

AGENDA

COMMITTEE ON COLLECTIVE BARGAINING

Meeting: 8:00 a.m., Tuesday, November 17, 2015
Munitz Conference Room—Closed Session
Government Code §35969(d)

9:30 a.m., Tuesday, November 17, 2015
Dumke Auditorium—Open Session

Lupe C. Garcia, Chair
Lillian Kimbell, Vice Chair
Adam Day
Debra Farar
Hugo N. Morales

Open Session—Dumke Auditorium

Consent Item

Approval of the Minutes of the Meeting of July 21, 2015

Discussion Items

1. Ratification of Collective Bargaining Agreement Between California State University and Bargaining Unit 13 (California State University Employees Union), *Action*
2. Update on Collective Bargaining Between California State University and Unit 3 (California Faculty Association), *Information*

**MINUTES OF MEETING OF
COMMITTEE ON COLLECTIVE BARGAINING**

**Trustees of The California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

July 21, 2015

Members Present

Lupe C. Garcia, Chair
Adam Day
Debra Farar
Hugo N. Morales
Timothy P. White, Chancellor
Lou Monville, Chair of the Board

Chair Garcia called the Committee on Collective Bargaining to order.

Approval of Minutes

The minutes of the May 19, 2015 meeting were approved as submitted.

Adoption of Initial Proposals

Vice Chancellor Lori Lamb presented the action items to the Committee.

Public Speakers

The Committee heard from the following public speakers:

Jennifer Eagan, California Faculty Association (CFA) president, spoke of faculty support for CFA's proposal on salary and the importance of faculty pay. Michelle Barr, CSU Fullerton, discussed the importance of faculty/student interaction and the ability to recruit and retain faculty. Lois Boulgarides, CFA Bargaining Team Member, CSU Sacramento, spoke about equity programs and the cost of living. Molly Talcott, CFA Secretary, CSU Los Angeles, discussed the importance of fully funding instruction and the shortage of tenure track faculty. Kevin Wehr, CFA Associate Vice President – North, talked about ongoing negotiations and making faculty funding a priority.

Pat Gantt, California State University Employees Union (CSUEU) president, CSU Chico, expressed appreciation for the first fully funded budget in many years and discussed CSUEU's opposition to outsourcing. Mike Chavez, Chair Bargaining Unit 5, CSU Stanislaus, expressed

opposition to contracting out and appreciation to campuses that are bringing work back in house. Ricardo Uc, CSUEU Vice President Bargaining Unit 9, discussed In Range Progression programs and their importance in giving recognition to IT workers. Tessy Reese, Chair of Bargaining Unit 2, San Diego, spoke of upcoming negotiations regarding the Student Health Care Center at CSU Channel Islands. Mike Geck, CSUEU Vice President of Organizing, CSU San Marcos, opposed outsourcing and spoke of the importance of employee retention. Susan Smith, CSUEU Vice President of Representation, CSU Fullerton, spoke of the importance of adequate employee compensation.

Action Items

The committee then unanimously approved the following action items:

1. Adoption of Initial Proposals for Re-Opener Contract Negotiations with Bargaining Unit 13, The California State University Employees Union SEIU Local 2579 (English Language Program at California State University, Los Angeles).
2. Adoption of Initial Proposals for First Contract Negotiations with Bargaining Unit 14, The California State University Employees Union SEIU Local 2579 (English Language Program at California State University, Monterey Bay).

Chair Garcia then adjourned the committee meeting.

COMMITTEE ON COLLECTIVE BARGAINING

Ratification of the Collective Bargaining Agreement with Bargaining Unit 13, The California State University Employees Union SEIU Local 2579 (English Language Program at California State University, Los Angeles)

Presentation By

Lori Lamb
Vice Chancellor for Human Resources

Summary

The collective bargaining agreement between the California State University and Bargaining Unit 13, The California State University Employees Union SEIU Local 2579 (English Language Program at California State University, Los Angeles) will be presented to the Board of Trustees for ratification.

Recommended Action

The following resolution is recommended for ratification:

RESOLVED, by the Board of Trustees of the California State University, that the collective bargaining agreement between the California State University and Bargaining Unit 13, The California State University Employees Union SEIU Local 2579 (English Language Program at California State University, Los Angeles) is hereby ratified.

COMMITTEE ON COLLECTIVE BARGAINING

Status of Negotiations with the California Faculty Association (CFA)

Presentation By

Lori Lamb
Vice Chancellor for Human Resources

Summary

Vice Chancellor Lamb will present information on collective bargaining negotiations between the California State University (CSU) and the California Faculty Association (CFA).

Status of Negotiations

At the May 19-20, 2015 meeting of the Board of Trustees, the Trustees adopted initial bargaining proposals for salary re-openers with Bargaining Unit 3, the California Faculty Association. The parties have reached impasse in those negotiations and have been certified for fact-finding. The first hearing date is scheduled for November 23, 2015. This report will discuss the proposals made by the CSU and the CFA during the bargaining process and provide context and information for CSU's proposals. The information provided in this report has been shared with the CFA, is public information, or is based on information that has been shared with the CFA.

The CSU has proposed that a compensation increase of 2% be provided for fiscal year 2015/16. This is the same increase authorized for all other employee groups in the CSU. The CFA has proposed that faculty members receive a 5% general salary increase (GSI), and that eligible faculty members receive an additional 2.65% service salary increase (SSI). (SSI eligibility is limited to faculty members with qualifying service and salaries that fall below designated benchmarks.)

As part of agreements reached with the California State University Employees Union (CSUEU) and the Academic Professionals of California (APC) over salary for fiscal year 2015/16, the parties agreed that if the negotiated agreement with CFA for fiscal year 2015/16 provided for greater than a 2% compensation increase for fiscal year 2015/16, CSUEU and APC could each elect to substitute the 2% increase with the increase negotiated with CFA. These "me-too" provisions would apply if CFA's proposal were implemented.

Table 1 provides a comparison of the estimated costs of each proposal.

TABLE 1		
COST COMPARISON		
	Component	Estimated Cost
CSU Proposal	2% Increase	\$33.0 Million
CFA Proposal	5% GSI	\$82.5 Million
	2.65% SSI	\$19.8 Million
	Total	\$102.3 Million
Difference		\$69.3 Million
Impact of “Me-Too” Clauses		\$37.9 Million
Total Gap		\$107.2 Million

Investments in Faculty

During negotiations, the CSU has continued to highlight its demonstrated commitment to its faculty and their success. This commitment is shown through investments in many ways, and continues despite limited funding and many competing priorities.

Faculty Salaries

The CSU acknowledges the significant impact of the recession that developed precipitously starting in 2008 has had on all of its employees, and we have separately presented evidence of salaries that fall below the market for many of our staff groups.

To address this multi-year problem, the CSU is taking a multi-year approach to a solution. The 2015/16 compensation proposal is one element of a longer multi-year strategy to improve faculty compensation within the budget framework approved by the Trustees. Since July 1, 2013, the CSU has invested more than \$100 million in salary increases for faculty alone. In addition, the CSU proposes to spend an additional \$33 million in general salary increases and even more in campus based equity programs in 2015/16.

These increases have taken the form of salary increases in 2013/14 (1.34%) and 2014/15 (3% pool which consisted of general increases and targeted increases focusing on lower-paid members of the bargaining unit), and campus equity increases. The targeted increases within the 3% pool included:

- Increases of 3% for tenure-track faculty and long-term lecturers with salaries below designated benchmarks in each rank,
- \$2 million distributed among lower-paid tenure-track faculty hired in specific years, and
- Movement for about 2,100 of the lowest-paid lecturers to a higher salary range.

Campus equity increases have been substantial. Equity 2 took place in 2013/14 in the amount of \$4 million; in 2014/15 campuses invested \$13.4 million; and in 2015/16 campuses are investing \$3 million to date, and growing. In addition, in the past two years, campuses used their discretion to award promotion increases averaging 10.1% in 2013/14 and 12.2% in 2014/15, well beyond the contractual minimal requirement of 7.5%.

For the coming year 2015/16, the CSU proposal to the CFA is a 2% compensation pool. In addition, campuses have committed an additional \$3 million (to date) for equity programs in fiscal year 2015/16. Promotions will continue under the collective bargaining agreement and are estimated to be at least \$6 million.

Table 2 summarizes the cost of these salary programs.

TABLE 2			
INVESTMENT IN SALARY PROGRAMS			
Program	Fiscal Year		
	2013/14	2014/15	2015/16
GSI	\$19.2 Million	\$24.5 Million	\$33.0 Million
Campus Equity	\$4.0 Million	\$13.4 Million	\$3.0 Million (minimum)
Targeted Increases		\$23.5 Million	
Promotions	\$7.8 Million	\$8.6 Million	\$6.0 Million
Yearly Total	\$31.0 Million	\$70.0 Million	\$42.0 Million
Cumulative Total	\$31.0 Million	\$101.0 Million (invested to date)	\$143.0 Million (minimum – proposed)

Impacts of Salary Programs on Individual Faculty

The salary programs negotiated for 2014/15 have been characterized by some as providing faculty with “only” a GSI of 1.6% when other bargaining units received GSIs of 3%. There was actually a 3% compensation pool for CFA unit members that was distributed according to terms requested by the CFA and agreed to by the CSU. This distribution meant that while some individuals only received 1.6%, large numbers of faculty received increases of 4.6% or more.

Campus equity programs expanded the pool of beneficiaries further. Some examples of impacts are provided below:

- From fall 2014 to spring 2015, average salaries of assistant professors increased by 2.2%; associate professors by 4.4%, full professors by 2.6%, full-time lecturers by 4.75%, and part-time lecturers by 4%.
- Roughly 2,100 of the lowest-paid lecturers were moved to a higher salary range. These individuals all received at least a 5% increase, and almost two-thirds received at least 10% (in addition to the 1.6% GSI).
- More than 9,000 tenure-track faculty and long-term lecturers received 3% increases on top of the 1.6% GSI (a total of 4.6%).
- Roughly 5,700 faculty to date have also received equity awards from their campuses. The median of these awards (in addition to all other increases they may have received) is at or near 1.5%, with approximately 1,000 individuals receiving 5% or more.

Two primary groups received the minimum 1.6% from the system-wide programs: faculty earning more than the benchmark salary for each rank (roughly \$89,400 for full professors), and lecturers with less than six years of service at a campus, unless they qualified for range movement. Depending on campus criteria, some individuals in these groups received campus equity awards.

These system-wide salary programs, in conjunction with campus programs, are providing substantial increases to many of our lower paid faculty and address the worst cases of salary compression and inversion. The CSU hopes to be able to continue providing predictable increases in 2015/16 and 2016/17, even as it supports continued growth of the tenure-track faculty and provides resources to ensure their success. By necessity of living within our means, this is a multi-year program.

Average Salaries for Faculty

Public communications from the CFA have focused on average salaries across the bargaining unit. Such averages often do not accurately reflect and contextualize the situation:

- Average salaries are a lagging indicator of actual changes and are very dependent on when the “snapshot” is taken. The fall 2013 census data, for example, did not include the 1.34% compensation increases implemented that year, because they were applied retroactively after the snapshot. Likewise, the fall 2014 census data does not include impacts of any of the 2014/15 salary programs.
- The balance of populations by rank within the bargaining unit can shift from year to year, affecting salary averages. For example, when full professors with long service and high salaries retire and are replaced by newly promoted, lower paid full professors, average salaries for the group can decline – which actually happened from fall 2009 to fall 2013.

Likewise, in recent years, a shift toward lecturers has occurred. Lecturers are far less likely to have a doctorate than tenure-track faculty and typically are lower-paid, which depresses overall averages.

- The union appears to average part-time and full-time pay together, producing lower numbers; the CSU normalizes salaries to full-time equivalent rates. We do not expect that someone who works part-time will receive the same annual compensation as someone who works full time. Reporting full-time equivalent rates is more accurate.

Faculty Success

Another key area of investment for faculty is the area of faculty success. Even during the years when no employees received increases, certain investments that directly support faculty continued, and these investments have grown substantially as the campuses have once again begun hiring large numbers of tenure-track faculty. While the 2014 agreement between the CSU and CFA placed parameters around some of these investments for the first time, the total commitments in these areas exceed any contract expectations. Examples of these investments include:

- Funding from the Chancellor's Office to support faculty research, scholarly, and creative activities (RSCA). RSCA support was suspended in 2011 but reinstated in 2014/15 and has also been provided in 2015/16.
- "Start-up" support for new tenure-track faculty. This consists of funds for supplies, equipment, professional travel, etc., vital to allow new faculty to establish their research programs and make progress toward tenure.
- Moving expenses for new faculty.
- Reductions in teaching load ("assigned time") for new tenure-track faculty in order to assist them in meeting requirements for tenure and promotion. This has been a long-standing practice at most campuses. However, the 2014/15 collective bargaining agreement established a requirement that all new probationary faculty receive a reduction in teaching load over the first two years.
- Reductions in teaching for service activities. The 2014/15 collective bargaining agreement included a program (worth \$1.3 million per year over the life of the agreement) to provide assigned time for individuals performing exceptional service to students and not otherwise receiving workload credit for their effort. This support augments any investments campuses are already making for these activities.
- Sabbaticals (paid leaves for faculty to carry out research, scholarly or creative activities, and projects focused on instructional improvement or retraining). Faculty can receive one semester off at full pay or a full year at half pay.

Table 3 shows the magnitude of the investments described above for the last two years. Based on increased numbers of new tenure-track faculty in 2015/16, the total investment for 2015/16 is expected to exceed that for 2014/15, as projected below.

TABLE 3			
INVESTMENTS IN FACULTY SUCCESS			
	Fiscal Year		
Program	2013/14	2014/15	2015/16***
RSCA funding		\$2.4 Million	\$2.5 Million
New faculty “start-up”	\$12.0 Million	\$18.5 Million	\$21.6 Million
Moving expenses	\$1.65 Million	\$2.76 Million	\$3.2 Million
New faculty assigned time	\$6.9 Million	\$15.6 Million*	\$18.2 Million
Exceptional Service assigned time		\$1.3 Million	\$1.3 Million
Sabbaticals	658 sabbaticals	703 sabbaticals	700 sabbaticals
Yearly Total	\$20.5 Million**	\$40.5 Million	\$46.8 Million
Cumulative Total	\$20.5 Million	\$61.0 Million (invested to date)	\$107.8 Million (estimated)

*Impact of new contract requirement estimated as \$3.2 million.

**Excludes cost of replacing faculty while on sabbatical.

*** Estimated.

In addition, the table does not include additional sources of support to faculty such as campus investments in research, scholarly, and creative activities or the millions of dollars of support provided by Academic Affairs for student success initiatives directed toward reducing course bottlenecks, course redesign, development of high-impact practices, and other projects.

Faculty Hiring

Another unfortunate consequence of the recession was that the number of tenure-track faculty fell significantly. This was the result of the combined effect of very little hiring, especially during 2009/10, and a spike in retirements in 2009/10. However, over the last two years, hiring has increased dramatically as the campuses have begun to rebuild tenure-track faculty numbers. Just as salary issues created over five or six years will not be resolved in a single year, it will take multiple years to restore the tenure-track population. However, the evidence shows:

- New tenure-track hires increased from 470 in 2013/14 to 742 in 2014/15 to an estimated 815-860¹ for 2015/16. If the latter numbers hold, it will represent the most tenure-track faculty hires since 2006.
- After several consecutive years of declines as new hires failed to keep pace with retirements and other departures, the total number of tenure-track faculty (after

¹ Since providing this estimate to the CFA, the projections have increased.

retirements and other separations) grew by 124 in 2014 and has increased by an additional 213 in 2015, growth over two years of about 3.4%.

At the same time, student enrollments have been increasing, and in order to keep pace with those increases and ensure that students can get needed classes, campuses have hired additional lecturers. The overall size of the bargaining unit increased by 3.6% from fall 2012 to 2013, and by 4.6% from 2013 to 2014, with similar growth expected in 2015. As a consequence, both the total number of instructional faculty (tenure-track and lecturers) and faculty full-time equivalents were greater in fall 2014 than in any previous year, and the numbers for 2015 will be larger still.

Total Investment in Faculty

Table 4 summarizes the total investments in faculty the CSU has made in the past two fiscal years, and projects ongoing investments for 2015/16.

TABLE 4			
CSU'S TOTAL INVESTMENT IN FACULTY			
	Fiscal Year		
Category	2013/14	2014/15	2015/16*
Faculty Salaries	\$31.0 Million	\$70.0 Million	\$42.0 Million
Faculty Success	\$20.5 Million	\$40.5 Million*	\$46.8 Million
Tenure-track hiring	470 new faculty	742 new faculty	815-860 new faculty
Cumulative Total	470 new faculty + \$51.5 Million	1212 new faculty + \$162.0 Million +	2027-2072 new faculty + \$250.8 Million

* Estimated

Employee Compensation in the Overall Budget

The support budgets approved by the Trustees each November have consistently called for investments in employee compensation. Yet, the state's disinvestment in higher education during the recession meant that no general compensation increases were provided to any employee group for fiscal years 2008/09 through 2012/13. However, as soon as resources began to increase, the Trustees made compensation a top priority, setting aside \$38 million for compensation in 2013/14, \$92.6 million in 2014/15, and \$65.5 million in 2015/16.

In setting budgets, however, the CSU faces a number of pressing demands, including increased health care costs and other mandatory costs, debt service, deferred maintenance, and enrollment growth, as well as a need to continue to invest in improving student success and graduation rates. Additional health care costs, paid solely by the CSU, just for CFA were about \$15 million in 2013/14 and \$14 million in 2014/15. As campuses continue to grow and the payroll expands

beyond the base established in 2013/14, additional retirement expenditures will also become an increasingly significant cost.

Conclusions

It is undeniable that years without salary increases and a year of furloughs caused hardships for many valued employees of the CSU, indeed across America. However, a problem of this magnitude cannot be solved in a single year. The CSU's approach has been to propose consistent increases year after year, while individual campuses use available tools within their resources (equity programs for faculty, adjustments of salaries upon promotion, in-range progressions for staff, etc.) to address local salary issues. At the same time, recognizing the unique nature and demands of faculty work, the CSU has and will continue to commit millions of dollars every year to recognize the exceptional service faculty provide to students and the important contributions they make as scholars, researchers, artists, and engaged citizens of California.

The parties find themselves at impasse in negotiations. The CSU continues to believe that we have invested in faculty and other employees to the extent possible given competing demands and finite resources. We remain hopeful that a resolution remains possible. We also remain hopeful that we can continue to work with CFA, other employee groups, and other stakeholders to identify multi-year strategies for solving compensation and other funding challenges for the CSU.