

# General Session: Topic: Tax Fairness, the Governor's Tax Initiative, Proposition 98 and the 2012-2013 Budget

(By Estelle Lemieux, Legislative Advocate, CCA/CTA Governmental Relations)

-Important topic, particularly this year. We are at a turning point. If we don't do a tax, we are going over the cliff.

## Tax Fairness

- Various graphs and statistics were presented to show wealth distribution....
- California is one of the wealthiest states in the country
- But, we are turning down students, no access for many to courses
- In the US, there is a "huge" disparity of wealth
- CA's problem is NOT just a spending problem....

## Governor's Proposed Budget for 2012-2013

- Assumes the passage of the Governor's tax initiative
- Balanced approach including cuts and assumes new revenues.
- It includes...
  - 1% increase for households earning \$500,000
  - 1.5% increase for earnings of \$600,000 to \$1 million
  - 2% for earnings over \$1 million
  - Increases sales tax by half a cent
  - These taxes would be in place for 5 years
  - Memorializes, in the Constitution, the realignment of state programs to local government
  - This realignment would shift billions of dollars in costs from the General Fund, making it easier to meet the Proposition 98 Guarantee
  - The Governor's Tax Initiative would fund schools and community colleges under proposition 98 and help begin repaying the debt owed
  - Generates \$6.9 billion in a new revenues

## **What happens to the \$6.9 billion?**

- Increases the Prop. 98 Guarantee from \$47.6 billion for 2011-12 to \$52.5 billion for 2012-2013. This is a 44.9 billion increase and continues to grow over the next five years.
- With this increase of revenues, the Governor proposes to pay off some of the deferrals owed to schools and community colleges
- Helps pay for the realignment because it backfills the other tax revenues that are shifted from the state to local government

## **Funding with Initiative Revenues:**

*CCC Local Revenues & CCC Share of GF Guar. (including EPA)*

**Total CCC Funding** 2011-20212: \$5,324,414

2012-2013: \$5,783,632

2013-2014: \$6,014,977

## **What happens if the Governor's Tax Initiative does not pass?**

- The current budget deficit is \$9.2 billion
- If the Governor's tax initiative does not pass, \$9.2 billion will be cut to balance the 2012-2013 budget

## **Proposition 98...**

- Would take at least a \$4.9 billion cut of the \$9.2 billion
- The Governor has a trigger mechanism in his proposed budget that would implement this cut to schools and community colleges

## **Why should CTA support the Governor's Tax Initiative over the other funding initiatives?**

1. It's a "fair" approach and reaches out to the most in need
2. It appeals to a broad spectrum of people, from business, labor, friends of education, local government, public safety.

3. It will generate about \$6.9 billion. This not only helps education, but also CSU, UC and other essential public service programs.
4. The Governor's Initiative is the only initiative that funds schools and community colleges within the Proposition 98 Guarantee and pays down the budget deficit
5. Other initiatives DO NOTHING to pay back the education debt
6. It's winnable.

## Workshop - FT and PT reach-out

### *Building relationships...*

What have you done at your local to build relationships?

- Bring PTs/FTs to larger events....
- Faculty only website/blog/list serve
- FT exec board created a PT rep position
- Going fair share
- Held workshops for PTs **by** PTs
- PT assigned to negotiating team
- PT faculty appreciation month (April)
- Give PTs and FTs flex day credit for working on SLOs
- Social committee or communication committee within the chapter

### *Putting Unity in Union*

- Strategies for bringing people together
- Educating the membership
- Finding common ground

### *Establishing Trust*

- Opening lines of communication
- Building involvement
- Establishing ground rules for effective communication

### *Identifying Differences*

- Identifying core values
- Identifying shared values
- Hearing out everyone
- Prioritizing differences

### *Building Bridges*

- Creating a seat for everyone

- Creating an invigorating conversation
- Creating a positive tone

### Sustaining Camaraderie

- Maintaining open communication
- Sharing responsibility
- Rallying the troops

### **Involving Everyone in Governance**

#### What have you done to get your members involved?

- Identify interests in order to get involvement (ie....insurance)
- Have fun! (awards, projects)
- Let's celebrate ourselves!!
- Share info between FT and PT
- Find ways to compensate for time being involved

### Involving Everyone in Governance

- Identifying your constituency
- Who are your members?
- What groups do they represent?
- Do they have a place at the table?
- Involvement, not advice
- Provide a voice and vote for all PTs (not ½ vote)
- True Shared Governance –Let's not govern like our administrators govern!

### **Changing Attitudes to Protect Faculty**

#### What have you done to change attitudes in your chapter?

- Encourage working together
- Identify and communicate NEED for change
- Work toward ELIMINATING "label" of PT vs FT vs teaching vs non-teaching

### **Changing Attitudes to Protect Faculty**

- Avoiding "Favored Child Syndrome"
- Creating an atmosphere of Equality-Everyone should be treated equally
- Changing problems to solutions
- Making members feel empowered – give them the skills and the tools b/c more likely to assist the board when help is needed
- Create an informed constituency
- Creating a unified front

- Bringing other campus groups/on-board
- Hearing the fringe

## **State Budget Update** (Alan's Presentation)

### Budget vs actual income 2010-2011

Napa – Budgeted income: 39,342,707, Actual income: 37,899,924, DIFFERENCE: 1,000,000

### Beginning Balances 2011-2012

Napa – 4,999,954

### **2011-12 Budget**

#### **HIGHLIGHTS**

- 400 million cut to apportionment
- 110 million in increased fees
- Actual cut 313,000,000 (adjusted)
- 129 million in new deferrals
- 832 million in continued deferrals
- No growth or cola
- Categoricals basically unchanged

\*Community colleges have suffered a reduction of 6.2% in base apportionment

### Alan's Calcs=Projected apportionment 2011-2012

Napa: 29,618,551 - % of state apportionment = .54% (based on FTES – total apportionment \$)

### **Deferrals (State justifies deferrals due to the large amount that districts keep in reserves...)**

#### Inter-year

- 832,000,000 of deferrals from last year will be continued for 2011-12
- 129,000,000 in new deferrals will be added to the amount above
- Grand total of 961,000,000 for 2011-12

#### Intra-year

- 100,000,000 deferred from March to May

### Summer Checks – July (2011)

Napa: 2,323,448 \*Napa received this money...

Mid Year Peril \*assumes 4 billion in new revenue

Tier 1: If only 2-3 billion of state revenues materialize, the community colleges will face an additional cut of 30,000,000 and student fees will go up to \$46

\*Note:

-Ask Dave A. to request the budget the district submits to state (reflects true budget)

-Ask Dave A. for itemized expenses on how the 50% of the budget was spent (instruction)

Economy of Scale

Napa: FTES 2009-2010: \$6757,

CEO SALARY: 2009-2010-\$208,080

CEO SALARY PER FTES: \$30.79

## **Workshop: Representing Part-time Faculty – BEST PRACTICES**

-Planning for Success – Components of a Leadership/Organizing/Communication Plan

-Where is your Association?-----assessment

-Why are you there?-----brainstorm

-Why do you exist?-----vision/mission

-Where do you want to be?-----goals/objectives

-How do you get there?-----strategies

-How do you stay there?

**Steps:**

1. Listen

2. Plan

3. Act

4. Evaluate

-Identifying new leaders: new people, new opportunities, new roles, inclusive involvement

-Achieving & maintaining parity: power, equality with employer, represent, and empower members, organize then mobilize

-Evolving programs & objectives: representation, involvement based on members' interests and issues

-Developing alliances: internal and external, no permanent friends, no permanent enemies, know your interests

-Communications: member to leaders, leaders to members, conversations not just speeches and flyers, build internal/external alliances

**Building the Numbers**

- Increase membership by increasing awareness
- Communicate effectively, frequently, varied: How often do we communicate with our faculty??
- Establish a rapport with faculty
- Celebrate successes
- Use membership grants and CCA/CTA/NEA opportunities

### **Membership grants**

- Fair share conversion grants (no fair share)
- Local power planning grant (wall-to-wall)
  - If you are wall-to-wall, there's money to assist...
- Membership chair grant (fair share to members)
  - \$ available for membership campaign
- NEA President's release time grant – 100% release time for three years.... (Nov 15<sup>th</sup>)

### **Building Leadership**

- relationship building to surface leadership
- grow leadership from "inside-out"
- personal and small groups build relationships

### **Planning for Leadership Success**

- 1:1 meetings
- personal "public" relationship
- able to gather data as well as deliver message – promote "buy-in" and local chapter awareness
- training on this method available through your PCS

### **Develop process/strategy to provide reoccurring feedback to association leadership**

- Timeline is critical
- forms (email, fax, scan, etc...)
- Phone Tree/Dept. Captains/Organizing or Membership Chair (s)

### **Make Meetings Valuable!!**

- Provide specific timeline for evaluation and response to input
- Respect people's time and participation
- Make sure there is a personal level of involvement and input

### **Increasing Involvement**

- Increase chapter committees

- Provide more positions
- In the chapter structure
- On college and district committees
- Provide stipends
- Chapter pays
- District Pays
- Designate specific PT roles on you E board, rep council, senate and committees

### **Provide Training**

- Encourage participation
- CCA Conferences
- Fill delegate slots
- Use non-delegate attendee opps
- CTA conferences and trainings
- Sponsor attendees to CTA & NEA conferences
- Apply for chapter scholarships
- Contact CTA and NEA HE Board members
- Hold on-campus workshops
- Create chapter mini conferences – one day events
- Use the resources of your CCA staff person and CTA

### **Improving Communication**

- Timely communication is critical!
- Break away from paper and district email
- What are our other options?
- How do we find part-time adjuncts?
- Use three different modes
- Communicating six times
- Defining the message
- Creative and engaging “hooks”
- Message discipline – collaborative not paternalistic
- Clarity and conciseness

### **Ways of Communicating**

- regular newsletters
- chapter websites
- publish minutes
- regular meetings
- informal meet & greets
- socials



- old fashioned pot lucks
- joint events with full time on faculty issues
- flex day activities

## Hot Topics Workshop

-Layoffs:

- Two kinds: 1. Drop in FTES,  
2. PKS

(BOTs might be talking about it at the next board meeting)

-Layoff notices must be received no later than midnight on March 15

-**The pecking order:** substitutes, part time faculty, temporary employees, probationary, tenured

-Tenure is not granted; it is a function of law (as of March 15<sup>th</sup>)

\*Note: Basic 8 Districts, (Marin....South Orange County...) – Based on property taxes. Education is not a function of property taxes; it is a function of the state...96% of the colleges get the same money per student (FTES)

-Foundations: SB8, The CA public records act requires state and local agencies to make their records available for public inspection and to make copies available upon request and payment of a fee unless those records are exempt from disclosure. This bill will hold foundations accountable and documents will be made public....

-Administrators (retreat rights, pension, etc...AB1344): #87458-Becoming more and more common in CCs. CEO contracts should state that administrators (from outside the district) will not bump any tenured faculty members.

Faculty has the right to ask from the district..... (demand to bargain)

**\*Note: Don't allow management to teach classes.** It undermines PTs.... (**demand to bargain**....if they don't want to bargain, file an unfair labor practice...) *What salary are administrators getting at our district when teaching??*

1. Academic senate approves minimum qualifications
2. Must have completed two years of satisfactory service
2. The move cannot be made if the dismissal was for cause

**Rent an administrator!:**

1. STRS limitations and exemptions: A STRS retiree can earn up to \$31,020 for fiscal year 2011-2012, serving in an STRS credible position, a certificated administrative position.

2. A district may apply to STRS for an emergency vacancy exemption which allows an STRS retiree to earn up to half of the salary of the FT position in addition to the \$30,580 limitation.

3. Third, an STRS retiree who has not worked in a credible position for any 12 consecutive month period since retirement has no earnings limitation. This means that the interim may be hired with no limitation on earnings but is limited to one year of employment if the contract for the interim was with a private firm.

**\*Note to self:** Look up Sacramento Bee for article on the top paying administrators....

### Legislative Changes

**2010- Section 24214:** Imposes limitations on any retired CalSTRS member who returns to work and performs creditable service as either an employee of an employer, an employee of a third party, or as an independent contractor within the CA public school system.

**AB 1344:** From now on....districts can't give large salaries to administrators...you have to comply with CPI parameters....

**-50% law:** In 2000, state audited 50% law. The state found that ALL districts evaluated violated 50% law....Districts were "lying" to violate law. IF districts apply for exemption, bargaining units MUST receive notification from district PRIOR to filing to the state. This way, the bargaining unit can file an objection for "waive" request.

How do they cheat??

Numerator: Fac salaries (Instruction)

Denominator: Hasn't really shrunk that much....(hmmm)

**Note: They put staff in the numerator that don't belong there!!**

**Note to self:** Ask the district for a **detailed list of expenses** that district is claiming belong in the numerator (specific names, position, salary, etc...)

**-Coaching contracts** (athletic, drama, music) - #87484: In the event a regular employee of a community college district has tenure as a FT regular employee of the district, any

assignment or employment of such employee in addition to his or her FT regular assignment may be terminated by the governing board of the district at any time. Any assignment or employment of a contract employee in addition to his or her FT assignment may be terminated by the governing board of the district at any time.

**-Sexual harassment:** It must be global warming but the number of sexual harassment cases is on the rise.

*Be prepared by:*

- getting a copy of the student complaint procedure
- read the rights of the accused
- determine if there is a conflict with due process, your grievance procedure and the right to fair treatment
- demand to bargain if there are concerns
- make sure faculty is aware that only members not agency fee payers will have the services of a CTA lawyer

-SSTF: Sacramento Bee Editorial, Feb 2, 2012.... "Shoddy college rating system breeds cheating..."