

CFA / CSU Bargaining Summary

January 2007

CFA Salary Proposal

- *Raises that keep up with inflation and help close the growing salary gap
 - ▶ Year 1: 4%
 - ▶ Year 2: 4.25%
 - ▶ Year 3: 4.5%
 - ▶ Year 4: 5.25%
- * Step increases at actual, *not inflated* cost
 - ▶ Year 1: for all qualified faculty (current eligibility)
 - ▶ Years 2, 3, 4: for all faculty (expanded eligibility -- to address structural inequities in the salary structure)
- *Equity program to correct salary inversion problems (that everyone agrees are serious)
 - ▶ Years 1-4: 0.5% or about \$7 million
- *Post-Promotion Increase program to correct salary compression problems (that everyone agrees are serious)
 - ▶ Years 2-4: 0.5% or about \$7 million

Summary

	TOTAL 4-YR COST OF CFA SALARY PROPOSAL
General Salary Increases	18.00%
Service Step Increases	3.75%
Equity Program	2.00%
Post-Promotion Increase Program	1.50%
Total	25.25%

Background

- ▶ Bargaining between CFA and the CSU has been going on for over 20 months.
- ▶ CSU faculty salaries are much lower than faculty salaries at similar universities and the average salary for community college faculty surpassed the CSU average in 2003.
- ▶ Almost all non-economic (no-cost) terms are settled.
- ▶ Economic terms center on salary increases and the disagreement can be broken down into disagreement over:
 - raises for year 1 (the current budget year, retro to July '06)
 - raises for years 2, 3, and 4 (2007/08 to 2009/10)

Year 1

CSU offered:

3% raise + step increases for faculty who are qualified

OR

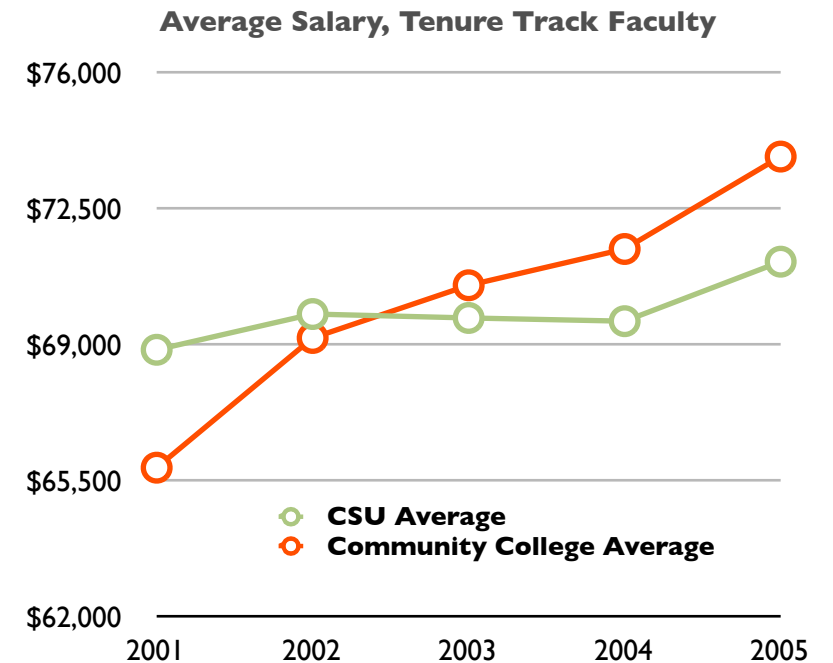
4% raise with no steps

CFA countered:

4% raise + step increases for faculty who are qualified

AND

0.5% for equity increases (e.g. for faculty with several years of experience paid thousands less than newly hired colleagues in the same department)

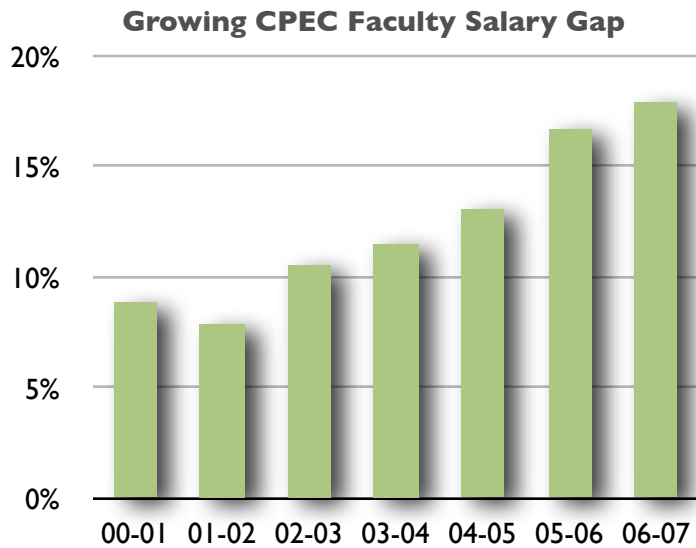


Bottom Line Disagreement: Year 1

- ✓ The 1.5% difference for year 1 is barely \$20 million out of a budget of more than \$4 billion: *this is less than half of one percent of the CSU budget.*
- ✓ In the past, the chancellor has found and spent much larger amounts from within the CSU budget for projects he cares about. E.g., the CMS project cost \$600 million and has been paid completely from system funds
- ✓ CFA research shows CSU accumulating wealth: its expendable net assets increased by 51% (\$821 million) since 2002.
- ✓ There is no real argument that they can't afford the additional 1.5%.

Years 2, 3, 4: the "out years"

Chancellor Reed claims his offer for the "out years" totals about 21%. If it really did, CFA would have accepted it. In fact, what most could count on boils down to less than 12%. The differences:



- 3% (1% each of the three out years) would have to pay for step increases, even though they are actually self-funding and cost the system no new money.
- 3% is contingent on a budget augmentation (beyond the compact) that must be approved by the legislature and the governor. The record shows this is unlikely.
- 3% is for "merit pay" or what is really discretionary pay. Two other similar programs over the last 10 years were thrown out because they were poorly administered and too divisive.

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Bottom Line Disagreement: Years 2, 3, 4

- ✓ The chancellor's offer for the three out years is actually 12% (21% minus 9%).
- ✓ The chancellor's offer ignores the lost years - when faculty salaries were frozen for 2 years during the state's fiscal crisis - and the CSU's broken salary structure.
- ✓ His offer will do little to close the CPEC gap - the measure of how CSU faculty compare to others working at comparable universities.

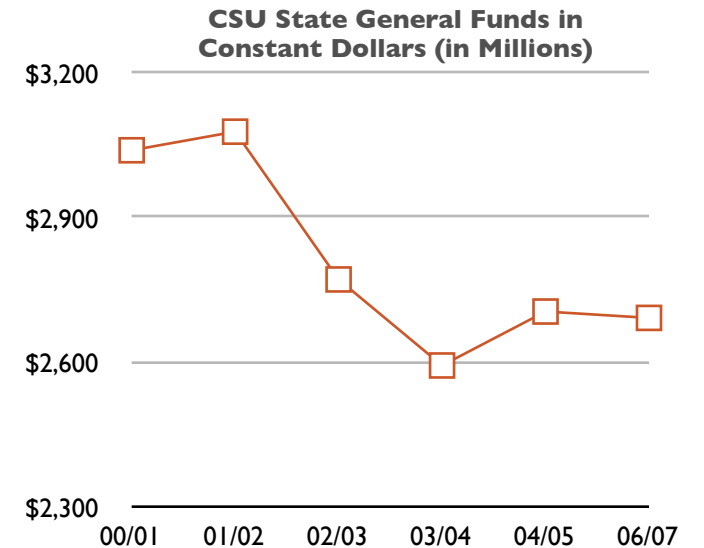
Reed: We have to make part of our offer contingent on budget augmentations, otherwise we can't afford to cover them.
 ▶ CFA: *Not true. Out of its \$4 billion budget, the CSU clearly has the monies right now to fund CFA's salary proposal. This is an issue of willingness, not an issue of whether the CSU can afford it.*

What is the Chancellor saying?

Reed: CFA is unreasonable, disrespectful, attacks the institution, etc.
 ▶ CFA: *The chancellor is very stubborn and inflexible. He takes many actions personally and views disagreements on issues as CFA attacking "his" institution.*

Reed: This is a 25% increase! the most generous we've ever offered.
 ▶ CFA: *It's not really 25% when you look closely.*

Reed: We can't afford more money than we've offered for year 1.
 ▶ CFA: *They easily can.*



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