and wrongfully forcing reopener negotiations that are not warranted by the contract.

13. By and through its conduct described above, CSU also violated Government Code sections 3550 and 3553.

CSUEU requests PERB award all remedies that are just and proper, consistent with PERB’s broad remedial authority. The remedies requested by CSUEU include, but are not limited to, the following:

- (1) PERB should order CSU to cease and desist from repudiating its contractual obligations and otherwise bargaining in bad faith;

- (2) PERB should order CSU to transition employees to a new salary step structure as outlined in Appendix F, effective October 1, 2025, as required by the CBA;
- (3) PERB should order CSU to cease and desist from sending mass communications to CSUEU represented employees;
- (4) PERB should order CSU to cease and desist from deterring and discouraging CSUEU represented employees;
- (5) PERB should order the CSU to post notices announcing its violation of the HEERA and other Chapters of the Government Code administered by PERB at all locations where Union-represented employees are assigned. The CSU should be ordered to distribute notices via CSU intranet and email to all employees in the manner that the CSU distributes standard CSU-issued memos to employees. (See *City of Sacramento* (2013) PERB Decision No. 2315-M.)
- (6) PERB should order all other remedies it deems just and proper.

161302\1582539

**CALIFORNIA STATE UNIVERSITY EMPLOYEES UNION
CALIFORNIA STATE UNIVERSITY
Verification of PERB Charge**

I, Jim Philliou, am the Executive Director for California State University Employees Union (“CSUEU”), Charging Party in the above-entitled matter. I have read the foregoing Unfair Practice Charge of CSUEU and know the contents thereof. I certify that the same is true and correct of my own personal knowledge, except as to those matters which are therein stated to be upon my information or belief. As to those matters, I believe them to be true. If called as a witness, I can and will competently testify regarding the matters alleged in the charge.

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct.

Executed on this 10th day of July 2025, at Sacramento, California.

Jim Philliou

JIM PHILLIOU

161302\1582542

PERB Received
07/10/25 13:17 PM

**CALIFORNIA STATE UNIVERSITY EMPLOYEES UNION
CALIFORNIA STATE UNIVERSITY
PUBLIC EMPLOYMENT RELATIONS BOARD
Case No. tbd**

Exhibit A

**To Unfair Practice Charge against
California State University**

PERB Received
07/10/25 13:17 PM



Systemwide Human Resources
401 Golden Shore
Long Beach, CA 90802-4210

www.calstate.edu

Joseph J. Jelincic III
Interim Associate Vice Chancellor
Collective Bargaining & Labor Relations

Main Line 562-951-4400
E-mail jjelincic@calstate.edu

June 30, 2025

SENT VIA E-MAIL ONLY

Ms. Catherine Hutchinson
President
California State University Employees
Union
910 K Street
Sacramento, CA 95814
chustchinson@csueu.org

Mr. Jim Philliou
Executive Director
California State University Employees
Union
910 K Street
Sacramento, CA 95814
jphilliou@csueu.org

RE: 2025/2026 Salary and Benefits Re-Opener

Dear Catherine and Jim,

On Saturday, the California State University issued a public statement regarding the enacted 2025–26 state budget. You may access the statement here:
<https://www.calstate.edu/csu-system/news/Pages/CSU-Statement-on-Final-budget-2025-26.aspx>

As you are aware, pursuant to our Collective Bargaining Agreement, the parties are to reopen negotiations on Article 20 (Salary) and Article 21 (Benefits) for the 2025–26 fiscal year if the following funding contingency is not met:

Placement on the Target Step of the new salary structure is contingent upon the State of California's final Budget Act of 2025 containing a new, unallocated, ongoing appropriation to the CSU not less than the 2023 compact allocation of \$227 million.

CSU Campuses
Bakersfield
Channel Islands
Chico
Dominguez Hills
East Bay

Fresno
Fullerton
Humboldt
Long Beach
Los Angeles
Maritime Academy

Monterey Bay
Northridge
Pomona
Sacramento
San Bernardino
San Diego

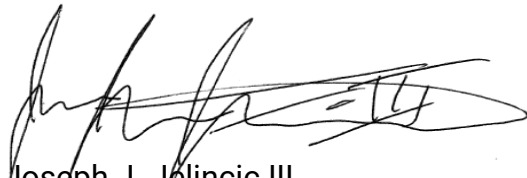
San Francisco
San José
San Luis Obispo
San Marcos
Sonoma
Stanislaus

Ms. Hutchinson and Mr. Philliou
2025/2026 Salary and Benefits Re-Opener
June 30, 2025
Page 2

The final Budget Act of 2025 (AB 102), signed into law by the Governor on June 27, 2025, did not include such an appropriation. Instead, it enacted a reduction to ongoing CSU funding in the amount of \$143.8 million – a 3 percent decrease in the state’s base support.

In light of this development, I invite you to contact me at your earliest convenience so that we may discuss next steps in the reopener.

Sincerely,



Joseph J. Jelincic III
Interim Associate Vice Chancellor
Collective Bargaining & Labor Relations

cc: Stefanie Gusha, Senior Director, Collective Bargaining, Chancellor’s Office
Steve James, Labor Relations Advisor, Chancellor’s Office
Ned Burke, Representation Director, CSUEU
Antoinette Paiz, Administrative Tech, CSUEU

PERB Received
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**CALIFORNIA STATE UNIVERSITY EMPLOYEES UNION
CALIFORNIA STATE UNIVERSITY
PUBLIC EMPLOYMENT RELATIONS BOARD
Case No. tbd**

Exhibit B

**To Unfair Practice Charge against
California State University**

From:
Subject: FW: CSU Leader: Special Budget Edition for Employees

From: CSU Leader <csu_leader@calstate.edu>
Date: Tuesday, July 8, 2025 at 2:13 PM
To: All CSU Employees <all-csu-employees@lists.calstate.edu>
Subject: CSU Leader: Special Budget Edition for Employees

CAUTION: This email originated from outside of CSUCI. Do not click links or open attachments unless you validate the sender and know the content is safe. Contact ITS if you have any concerns

[View this email in your browser](#)

July 8, 2025

To all CSU employees:

On June 27, Governor Newsom signed California's Budget Act of 2025. The final budget introduced a number of uncertainties and challenging provisions for the California State University that, unfortunately, have contributed to misunderstanding, particularly among our labor partners, regarding how the budget impacts existing labor agreements.

Please be assured that the Chancellor's Office team is working closely with state leaders to develop clarity on the bill and to actively counter misinformation so that the CSU community can move forward with common understanding and purpose.

In summary, the final budget represents a significant improvement over earlier proposals. We are especially grateful to have avoided the severe (\$375 million or 7.95%) cut outlined in the governor's original budget proposal in January. However, the final state budget "defers" payment of \$144 million (3%) of our current base budget to the 2026-27 state budget. This year's state budget does offer the CSU a short-term zero-interest loan of up to \$144 million to cover the funding that is not being allocated to the CSU this year. The option of a loan – which clearly would have to be repaid—is under review by the Chancellor's Office. Additionally, 2025-26 compact funding of \$252.3 million ongoing (Year 4 of the compact) has also been deferred, with the intent for it to be restored incrementally through 2028-29.

In 2023 and 2024, the CSU reached agreements with all unions that included cumulative raises of 10% or more, new salary steps for certain employees, expanded paid parental leave for faculty and increased pay for lecturers. Agreements with California State University Employees Union (CSUEU), Teamsters Local 2010 and Statewide University Police Association (SUPA) included contingency clauses linking some salary increases or step placements to new, ongoing state funding. For example, the CSUEU agreement states that placing employees on target steps in year three of the contract is "contingent upon the State of California's final Budget Act of 2025 containing a new, unallocated, ongoing appropriation to the CSU not less than...\$227 million."

Some labor partners are now mistakenly asserting that, with the Budget Act of 2025, the CSU has been "made whole." In actuality, the budget does not provide *any* new unallocated, ongoing funding to the CSU—let alone \$227 million. While the budget does offer the CSU a short-term, zero-interest loan of up to \$144 million—an option that, as noted above, is under review by the Chancellor's Office—this is not the equivalent of new ongoing funding. Rather, it is an option for the CSU to avoid the impact of the deferral of a portion of our *existing* base budget. Thus, it does not trigger the salary provisions in the agreements. Our Advocacy and State Relations team has confirmed our interpretation this week with staff from the speaker and pro tem's offices and the Senate and Assembly budget committees that the CSU's budget has been held flat for 2025-26 in the event we accept the \$144 million zero-interest General Fund loan. As a result, the Chancellor's Office has notified the relevant unions that the 2025 funding threshold for step increases has not been met.

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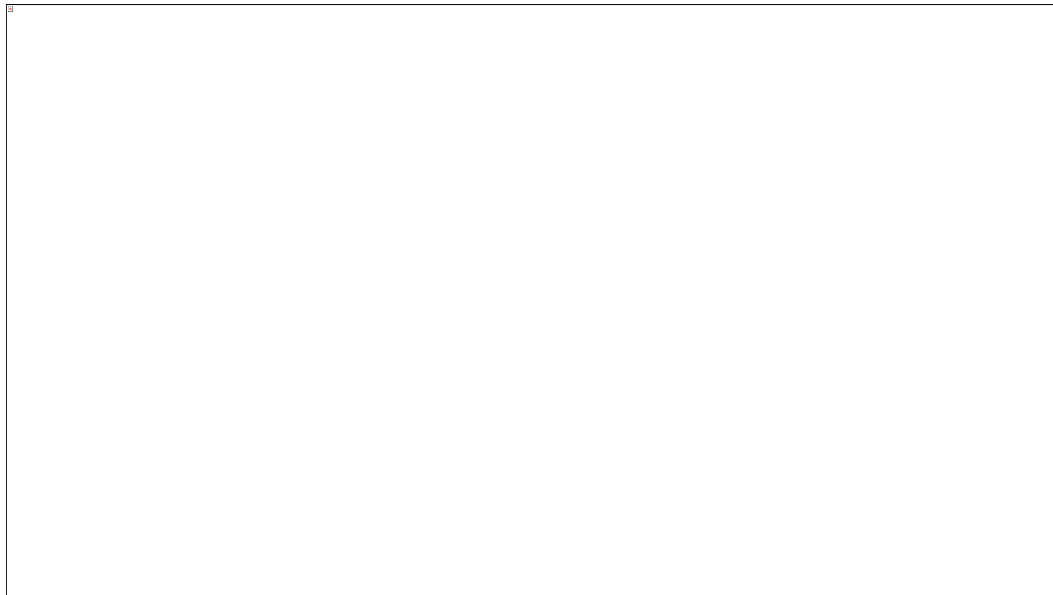
The CSU remains proud of the labor agreements reached in 2023 and 2024 and is committed to bargaining in good faith with CSUEU, Teamsters Local 2010 and SUPA under the terms of those agreements.

The Chancellor's Office team will continue to carefully review the details, context and implications of the final act and will present a detailed report at the upcoming July Board of Trustees meeting.

Sincerely,

Patrick J. Lenz, Interim Executive Vice Chancellor & Chief Financial Officer

Frank Hurtarte, Vice Chancellor for Human Resources & Chief Human Resources Officer



**CSU System Dominates Money's List for Best Colleges
in 2025**

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**CALIFORNIA STATE UNIVERSITY EMPLOYEES UNION
CALIFORNIA STATE UNIVERSITY
PUBLIC EMPLOYMENT RELATIONS BOARD
Case No. tbd**

Exhibit C

**To Unfair Practice Charge against
California State University**

From:
Subject: FW: Fw: June Budget Update

From: Office of the President <pres@dynamics.csusm.edu>
Sent: Wednesday, July 9, 2025 3:53 PM
To:
Subject: June Budget Update



Dear CSUSM faculty and staff,

As we move through the summer months, I hope many of you have had the opportunity to find some time to rest and recharge. Others have been busy with orientation, Summer Scholars and labs, construction projects, as well as summer session. Thank you for your ongoing commitment to our students and the university.

As many of you know, the state legislature passed the California Budget Act of 2025, and Gov. Gavin Newsom has signed it into law. We remain grateful to the governor and the legislature for avoiding the proposed 7.95% cut. Our advocacy mattered – and I want to thank everyone who spoke up and wrote letters against the cuts.

In summary, the final 2025 state budget defers 3% of the CSU's recurring funding to 2026-27, resulting in reduced base funding to the CSU this year. An offer of a short-term, zero-interest loan to cover that 3% gap is under review by the Chancellor's Office. This loan would have to be paid back, and additional federal actions may place further strain on the state's budget outlook for this year and years to come.

We will host a budget forum on Thursday, July 24 at 2:30 pm, following a CSU Board of Trustees meeting during which we expect to learn more. We understand that not everyone will be available to attend due to summer schedules, so the forum will be recorded and posted on our [Budget Office](#) website for you to view at your convenience.

Additionally, we will continue to provide updates on the progress of World Café workgroups and hold additional spaces and places for collaboration and conversation to build on the great budget savings ideas that you generated in the spring semester.

Thank you for all you do each day to support our students and the university.

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With deep appreciation,

Ellen J. Neufeldt
President