

Strategies to Survive during Bad Economic Times

Villagómez, M. Report from spring 2012 CCA Conference

Presenters: Robin Devitt, Alan Frey

What's going on Statewide?

Governor's Tax Initiative

- Bring in more revenue to education
- One initiative won't bring money to community colleges (Monger)
- Won't solve all problems, but will prevent some cuts in the fall

What happens if it fails?

- more cuts to community colleges

Corporate Power Grab Initiative

- AKA's
 - Paycheck deception
 - Stop special interest money act

If the CPGI passes, it will silence our political voice – Unions would not be able to use payroll deduction dues to go towards political campaigns and contributions

State Budget Update and how it Impacts the Colleges

We are spending more money than we have. Community colleges spend less money than we get. Over-budgeting expenditures.

Budget vs. actual expense 2010-2011

Total: 72 districts

Napa: 39,867,613 Actual: 37,000,000 approx.

The budgeted income in the State (for last year) The cc's underestimated their income by 352,192,846 statewide.

The budgeted expenses in the State.....Difference 351,446, 513

Beginning balances 2011-2012

We've had 3 of the worst years with the budget. Districts are not spending their reserves. Chances are that we will have high reserves again this year. They will continue to increase their profit margins.

- 2011-2012 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 continued deferrals
- No growth or cola
- Categoricals basically unchanged

Come July, all school districts will be receiving a check from the state for deferrals

In the most basic form the community colleges have suffered a reduction of 6.2% in base apportionment.

Economy of Scale

Napa Valley – FTES 2009-2010 – 6757, CEO salary: 208,080,

Deferrals make matters worse

Inter-year

\$832,000,000 of deferrals from last year will be continued for 2011-12 *repaid in July 2012

We will receive two deferral checks; one in July and the second one in October

And then came February...an additional \$149,000,000 cut resulted from lower property taxes and lower student fees

State Cuts: Our share of the 7 billion =0.49% will be Napa's share with cuts for 2011??

What about 2012-2013?

It's too early to tell. Preliminarily, if the Governor's tax increases passes, there will be no change from the current year. But, if the tax increase does not pass, we will get hit for another \$292,000,000.

How these realities are impacting bargaining?

Common District "Asks"

- Freeze step and column
- Salary and hourly rate percentage cut
- Furlough days with salary reduction

- Health benefits
- Reduction in extra duty pay/reassign and release time
- District rushing to impasse

Organizing is ESSENTIAL!!

General Discussion

Relationships: It is imperative to represent our interests and not the interest of the other groups at our campuses! Maintain good relationships with the district, but know where you must draw the line between friendship and business!

Keep your membership informed! Make the connection to the students!

Our interests are no longer in line with the district:

We want to protect our status quo!

Or even gain monetary increases and if we cannot, negotiate improvements in non-monetary CBA language.

The district may take advantage of the crisis! How to fight this “new normal”?

Educate: Members can become pretty discouraged, demotivated and ask why they are involved.

Increase Membership and unity: What has the union done for me?

Organize: Use organizing tools to move from “dis” to “organized”

Local is....

Divided (factions fragment), confused (a lot of gossip but very little good information), passive (one or two members do most of the work), reactive, inactive, drift...

Organizations that work: are united (manage differences openly to resolution to unite for common purpose), understanding (know what is going on, what challenges..), participate, initiative, act, purpose...

Going from “dis” to “organized”

- Division into solidarity through relationships
- Confusion into understanding by interpretation of what is going on

- Passivity into participation by motivation

How do we...

- Unit member education
- Increase union membership and unity
- Unit member organizing

Community Colleges Hot Topics

Presenter: Alan Frey

- 50% law – management hates this law – been around for 50 years – they want it repealed – it restricts their ability to spend the money -**NOT** likely that it will be repealed!! – There will be minor modifications though.
 - State auditors reviewed compliance with the law in 2000 – state pulled 10 districts to sample their compliance with the 50% law – random sampling – they discovered that all 10 districts were out of compliance – the chancellor’s office was aiding the districts
 - All ten districts sampled violated the law in varying degrees
 - CCA has commissioned an independent
 - Auditors test three CCA chapters – small ones because lack of resources and other reasons – results will be available by September/October
 - Counseling is excluded from the 50% law calculation (numerator)
 - What is the penalty to the district? – They must make movement to comply.
 - CCA is involved with task forces to examine changes the law
 - The law has been on the books since 1961
 - The numerator includes faculty salaries, benefits and instructional aides salaries and benefits
 - Numerator does not include – dead people, reassigned time, management secretaries
 - Denominator – includes current expense of education
 - Ask for the CCFS – 311 – entire budget filed by October 10th
- Fringe benefits

- Almost every district in the state has been **assaulted** on fringe benefit expenses
- There are **only** three ways to manage the costs
 - Don't get sick – If no one is sick, premium goes down!
 - Lower premiums – change the benefit level (80/20 plan, 70/30 plan)
 - Charge employees – they want us to pay part of this

Remember fringe benefits were in lieu of salary increases

They are pre-tax dollars

Note: The classified members don't generate income for the college, faculty does.

How much money our district pays for fringe benefits (health, dental, and vision)? For active employees.

Maximum district contribution to fringe benefits 2010-11- **Napa: \$ 8,978 (per employee)**

We are **66th** out of **67** districts.

- GASB 45 – Government Accounting Standings Bill – Ruling 45
 - Requires a district that provides post – retirement benefits to determine the long term costs of those benefits
 - They are hiding money from us
 - Management maintains that they have to put money aside to cover the costs
 - Irrevocable trusts have been established in a number of districts-if you put the money in here, you can't use it for anything else other than retirement benefits – the money is locked in
 - The CCLC have set up an irrevocable trusts – there are some participating districts – not good for them
- Administrators' salaries 2010-2011 – **CCA's Current Bill**
 - Napa
 - Highest Faculty Salary: \$91,309 (10 month)
 - Highest pro-rated: \$109,571 (12 month)
 - Potential Administrator Salary: \$219,142
 - Current administrator: \$208,080

Note: Action needed to extend STRS earnings limit exemptions for postretirement work

Current \$31,000 (approx.) If you go over you are deducted dollar per dollar.

Management doesn't like this provision. Agency in Bakersfield PPL. PPL is the administrator's guarantee post retirement employment. They fill in as CEOs. District pays PPL and PPL hires these administrators as independent contractors. Criminal activity!?? Current bill will address loophole. It would be a CAL STRS law.

- Foundations
 - There is a new law that is in place and states that all foundations must report!! Financial practices are suspect – districts provide office space – districts provide support staff – accountability has been AWOL
- SLO's – Alan conducted a survey.
 - Districts have blackmailed. Faculty is working on SLOs without compensation. This is additional work. Most districts managed to have us do this work. Assessment requires additional work. We should take a stand. Should we demand to bargain for assessment SLOs? Victor Valley College negotiated compensation for SLOs. They have an MOU. They negotiated stipends. Ex. \$100 for writing rubrics, conducting assessment for 5 classes....
 - Foundation's Director's salary should come from foundation funds....???
- FON – Many districts are thinking about hiring faculty to prevent massive hiring in the near future.....
- PROP 209 – Coming back??

General Session

2012 Summer Conferences:

President's Conference – Monday, July 23-Thursday, July 26 – Asilomar, Pacific Grove
-The President and one other representative may attend at CTA/CCA's expense.
-CCA board encourages local chapters to attend.

Summer Institute – Sunday-Thursday, August 5-10 – UCLA
-If **entire negotiation team** attends, CCA reimburses all costs.
-You choose the strand most interesting to your chapter.

CCA Board Elections were held.

2012 Building Strong Locals – 16 strong participants.

All conferences will be held in the state of CA to support our economy and all participating hotels will be union hotels.

CTA Report: CTA encourages members to vote against the “corporation attack” initiative. Very concerning. If this initiative passes, it will hurt our ability to organize.

Need to evaluate CTA’s goals to ensure that it continues to meet the needs of its members. There are plans to create a strategic plan.

NEA Report: Board meets next week. This year’s budget 375,658,000 approx. 49% of budget remaining. Fifty six employees retired. Membership: Lost 78,000 members due to bad economy. Higher Education: 154,000 approx. members. NEA decided to support President Obama.

Several members expressed concerns: “Members should tell the management what to do, not the other way around.”

Political Action Committee Report: If we need money to endorse BOT candidates, contact CCA. File application to request monies. There is an early July deadline. ***Stop the Special Interest Act Now:*** If this initiative passes, CCA would not be able to provide locals with financial support towards the endorsement of political candidates.

Student Success Task Force Update: CCA wrote a letter to the Dept. of Education stating concerns about the ACCJC not following their bylaws. There are concerns about the ACCJC’s accreditation process. CTA legal is looking at this issue. Perhaps we could identify a different agency to conduct accreditation “visits” at college campuses. The Chancellor has announced his retirement. The BOG has divided recommendations to two programs. These regulations will not require a 2/3 vote. Only one visit. One notice, not two.

Service Center Involvement: Become involved. Ask them for help. They want us to participate.

Communicating with members: Vital. They need to be informed about local, state, and nationwide affairs.