

KEY ISSUES IN BARGAINING: ANALYSIS
THE CSU CHANCELLOR'S PAY OFFER TO FACULTY,
CFA'S COUNTER PROPOSAL
AND OTHER ISSUES STILL ON THE TABLE

February, 2007

Contract talks stalled shortly after the CSU Chancellor's Bargaining Team presented their first salary offer. CFA had examined the offer and made a counter-proposal. Rather than continue to talk about it, the Chancellor's Team walked out and has refused to budge. Although further talks could alter the following information, here is where the sides stand on salary, as well as on other issues.

SALARY

	CSU CHANCELLOR'S OFFER	CFA'S COUNTER PROPOSAL
2006/07 SALARY PROPOAL (would be retroactive to July 2006)	Guaranteed General Salary Increase = 3% Service Step Increase = 2.65% (Or eliminate the SSI and add 1% to everyone's GSI)	Guaranteed General Salary Increase = 4% Service Step Increase = 2.65% Equity Pay Pool To address Inversion = \$5 million

EXPLANATION & ANALYSIS: Overall, the Chancellor has not provided enough total money in the first year of the contract to keep the faculty ahead of the cost of living. The GSI is the only money every faculty member is guaranteed to get, no ifs, ands, or buts.

The Chancellor wants to pit all faculty against those due to get an SSI by subtracting 1% of the GSI to "pay" for it. There is no need to "pay" for it, because SSIs are self-funding; those faculty members who have earned SSIs should receive them without everyone else losing 1% of their raises as a consequence.

CFA's counter-proposal calls for a 4% GSI guaranteed in the first year for everyone. This is vital because since 2002, during the state's budget crisis, faculty received only one 3.5% GSI. This has left the average CSU faculty salary below that of faculty in the Community Colleges, where average salaries have increased by 7% since 2002. During that time, the Consumer Price Index increased by about 9.5%.

The CFA plan calls for \$5 million to address the problem of salary inversion in the first year, an issue not addressed by the Chancellor's offer. This would be an initial, meaningful effort to repair the broken salary structure that creates an "experience penalty" (inversion) by which new hires earn more than those with years of teaching in the CSU. Awards to correct this in CFA's plan could be appealed to provide a fair process.

	<p align="center">CSU CHANCELLOR'S PAY OFFER</p>	<p align="center">CFA'S COUNTER PROPOSAL</p>
<p align="center">2007/08 SALARY PROPOSAL</p>	<p align="center">Guaranteed General Salary Increase = 3.53%</p> <p>Service Step Increase only for 1/3 of faculty = 2.65% (or eliminate it and add 1% to everyone's GSI)</p> <p align="center">Merit "Discretionary" Pay = 1%</p> <p>Increase Contingent on State Funding above the Compact = 1%*</p> <p>(*NOTE: Gov. Schwarzenegger rejected this contingent funding in his 2007/08 budget plan)</p>	<p align="center">Guaranteed General Salary Increase = 4.25%</p> <p>Service Step Increase for ALL Faculty members =2.65%</p> <p>Equity Pay Pool to address Inversion = \$5 million</p> <p>Post-Promotion Increase Pool to address Compression = \$5 million</p>
<p align="center">2008/09 SALARY PROPOSAL</p>	<p align="center">Guaranteed General Salary Increase = 3.84%</p> <p>Service Step Increase only for 1/3 of faculty = 2.65% (or eliminate it and add 1% to everyone's GSI)</p> <p align="center">Merit "Discretionary" Pay = 1%</p> <p>Increase Contingent on State Funding above the Compact = 1%</p>	<p align="center">Guaranteed General Salary Increase = 4.5%</p> <p>Service Step Increase for ALL Faculty members =2.65%</p> <p>Equity Pay Pool to address Inversion = \$5 million</p> <p>Post-Promotion Increase to address Compression =\$5 million</p>
<p align="center">2009/10 SALARY PROPOSAL</p>	<p align="center">Guaranteed General Salary Increase = 4.5%</p> <p>Service Step Increase only for 1/3 of faculty = 2.65% (or eliminate it and add 1% to everyone's GSI)</p> <p align="center">Merit "Discretionary" Pay = 1%</p> <p>Increase Contingent on State Funding above the Compact = 1%</p>	<p align="center">Guaranteed General Salary Increase = 5.25%</p> <p>Service Step Increase for ALL Faculty members =2.65%</p> <p>Equity Pay Pool to address Inversion = \$5 million</p> <p>Post-Promotion Increase to address Compression = \$5 million</p>

EXPLANATION & ANALYSIS: In each of the succeeding years, the Chancellor's has multiple strings attached, which means any individual may or may not get various parts of the pay offer.

CFA's counter-proposal for the second, third, and fourth years would guarantee larger GSIs for everyone than in the Chancellor's offer. This is to help make up for the lost years when no raise was provided during the state budget crisis.

In contrast to the first year, in which CFA proposes SSIs only for those who normally would be eligible, in these years everyone except for new hires with less than one year in their positions would receive an SSI. This would help to correct flaws that have developed in the salary structure.

By continuing to provide each year \$5 million for equity raises, as CFA proposes for the first year, most of the extraordinary problems with the salary structure would be addressed by the end of the contract. In particular, this would deal with the "experience penalty" (inversion) that falls hardest on junior faculty, and compression that hits hardest those stuck at the top of the salary range.

The concept of the Post-Promotion Increase is to develop a mechanism that would enable those at the top step of a rank, range or salary level to move up. CFA's proposal would provide \$5 million a year for this purpose.

While the Chancellor says he is aware of the lost years and broken salary structure, his offer provides no improvement. Rather, his offer endures these problems persist. Further, by requiring that everyone "pay" for SSIs even though there is no real cost to them, his plan retains his pool of "salary savings" that he can use for other purposes.

And, the Chancellor would bring back a so-called "merit" plan. Administrators would have 1% of the total pay offer to hand out any amount to any person. His solution to all the problems created by his previous, and demoralizing, discretionary pay plans is to eliminate the right to appeal awards, except to the campus president whose decision would be final. CFA says the faculty don't need this; we already have a merit system — the Retention, Tenure & Promotion process. This money should go into higher general salary increases for everyone, as in the CFA proposal.

Finally, the Chancellor's offer includes an exceedingly dubious contingency.

One, he insists that 1% of the salary offer in years two, three and four be contingent on the governor and legislature providing more funds than in the compact agreement the Chancellor made unilaterally with the governor in 2004. The record of the budgets since show the compact set a virtual ceiling on CSU funding, and CFA believes that is not likely to change significantly. The governor did not include this 1% in his 2007/08 state budget proposal, which is for the second year of the Chancellor's pay offer. Bottom line, faculty will not see this contingent salary increase.

And, the Chancellor would squelch critiques by requiring CFA to accept a "gag order" in return for this 1% raise. The order would say CFA may not to criticize his budget plans, including student fee increases, and would be required to support these plans in public.

WORKLOAD

	CSU CHANCELLOR'S POSITION	CFA'S POSITION
BEGINNING WHEN THE NEW CONTRACT IS RATIFIED	The Chancellor has never made a formal proposal concerning workload at the bargaining table. Before there was an opportunity to address workload, the administration walked away from the table over salary.	Would like to bargain on class size, the rate of tenure-track hiring, numbers of weighted teaching units, etc.

FACULTY EARLY RETIREMENT PROGRAM

	CSU CHANCELLOR'S POSITION	CFA'S POSITION
BEGINNING IN THE LAST YEAR OF THIS NEW CONTRACT	Reduce FERP availability from five years as it is now to four years.	Keep FERP availability at five years as it is now.

EXPLANATION & ANALYSIS: CFA sees no need to change a program that saves the CSU money while keeping long-time professors available to teach and to mentor newer faculty members. Average utilization is irrelevant; it keeps options open for those who would use all five years.

FERP stands in sharp contrast to the CSU executives' "transition" programs and golden parachutes which cost the university millions for what Assembly Speaker Fabian Nunez described as "no discernible work." (See *San Francisco Chronicle* reports on CSU executive pay give-aways, July 17 & 18, 2006) There is also no discernible advantage to instruction of students to be gained by cutting back FERP.

FAIRNESS FOR LECTURERS

	CSU CHANCELLOR'S POSITION	CFA'S POSITION
BEGINNING WHEN THE NEW CONTRACT IS RATIFIED	Would reduce Lecturer appointment rights by giving additional preference to student employees before Lecturers. Also would severely limit the ability of incumbent Lecturers to accrue additional work.	Protect current Lecturer appointment rights and Lecturer rights to accrue additional work.

EXPLANATION & ANALYSIS: The Chancellor's public information says he would retain the "status quo on much" of Lecturers' rights. The part the Chancellor does not want to retain is the problem. Lecturer appointment rights, especially three-year appointments, provide Lecturers some work stability and increase their connection with their department and their students. CFA says the focus should be on making these appointments work rather than tinkering with them to water down their effectiveness.

Rights for lecturers, contained in Article 12 of the contract, have been won by CFA in bargaining previous contracts. The three-year appointments were negotiated in the last contract. When bargaining started this time, the Chancellor wanted to curtail these hard-won rights. It is good he is backing away from draconian changes, and he should drop the rest of his proposed changes.

PARKING COSTS

	CSU CHANCELLOR'S POSITION	CFA'S POSITION
BEGINNING WHEN THE NEW CONTRACT IS RATIFIED	Wants to raise faculty parking fees to the student's rates by the end of this contract.	Establish a system-wide parking authority with representative of all stakeholders — students, faculty, staff, administration — with access to all parking financial information to review parking needs and set rational parking fee policies.

EXPLANATION & ANALYSIS: The Chancellor argues that the CSU faces increasing costs to operate and maintain campus parking facilities and believes that these costs are disproportionately borne by students.

The bargaining team was told that the issue of parking fees is of particular importance to Chancellor Reed; we only wish that faculty salaries ranked as high.

The sticking point is that while at some campuses parking fee increases are minor—a few dollars a month—at others they have risen \$100 or more. Considering the size of the CSU's salary offer, some faculty members could actually see their raises returned to the university in parking fees!

That is why CFA thinks rather than leave parking fees to the discretion of management, there should be an oversight authority with representation of students, faculty and staff to review the financials and set policies by campus. So far, the CSU administration refuses to open the books on parking money.

There are a number of other issues that remain to be resolved in order to complete the contract. Much work already has been done on other issues. At this point, the biggest obstacle to settlement remains the disagreements over faculty salaries.

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RED HERRINGS: **NOT ON THE BARGAINING TABLE**

The CSU administration's public information office raises a number of issues that are not actually on the bargaining table and are not relevant to the discussion. The most outlandish of these is...

HEALTH & DENTAL BENEFITS

Neither bargaining team has proposed changes to faculty eligibility for CalPERS, which includes medical and dental benefits. All these benefits were won in bargaining for previous contracts.

It is true, as the Chancellor keeps saying, that CSU health and dental benefits are good. This speaks to the tremendous success of CalPERS, our retirement and health benefits system. That is another reason we are proud that one of our own, CSU San Marcos business professor George Diehr, sits on the board that oversees CalPERS.

The Chancellor now is trying to include the value of these benefits in order to argue that he miraculously has closed the CPEC salary gap for the faculty.