

For Immediate Release
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CSU FACULTY CALLS ON CHANCELLOR TO FACE THE FACTS

--Independent Analysis of Labor Dispute Finds That Faculty's Salary Proposal is Acceptable; Faculty Accepts Mediator's Recommendations That Would Narrow the Salary Gap Between CSU Faculty and Peers --

-- CFA member and Senate Majority Leader Gloria Romero and Senator Alex Padilla Call on Chancellor to Return to the Table and Settle the Dispute --

**-- See the full text of the fact finders report, and related documents at:
<http://www.calfac.org/factfinding.html>**

Long Beach – The California Faculty Association announced today that it accepts the recommendations set forth by neutral third-party fact finder Sylvia Skratek, who spent several weeks listening to arguments from the CSU Administration and the Faculty concerning the contract that expired in June 2005. The report recommends that the CSU Administration raise the faculty's salary by 24.87% over four years plus 10% in SSI pay (service step increases), which “are not an additional cost to the University.”

On Sunday, March 25 at 11:30 a.m., the faculty will hold a conference call with reporters to discuss the latest developments. The call-in number is 800.230.1059 and the call title is “Faculty Availability.”

The CFA bargaining team and other faculty members also will be available at the Chancellor's office in Long Beach (401 Golden Shore) at 12:30 pm.

The faculty will also host a conference call on Monday, March 26 at 12 noon. The conference call number is (800) 762-7141 (name of call “Fact Finder Report”).

John Travis, President of the California Faculty Association stated, “It is time for the Administration and the Board of Trustees of the California State University to **Face the Facts** and settle this contract.

“The fact-finder's report which becomes public today validates our long-standing position – that CSU faculty are underpaid and that other issues including class size need to be addressed. Further, the fact finder's report validates that CFA's bargaining proposals for a new collective bargaining agreement are reasonable.

“CFA broadly supports the fact finder’s recommendations and finds them to be a sound basis for the resolution of our contract dispute. We call on the CSU administration to accept them as well.

“The fact finder’s recommendations would make meaningful progress toward closing the salary gap between CSU professors and our peers around the country.

“The CSU administration has more than \$1.2 billion in unrestricted funds available – meaning the administration has flexibility in how those funds will be used. Knowledge of these funds is provided by Moody’s Investor Services in their report on CSU bonds for potential investors.

“Yet, the faculty has received **one** 3.5% raise since 2002 (given in July 2005), which is less than 1% a year. Meanwhile, the Administration and Board of Trustees have given top executives 23% in raises in just the last two years.

“The fact finder’s recommendations may cost the CSU an additional \$60 million over the four years of this contract – funds that are available and that will help to retain quality teachers in the classroom.

“If the Administration is truly committed to providing students with a quality education, and if it truly cares about the future of the CSU system, it would accept the fact finder’s recommendations and settle this contract dispute.”

CFA member and Senate Majority Leader Gloria Romero said, “I am not surprised by the mediator's report and recommendations. “The professors have been saying for 23 months that they deserve to be paid at the same level as their peers. Now that an independent, third party has analyzed the situation and set forth her recommendations, it is time for Chancellor Reed to return to the table and negotiate in good faith.”

Senator Alex Padilla added, “The mediator's report validates what the faculty has been saying from day one, which is that they are being underpaid and that they have proposed a reasonable solution. I cannot see a reason why the Administration cannot sit down with the faculty and work out a settlement. Based on this report, I do not think the Administration is in a position to continue haggling with the faculty who are only asking to be paid fairly. I strongly encourage the Chancellor to return to the table, and bring closure to this process without delay.”

Informal conversations through intermediaries occurred this week between the two sides, but there is no progress to report yet. The CFA Board of Directors is considering its strike options at this time. The faculty will provide updates as the organization gets them this week.

Fact Finder Report's Main Points

(Quotations and citations from actual report, Emphasis by CFA)

- “While there was much discussion during fact finding as to how various figures should be viewed, **there was no dispute that no matter how the figures were viewed, the faculty at CSU were lagging, in the double digits behind their comparable institutions.** There was also no dispute that the faculty at CSU were falling in the rankings amongst its comparable institutions as evidenced at Displays 4 and 5 of the Commissions’ Report on Faculty Salaries (p.19)
- “...the fact finder must take into consideration the Commission’s finding that there is a double digit parity discrepancy at the University. It is important to note that the Commission is not a creation of the Union, nor is it a function of the University, but rather has been established by the Legislature to focus on higher education and policy issues. Its findings represent the best evidence available on faculty salaries at California Public University’s which cannot be ignored by the fact finder.” (p. 20)
- The fact finder’s recommendation recognizes “it was unlikely that this round of negotiations was going to eliminate the gap,” and that “the challenge was to shape a recommendation that would make progress toward closing the gap while recognizing that there was not an infinite amount of money available” (pp.19-20)
- **The faculty should be given a 24.87% raise over four years plus the 10% in SSI pay (service step increases), which “are not an additional cost to the University.” (p.22)**
- SSI’s are “dependant on satisfactory performance” “not additional year of service” ...”**Given the University’s stated interest in pay for performance its resistance to fund SSI’s is puzzling.**” (p.22)
- In 2006/2007, the faculty should receive a 4% raise (3% retroactive raise to 7/1/06 and an additional 1% retro active raise to 1/1/07). In addition, the faculty who are eligible for service step increases should receive the 2.65% to which they are entitled.
- In 2007/2008, the faculty should receive a 5.53% raise (4.53% effective 7/1/07 and 1% effective 1/1/08) plus the .5% equity [see definition below] and .5% PPI [post-promotion increase; see definition below]. In addition, the faculty who are eligible for service step increases should receive the 2.65% to which they are entitled.
- In 2008/2009, the faculty should receive a 5.84% raise (4.84% effective 7/1/08 and 1% effective 1/1/09 plus the .5% equity and .5% PPI. In addition, the faculty who are eligible for service step increases should receive the 2.65% to which they are entitled.

- In 2009/2010, the faculty should receive a 6.5% raise (5.50% effective 7/1/09 and 1% effective 1/1/2010) plus the .5% equity and .5% PPI. In addition, the faculty who are eligible for service step increases should receive the 2.65% to which they are entitled.
- “The Union has put forward a compelling argument that the Service Salary Increases are not an additional cost to the University and in fact, there may be savings to the University due to the fluctuation within the bargaining unit as faculty retire or resign resulting in lower overall cost of the salary schedule.” (p.22)
- “The University has put forward an equally compelling argument that the savings realized by the University due to the fluctuations should not automatically be provided to the bargaining unit members” (p.22)
- “...the University confirmed for the Panel that it was not contending that it did not have the ‘ability to pay’” (p.22)

See the fact finders report and related documents at
<http://www.calfac.org/factfinding.html>

See definitions of bargaining terms in the “ABCs of salary negotiations” at
http://www.calfac.org/allpdf/bargaining/ABCs_0906.pdf

On Background:

- This is a thorough confirmation of what the CSU faculty has been saying since bargaining began.
- The CSU has the money in existing funds. It’s a matter of setting budget priorities. The priority should be instruction.
- CSU professors are paid well below the rate of other professors and are asking to be paid on par.
- CSU has resources to pay the professors and NOT raise student fees or drain money from the CSU in any shape or form
- In February, Moody’s Investor Services — a prestigious financial research and analyst group for commercial and government entities — upgraded the rating for CSU bonds due to **“unrestricted reserves that have grown 45 percent over the past five years and are now at \$1.2-billion.”**

- CFA also recently commissioned a report that found CSU has \$1.25 billion in positive operating cash flows.
- The numbers show that the CSU administration and Board of Trustees have the immediate resources needed to address the urgent needs of the classrooms and to make genuine progress toward paying the faculty at the same level as our peers around the country.
- Taxpayers provide money and students pay fees with the intent to ensure a high quality education for Californians. The mission of the CSU is to teach. It is good for the institution to be financially healthy. But good finances are meaningless if that is achieved by slashing the quality of the education we provide, and making it harder for our young people to go to college.
- Ultimately this is a question of values and priorities.
- The CSU administration and Board of Trustees have yet to show that getting our state university back on track is a priority, and that is why we are in this position today.