

FACT SHEET: BACKGROUND ABOUT THE NOV 17 ACTION

The faculty in the CSU are angry about a great many setbacks damaging California's great public university system. Student fee hikes, big spending on executives and consultants, and expensive experiments with canned education are just a few of the problems.

And, unfortunately, this results as much from bad priorities in spending on the part of CSU management as it does from state funding cuts to the CSU.

The dispute is a specific example over a specific issue in our contract. It is symptomatic of much bigger problems.

The dispute we are striking about on Nov 17

- REED REFUSES TO NEGOTIATE WITH THE FACULTY: Reed wanted to *eliminate* the faculty raises for 2008/9 and 2009/10, to which he agreed in the faculty's contract back in 2007
 - The sides returned to bargaining over those contract years, starting in 2008
 - CFA proposed various compromises for partial raises to reach a settlement
 - But Reed demanded zero – from day one till today he has consistently held to an offer of zero: refusing to budge
 - We are now at the end of the formal negotiations process
 - Reed unilaterally imposed his offer of zero
 - This gives faculty the legal right to take concerted action, up to and including a strike about the unpaid 2008/09 and 2009/10 raises in the contract

What CFA wants

- EQUITY AND FAIRNESS FOR FACULTY: Faculty are willing to accept the modest but fair recommendation of the neutral third party in the bargaining process
 - The recommendation is that the fair thing to do is to pay a modest part of the raises in the faculty contract
 - The recommendation has no large, across the board raises for anyone
 - It includes pay adjustments to correct inequities in salary for faculty doing the same job
 - Reed already gave the same kind of pay adjustments to his top executives and some other managers while he refused to do the same for faculty

Faculty compensation is falling behind inflation

- LIKE OTHER MIDDLE CLASS PEOPLE, CSU FACULTY HAVE FALLEN BEHIND. Faculty salaries have not kept up with inflation
 - Since Reed became CSU Chancellor in 1998, average faculty salary decreased by 10% when adjusted for inflation. [See http://www.calfac.org/sites/main/files/file-attachments/csu_inflation_adj_salaries__student_fees_98-10.pdf]
 - Since 2003, faculty general salary increases (i.e. cost of living increases) totaled 13.245%
 - In 2009/10, CSU faculty agreed to take a 10% pay cut
 - The Nov 17 action is about Chancellor Reed's refusal to settle fairly a dispute that two different neutral third parties determined he should and could afford to settle

- Actual faculty salary increases since 2003 are:

| Year | GSI | |
|----------|--------|-------------------------------|
| 2003-04 | 0% | |
| 2004-05 | 0% | |
| 2005-06 | 3.5% | |
| 2006-07 | 4% | in 2 installments 3% & 1% |
| 2007-08 | 5.7% | in 2 installments (3.7% & 2%) |
| 2008-09 | 0% | |
| 2009-10 | -10% | voluntary furlough |
| 2010-11 | 0.045% | |
| 2011-12* | 0% | *proposed |
| 2012-13* | 0% | *proposed |
| 2013-14* | 0% | *proposed |

- Under Reed's proposals in the above chart, from 2003 through 2014, faculty general salary increases would total 13.245% (This averages to 1.2% per year, which does not keep up with the cost of living)
- The 0.045% increase in 2010/11 comes to just \$2.25 per month for a professor earning \$60,000 per year

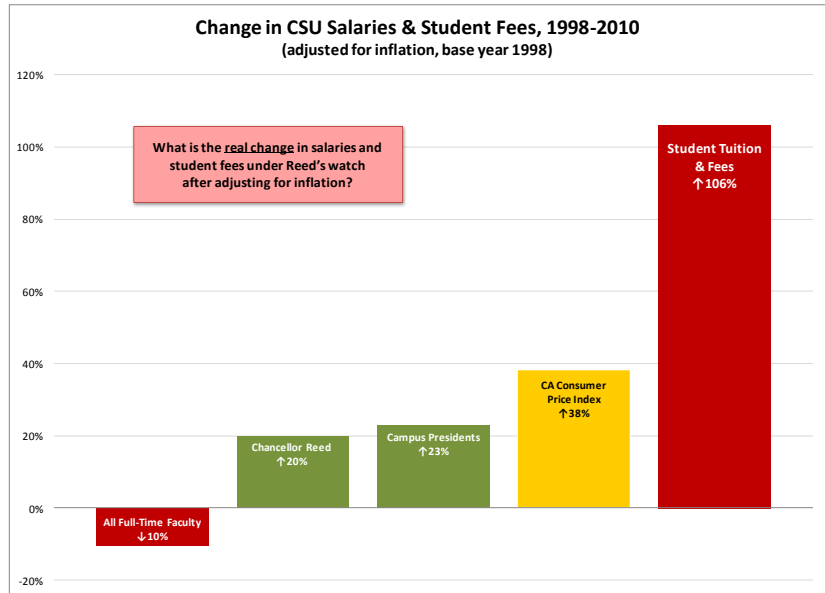
Reed says faculty got big raises in 2008, which is a deceptive point

- AMID MANY YEARS OF ZEROES, FACULTY GOT A COST OF LIVING ADJUSTMENT: On June 30, 2008, CSU faculty received a 2% General Salary Increase (i.e. cost of living adjustment)
 - This raise was part of the salary agreement between Chancellor Reed and the union for 2007/08
 - Although the raise was part of the negotiated agreement for 2007/08, at Chancellor Reed's request, CFA agreed that this adjustment be paid at the end of the year rather than the beginning
 - For each of the approximately 24,000 faculty teaching at the time, a 2% adjustment averaged to about \$1300 a year or \$108 a month
 - The Chancellor estimates the total cost of this GSI adjustment at \$31.3 million
 - Interestingly, that is roughly equal to the amount Chancellor Reed chose to voluntarily return to the state that year, rather than pay the faculty raises specified in the contract

Reed can afford to settle the dispute. The CSU is not broke

- THE TOTAL CSU BUDGET IS HIGHER TODAY THAN WHEN THE CONTRACT WAS NEGOTIATED: Today, the CSU budget is \$213 million (5%) larger than it was in 2007/08
 - The Chancellor could implement the third-party settlement recommendation for less than one-quarter of one percent of the CSU budget (The ongoing annual cost is estimated by Reed at \$10 million)
 - When the contract in dispute was signed, the total CSU Budget was \$4.365 billion
 - Today, in 2011/12, the CSU Budget is \$4.578 billion, which is \$213 million higher than when the salary agreement was signed

RELEVANT DATA



NOTE: Figures present the real change from 1998 to 2010 in salaries and student fees based on inflation adjusted 1998 CA constant dollars.
 Data Sources: CSU Employee Profiles & CSU Statistical Abstracts; CSU Board of Trustees' Agendas, multiple years; CSU Budget Office, CSU Fee History; California Department of Finance, Fiscal and Economic Data

