

**Memorandum of Understanding
Implementation of Arbitrator's Remedy
CSU Grievance No. 3-00-076
Year-Round Operations at CSU Semester Campuses**

As a result of Arbitrator Knapp's award in the above referenced case, the CSU was ordered to calculate and make salary adjustments for those Faculty members who taught during covered Summer Year-Round Operation (YRO) terms that were not paid 1/30th of their normal full-time academic year salary, and to take other actions related to the salary and benefits of faculty affected by her award.

In full and final settlement of all of the issues raised in implementing the arbitration award and to avoid the expense of further litigation, the California Faculty Association (CFA); and the Trustees of the California State University, which is the State of California acting in its higher education capacity (CSU) (all of whom are collectively referred to in this Agreement as Parties) mutually agree to the following Memorandum of Understanding and General Release of All Claims.

A. Effect of MOU

1. This Memorandum of Understanding (MOU) is applicable only to Summer YRO programs and courses offered through the regular, general fund course schedule, including fee-subsidized for-credit courses, at the following CSU campuses in the following years:

Chico	2002, 2003
Dominguez Hills	2001, 2002, 2003
Fresno	2001, 2002, 2003
Fullerton	2001, 2002, 2003
Long Beach	2001, 2002, 2003
Monterey Bay	2001, 2002, 2003
Northridge	2001, 2002, 2003
San Diego	2001, 2002, 2003
San Francisco	2001, 2002, 2003
San Jose	2001, 2002, 2003
San Marcos	2001, 2002, 2003
Sonoma	2001, 2002, 2003
Stanislaus	2003

2. This MOU does not apply to true self-support courses (credit and non-credit) offered through extended studies. This MOU does not apply to faculty who were not employed in a unit 3 appointment at any time during the academic year prior to the covered Summer term.
3. In the event of a conflict between the provisions of this MOU and the terms of either the current Collective Bargaining Agreement between the parties,

including Article 40, Year-Round Operations, or any arbitration decisions, the provisions of this MOU control. The terms of the current Collective Bargaining Agreement shall apply in the absence of provisions in this MOU on the same subject matter or when the terms of the current Collective Bargaining Agreement are not in conflict with the provisions of this MOU on the same subject matter.

4. Further, the implementation of the terms of this MOU and the MOU regarding the Summer 2005 term at semester campuses shall satisfy the requirements to implement the remedies of the award by Arbitrator Knapp in CSU grievance number 3-00-076 at all campuses affected by her award through the Summer 2005 term.
5. The parties recognize that the awards, including letters of clarification received to date,¹ in CSU grievance number 3-00-076 by Arbitrator Knapp will be the final award and will serve as the status quo for YRO operations commencing after the summer 2005 term for campuses affected by that award subject only to any changes bargained by the Parties pursuant to HEERA. The parties will jointly inform the arbitrator that her services are completed and that no further awards and clarifications will be necessary or requested.

B. Summer 1/30th Compensation

1. The parties have agreed with Arbitrator Knapp to issue the following letters to all faculty that taught YRO courses offered through the regular, general fund course schedule, including fee-subsidized for-credit courses, at the campuses and for the covered Summer YRO terms under the award as referenced herein:

Attachment A – Individual Letter – Check Issued
Attachment B – Individual Letter – Direct Deposit
Attachment C – General Letter

a. Tenured and Probationary Faculty and Full-time Lecturers

To resolve all “1/30th” compensation claims raised in grievance no. 3-00-076, the parties agree that such tenured and probationary faculty shall receive an additional payment according to the formula provided in the individual letters to employees in Attachments A and B of this MOU. This payment shall be in the form of a one-time lump sum payment, minus applicable taxes and withholding based on the pay period issued. Retirement withholding for each payment is determined based on the employee’s retirement eligibility for each summer term.

¹ The parties have received to date awards dated September 29, 2003, March 24, 2004, and August 12, 2004: as well as letters of clarification dated January 5, 2005 and February 15, 2005.

b. Part-time Lecturers

To resolve all "1/30th" compensation claims raised in grievance no. 3-00-076, the parties agree that such part-time faculty shall receive an additional payment according to the formula provided in the individual letters to employees in Attachments A and B of this MOU. This payment shall be applicable retroactively to the covered summer term worked, minus applicable taxes and withholding. Retirement withholding for each payment is determined based on the employee's retirement eligibility for each summer term.

2. The Human Resources department of the Office of the Chancellor shall issue payroll directions to all CSU campuses affected by this requirement no later than ten (10) calendar days after the signing of this MOU. CSU campuses affected by this requirement, except San Jose State University, CSU, Northridge and CSU, Fullerton, will ensure that payments shall be made to eligible faculty by no later than June 30, 2005. San Jose State University, CSU, Northridge and CSU, Fullerton shall make a good faith effort to ensure that payments are made no later than June 30, 2005, but in any event shall ensure that payments shall be made to eligible faculty by no later than September 30, 2005.

C. Benefits Issues

1. The remedy in the award by Arbitrator Knapp in CSU grievance number 3-00-076 regarding (a) sick leave accrual, (b) the use of accrued sick leave, (c) the credit for Weighted Teaching Units taught for Service Salary Increases for Lecturers, and (d) the appointment rights under provisions 12.3 and 12.12 of the current Collective Bargaining Agreement shall be implemented for teaching YRO courses offered through the regular, general fund course schedule, including fee-subsidized for-credit courses, at the campuses and for the covered Summer YRO terms under the award as referenced herein. The implementation of those requirements shall be as follows:
 - a. Sick leave may be accrued by part-time faculty during covered Summer term YRO employment up to the equivalent of a full-time position and could have been used by all faculty during their Summer term YRO employment as specified in the collective bargaining agreement;
 - b. The terms of the Leaves of Absence with Pay article (Article 23) were applicable to all faculty during their covered Summer term YRO employment as specified in the collective bargaining agreement;
 - c. WTU's taught by lecturers during the covered Summer term YRO shall be credited toward SSI eligibility;
 - d. The summer term YRO service covered by the award by arbitrator Knapp shall be credited when determining the academic year 2005/06

time base² of lecturers with one year (provision 12.3) and three year (provision 12.12) appointment rights under Article 12 of the Agreement between the parties. This shall be accomplished in the following manner. The time base of part-time Lecturers for academic year 2005/06 shall be increased by adding the average of the total number of WTUs taught in the summer YRO terms that precede the Fall 2004 semester for any summer YRO term meets the requirements for determining subsequent time base as provided in the award by arbitrator Knapp. This average of the total number of WTUs shall be rounded downward to the number of WTUs that are divisible by 3, including rounding WTU averages of less than 3 to zero.

- e. The CSU shall provide to the CFA by June 30, 2005 a list of lecturers whose time base for academic year 2005/06 is to be increased pursuant to this provision, and the campus list shall also be made available for review by faculty at each campus. Part-time Lecturers who believe that they have been improperly omitted from the list shall notify the campus administration by no later than July 30, 2005.
 - f. Summer YRO work by Lecturers with no current one-year (provision 12.3) or three-year (provision 12.12) appointments under Article 12 of the Agreement will also be reviewed to determine if crediting prior Summer YRO service as provided in the award by arbitrator Knapp would have created an entitlement for either such appointment. Summer YRO work by Lecturers with one-year (provision 12.3) appointments and no three year (provision 12.12) appointments under Article 12 of the Agreement will also be reviewed to determine if crediting prior Summer YRO service as provided in the award by arbitrator Knapp would have created an entitlement for a three-year (provision 12.12) appointment. A one year (provision 12.3) or three year (provision 12.12) appointment shall be made in academic year 2005/06 if crediting prior Summer YRO service would have created an entitlement for either such appointment.
2. The foregoing requirements shall be implemented for teaching Summer term YRO courses offered through the regular, general fund course schedule, including fee-subsidized for-credit courses, at the campuses and for the covered Summer YRO terms under the award as referenced herein, and any changes to these requirements shall be subject to bargaining under HEERA.
 3. The terms of the MOU shall not supersede any provision of the law related to the health or retirement benefits provided by the California Public Employment Retirement System (CalPERS). Pursuant to Article 32 of the current Collective Bargaining Agreement between the parties, eligibility for CalPERS benefits are defined and determined by CalPERS.

² Up to a 1.0 time base maximum

D. Lecturer Service Salary Increase Calculations

1. The remedy in the award by Arbitrator Knapp in CSU grievance number 3-00-076 requires that units taught during YRO should be counted toward the 24 units establishing eligibility for an SSI increase under article 12.10. The CSU shall implement this remedy for Lecturers that taught YRO courses offered through the regular, general fund course schedule, including fee-subsidized for-credit courses, at the campuses and for the covered Summer YRO terms under the award as referenced herein.
2. Payment to Lecturers for any retroactive SSI amount required by this provision shall be in the form of a one-time lump sum payment, minus applicable taxes and withholding based on the pay period issued. This payment is subject to retirement withholding. The Human Resources department of the Office of the Chancellor shall issue payroll directions to all CSU campuses affected by this requirement no later than ten (10) calendar days after the signing of this MOU.
3. CSU campuses affected by this requirement, except San Jose State University, CSU, Northridge and CSU, Fullerton will ensure that payments shall be made to eligible faculty by no later than June 30, 2005. San Jose State University, CSU, Northridge and CSU, Fullerton shall make a good faith effort to ensure payment no later than June 30, 2005, but in any event shall ensure that payments shall be made to eligible faculty by no later than September 30, 2005. The base pay, and anniversary date if applicable, and SSI counter for affected faculty shall be adjusted prospectively by no later than the June 2005 payroll period.

E. Indirect Instruction Compensation for Probationary and Tenured Faculty

1. All probationary and tenured faculty at the campuses and for the covered Summer YRO terms under the award as referenced herein that did not receive a specific indirect instructional assignment with compensation in the Summer terms shall receive an indirect instructional one-time lump sum payment, minus applicable taxes and withholding based on the pay period issued. This payment is not subject to retirement withholding and is in the amount of \$100 per each unit of direct instructional work assigned subject to the following conditions:
 - a. The faculty member must demonstrate by no later than June 30, 2005 that he/she performed indirect instructional activities during the summer term assignment period, and
 - b. The indirect instructional activities would not have occurred without the direct instructional assignment in the summer term, and
 - c. The indirect instructional activities shall be defined pursuant to existing campus practices.

2. Each probationary and tenured faculty member who taught during the covered Summer YRO terms under the award as referenced herein shall be notified of his/her potential eligibility to be compensated for indirect instructional activities by no later than May 30, 2005. This notification shall include an explanation of the criteria and procedure to be used to request such payment.
3. Faculty must reply to this notice with reasonable documentation by no later than June 30, 2005 in order to be eligible for payment. In the event that the administrator disagrees with the claim submitted, the dispute shall be submitted to arbitrator Knapp for resolution if the parties do not agree to an alternate dispute resolution procedure within thirty (30) calendar days after the signing of this MOU,
4. CSU campuses affected by this requirement, except San Jose State University, CSU, Northridge and CSU, Fullerton will ensure that payments shall be made to eligible faculty by no later than July 30, 2005. San Jose State University, CSU, Northridge and CSU, Fullerton shall make a good faith effort to ensure that payments are made no later than July 30, 2005, but in any event shall ensure that payments shall be made to eligible faculty by no later than September 30, 2005.

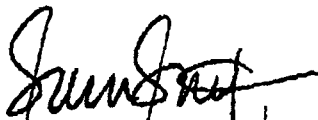
F. General

1. This MOU is entered into in full and final settlement of the implementation of the remedy required in CSU Grievance No. 3-00-076. Upon the implementation of the terms of this MOU the CFA shall consider the CSU's obligations to make salary and/or benefits adjustments, or to further implement any other portion of the arbitration awards, to be fully satisfied and resolved for faculty who taught during the covered Summer YRO terms under the award as referenced herein.
2. The CFA, on its own behalf and on behalf of all of the members of bargaining unit 3, hereby fully releases and forever discharges the State of California, the Trustees of the CSU, and each of their officers, agents and employees, and agrees to hold CSU harmless from any and all claims, causes of action and liabilities, other than claims, causes of action and liabilities arising under the express terms of this MOU, related to the salary paid and benefits provided, or for the implementation of any other portion of the arbitration award, to faculty unit employees who taught during the covered Summer YRO terms under the award as referenced herein.
3. This MOU shall be subject to Article 10, Grievance Procedure of the current Collective Bargaining Agreement between the parties.
4. No supplement, modification, waiver, or amendment with respect to the Agreement shall be binding unless executed in writing by the parties against

whom enforcement of such supplement, modification, waiver, or amendment is sought.

By signing below the parties witness their agreement to all the terms and conditions of this Agreement.

For California State University



Samuel A. Strafuss
Assistant Vice Chancellor
Human Resources

Date: 4/25/05

For California Faculty Association



John Travis
President

Date: 4/26/05



Cordelia Ontiveros
Senior Director
Academic Human Resources

Date: 4-25-05



Bob Muscat
General Manager

Date: 4/26/05

ATTACHMENT A
Individual Letter – Check Issued

As a result of an arbitration decision in the systemwide grievance (CSU #3-02-076) concerning Year Round Operations – the University has been ordered by the Arbitrator to compensate faculty who taught at your campus in state-supported YRO Summer sessions in 2001, 2002 and 2003 [**may modify date depending on campus**] at a rate equal to 1/30th of the faculty member's academic-year salary per unit. This decision can be found at [**insert web page address**]. The CSU and CFA have agreed on a formula for calculating individual back pay awards, and the Arbitrator has approved it as consistent with her ruling.

You have been identified by the CSU and the CFA as being eligible for payment under the approved formula:

$$(\text{FT AY Salary Rate}) \times (\text{\#YRO Summer WTUs}) - (\text{Salary already paid}) = \text{Salary Adjustment}$$

Eligibility: Only those tenure-track and temporary faculty who taught at least one term in the same academic year prior to the work performed in the YRO Summer term for which a compensation adjustment is required under the arbitration award are eligible for salary adjustments.

The FT AY (Full-time Academic-Year) Salary Rate: the rate of pay required under the arbitration award is calculated as 1/30th of the faculty member's full-time academic year salary. This rate is determined based on the Faculty member's salary rate in the preceding Spring Term before YRO Summer employment. If the Faculty member was not employed in the preceding Spring term, the 1/30th rate shall be calculated upon the most recent academic term in the same academic year prior to the YRO Summer term for which a compensation adjustment is required.

The Number of YRO Weighted Teaching Units: (WTUs) for class assignments shall be calculated in the same manner as those calculated for the preceding Spring term (or most recent term prior to Spring term when the Faculty was not employed in the Spring).

Should you dispute the University's calculation of your individualized YRO salary adjustment as reflected in the enclosed check, you must state your objections in writing to [**insert contact**] within thirty-days of mailing of this notice.

By cashing the enclosed check, you fully release and forever discharge the State of California, the Trustees of the CSU, and each of their officers, agents and employees from any claims by you or on your behalf regarding 1/30th salary adjustments that were the subject of grievance (No. 3-02-076). Consequently, by accepting this payment you acknowledge that the CSU has satisfied and fully resolved any obligation it may have to you to make 1/30th salary adjustments to your 2001, 2002 or 2003 Summer YRO earnings.

ATTACHMENT B
Individual Letter – Direct Deposit

As a result of an arbitration decision in the systemwide grievance (CSU #3-02-076) concerning Year Round Operations – the University has been ordered by the Arbitrator to compensate faculty who taught at your campus in state-supported YRO Summer sessions in 2001, 2002 and 2003 [**may modify date depending on campus**] at a rate equal to 1/30th of the faculty member's academic-year salary per unit. This decision can be found at [**insert web page address**]. The CSU and CFA have agreed on a formula for calculating individual back pay awards, and the Arbitrator has approved it as consistent with her ruling.

You have been identified by the CSU and the CFA as being eligible for payment under the approved formula:

$$(\text{FT AY Salary Rate}) \times (\text{\#YRO Summer WTUs}) - (\text{Salary already paid}) = \text{Salary Adjustment}$$

Eligibility: Only those tenure-track and temporary faculty who taught at least one term in the same academic year prior to the work performed in the YRO Summer term for which a compensation adjustment is required under the arbitration award are eligible for salary adjustments.

The FT AY (Full-time Academic-year) Salary Rate: the rate of pay required under the arbitration award is calculated as 1/30th of the faculty member's full-time academic year salary. This rate is determined based on the Faculty member's salary rate in the preceding Spring Term before YRO Summer employment. If the Faculty member was not employed in the preceding Spring term, the 1/30th rate shall be calculated upon the most recent academic term in the same academic year prior to the YRO Summer term for which a compensation adjustment is required.

The Number of YRO Weighted Teaching Units (WTUs) for class assignments shall be calculated in the same manner as those calculated for the preceding Spring term (or most recent term prior to Spring term when the Faculty was not employed in the Spring).

Should you dispute the University's calculation of your individualized YRO salary adjustment, you must remit the amount of the deposited funds to [**insert contact**] within five business days of deposit into your account. In additions, you must state your objections in writing to [**insert contact**] within thirty-days of mailing of this notice.

If you do not remit the amount in dispute back to the CSU within five (5) business days of deposit into your account and do not submit your written objections within thirty (30) days of this notice, you fully release and forever discharge the State of California, the Trustees of the CSU, and each of their officers, agents and employees from any claims by you or on your behalf regarding 1/30th salary adjustments that were the subject of grievance (No. 3-02-076). By accepting this payment, you acknowledge that the CSU has satisfied and fully resolved any obligation it may have to you to make 1/30th salary adjustments to your 2001, 2002 or 2003 Summer YRO earnings.

ATTACHMENT C
General Letter

As a result of an arbitration decision in the systemwide grievance (CSU #3-02-076) concerning Year Round Operations – the University has been ordered by the Arbitrator to compensate those faculty who taught in state-supported YRO Summer sessions at your campus in 2001, 2002 and 2003 **[may modify date depending on campus]** at a rate equal to 1/30th of the faculty member's academic-year salary per unit. Accordingly, the Arbitrator has ordered the University to adjust the Summer YRO salaries for Faculty who were not compensated at the 1/30th rate. CSU and CFA have agreed on a formula for calculating individual back pay awards, and the Arbitrator has approved it as consistent with her ruling. Faculty whom the parties have identified as eligible shall begin receiving these checks, along with a detailed explanation of the methodology that was used to determine their individual entitlement, starting **[insert date]**.

If you are a faculty member who was not paid at the 1/30th rate for teaching during one of the covered YRO sessions noted above and feel you should have received a salary adjustment check, please contact **[insert campus contact]** no later than **[insert date]**. If you do not identify yourself as a potential claimant by that date, you will waive any future claim for 1/30th payments under the YRO arbitration decision.