

Greetings. I'm Jolene Koester.

It's been my honor to have served the CSU as its interim chancellor for the past 16 months. However, the CSU has been my professional home for more than 40 years—first at Sacramento State and then at Cal State Northridge (CSUN). I've served as a professor, academic leader, administrator, and university president. My return to service as the interim chancellor has been for me a labor of love. There're a lot of reasons, but primarily because it's a reminder of the incredible sense of purpose that the CSU has provided me throughout my entire professional life. It's allowed me to play a small part in elevating thousands of lives through the transformative power of a Cal State degree, but make no mistake, I do know where that transformative magic happens. I emphasized that in my very first speech as chancellor, which was in May 2022. I know that the real magic happens on our university campuses. The magic happens in the engagement between our students and you who serve as CSU's faculty and staff. My deep respect for faculty and staff has been a demonstrated hallmark of my leadership throughout this entire career at the CSU.

So now as I near the end of that career, I'm reaching out to you in the spirit of that sincere respect to allow me to address a matter of utmost importance.

The CSU is committed to fairly compensating you, our faculty and staff. Please don't dismiss those as mere words or hollow words. They are not; they are real. The CSU has brought that commitment to the bargaining table. We have made offers of significant multi-year compensation increases to both faculty and staff bargaining units, and we've done this at a time when the state is facing a revenue shortfall. We have also proposed a salary step structure for our staff. In fact, the total new financial commitment to our faculty and staff for the current year far exceeds the entire amount of new funding that we're going to receive, which is \$227 million. We have extended and we have stretched and that means that our university leadership is going to be challenged to meet these obligations. But meet the challenge they will, because they share my commitment to fair compensation. And the CSU is going to continue to bargain in good faith.

I must however share a reality with you. If we extend ourselves further, each of the 23 universities will be put in a position where they're going to be forced to make difficult and painful decisions. They're going to have to reallocate their already limited financial resources to meet their increased costs of operation. 75 percent of our costs are dedicated to employees' salary and benefits. Again, this is simply the reality of the California State University. I share this with you to ensure that you are well informed of the facts as you consider these critically important matters. And as we begin another academic year, please know that I fully appreciate the transformative work, that magic that you do for the students we serve. I know that I speak on behalf of all 23 university presidents when I say that this appreciation is going to remain constant even through these momentary challenges of collective bargaining, and we're going to move forward together as we work to realize the CSU's brightest future.

Thank you for the work and the magic that you do with our students.