

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

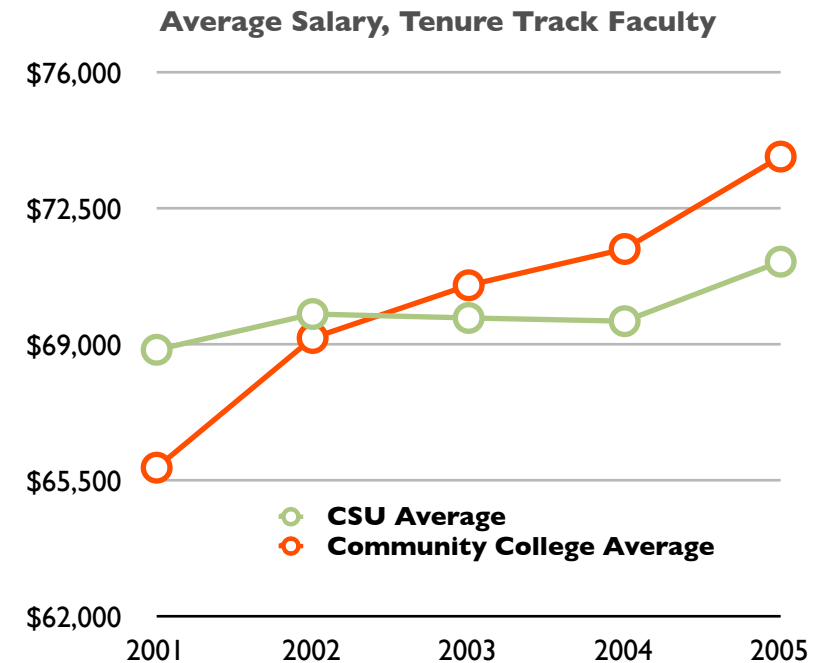
4% raise with no steps

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)

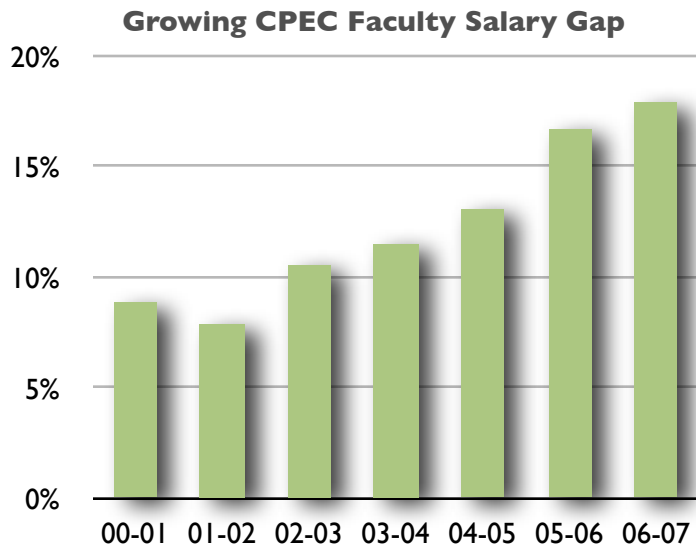


Bottom Line Disagreement: Year 1

- ✓ 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: The chancellor should ask the governor to increase the compact and guarantee his out year offer. He is to blame for negotiating a "compact," without any any legislative input and which has done little to restore post-budget crisis funding to the CSU.*

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.*

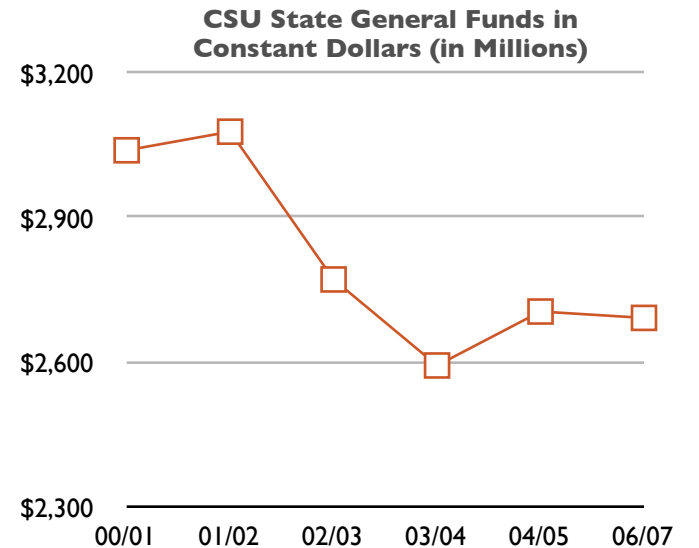
Reed: This is a 25% increase! the most generous we've ever offered.

- ▶ *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.*

What is the Chancellor saying?



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