CSUEU – CHAPTER 315

CHAPTER MEETING
Furlough Tentative Agreement Ratification
July 16, 2009, 12:00 pm – 1:30 pm
Voting permitted until 5:00 pm
CBA 140

23 Pages

OFFICERS PRESENT

Peggy O’Neil-Rosales, President, Janine Licausi, Secretary, Denitra Jones, Treasurer, Janet Gonzales, Organizing Chair, Corina Carpiet, Bargaining Unit 2 Representative, Rosalva Guzman, Bargaining Unit 5 Representative, Toni Kukreja, Bargaining Unit 7 Representative, Matthew Black, Bargaining Unit 9 Representative, Kevin Conroy, General Council Delegate, Stafford Cox, General Council Delegate and Richard Duarte, Vice President and Chief Steward.

GUESTS

Pat Gantt, CSUEU President, Teven Laxer, Senior Labor Relations Representative and Chief Negotiator, and Gerry Daley, Labor Relations Representative.

AGENDA

Announced Agenda
1) Call to Order
2) President Reports
3) Voting procedures
4) The Q & A session (index cards)
5) HR gives flexible time to attend and vote today
6) Acknowledge stewards
7) Introduction of distinguished guests
8) Teven Laxer, Chief Negotiator (5mins)
9) Pat Gantt, CSUEU Statewide President (5mins)
10) PowerPoint (optional)
11) Con Points - Janine Licausi (5mins)
12) Questions & Answers (index cards) 90 sec. per response
13) Acknowledge the Statewide Leadership and Chief Negotiator, and the Bargaining Team
Actual Agenda

1) Call to order
2) HR gives flexible time to attend and vote today
3) Introduction of Bargaining Unit Representatives
4) Acknowledge the Statewide Leadership and Chief Negotiator, and the Bargaining Team
5) Teven Laxer, Chief Negotiator
6) Pat Gantt, CSUEU Statewide President
7) The Q & A session

CALL TO ORDER

President O’Neil-Rosales called the meeting to order at 12:14 pm.

FURLOUGH TENTATIVE RATIFICATION

- Presentation by Pat Gantt, CSUEU President and Teven Laxer, SLRR and Chief Negotiator.
- Question and Answer session with members.

Memorandum of Understanding – Issued to members in attendance

CSU/CSUEU Furlough Program – July 6, 2009

1. Preamble

a. CSUEU and CSU are entering into these negotiations because of the unprecedented reduction in state general fund support that the CSU is facing in both its 2008–2009 and 2009–2010 budget (an approximate $583,816,000 reduction from the Legislature’s February 2009 special session budget revisions). The intent of this Agreement is to provide a framework for the implementation of furlough plans on campuses and to lessen the impact of those budget cuts on the CSU.

b. The purpose of furloughs is to lessen the severity of layoffs by reducing compensation costs.

c. The CSU's guiding principles with respect to this budget crisis are as follows:

i. To serve as many students as possible without sacrificing quality; and

ii. To preserve as many jobs as possible within the constraints under which the CSU is being required to operate.
2. Definitions

a. The term “furlough day” as used in this Agreement refers to a day on which an employee is normally scheduled to work, or is in pay status, that is taken as an unpaid day off.

b. The term “furlough period” as used in this Agreement refers to the week in which a furlough day occurs.

c. The term “pay status” as used in this Agreement refers to the time in which an employee is working or is on paid leave.

3. Furlough Days

a. In order to ensure that operational needs are met, the President, in consultation with the employee, shall designate the days on which an individual employee shall observe the furlough days required by this agreement. For the purposes of this provision, consultation shall mean that the employee will be given the opportunity to nominate days on which to observe the furlough on non–campus closure furlough days. This consultation shall take place as soon as practicable, but no later than the start of the monthly pay period in which a furlough day is to be observed. Although the President shall make the final determination based on operational needs of the campus, consideration shall be given to the employees’ nominated observance day(s). In the event that operational needs require that not all employees can observe the furlough on the nominated days, the President shall prioritize requests on the basis of seniority.

b. Twelve (12) month Employees shall be subject to no more than twenty–four (24) furlough days between August 1, 2009 and June 30, 2010. Eleven (11) month employees shall be subject to no more than twenty–two (22) furlough days between August 1, 2009 and June 30, 2010. Ten (10) month Employees shall be subject to no more than twenty (20) furlough days between August 1, 2009 and June 30, 2010.

c. Campuses may be closed on furlough days at the discretion of the President.

d. It is the intent of the parties that furlough days should be distributed as equally as possible across the term of this agreement. However, the President or the employee may designate one five day furlough in an individual work–week once in a fifty–two (52) week period. With the exception of this one–time observance of five (5) furlough days, no employee shall observe more than three (3) furlough days in any pay period for a fulltime CSUEU–represented employee from August 1, 2009 through June 30, 2010.

e. The President may designate as a furlough day any of the following holidays, only if they have been rescheduled for observance on another day by the President in order to make up for the one–month delay in the start of this program.

i. Lincoln's Birthday
ii. Washington's Birthday
iii. Memorial Day
iv. Admission Day
v. Columbus Day

f. The President may also designate the day after Thanksgiving as a furlough day.

g. Employees shall receive at least twenty–one (21) days notice prior to the implementation of any furlough plan.

h. Furlough programs shall expire no later than June 30, 2010.

i. At the end of the negotiated furlough period, the President shall ensure that all employees have taken the appropriate number of furlough days commensurate with the salary reductions that have been made. If, due to operational needs, the President cannot assign the requisite number of furlough days, then the employee shall be credited with the appropriate number of alternate days off equal to the salary deductions made.

4. Employee Salary Rates and Schedules

a. Each employee’s pay reduction necessitated by furloughs shall be spread evenly over the eleven (11) month period or over the pay periods within these eleven(11) months for which the employee is in pay status.

b. Employees who in the last twelve (12) months volunteered to reduce their time–base (e.g. 10/12 or 11/12) shall be allowed to return to 12/12 status prior to the implementation of any furlough plan.

c. Employees on 4/10 work schedules may be converted to 4/8 work schedules during furlough periods.

d. Part–time employees shall be subject to furloughs on a pro–rated basis. Pro–ration shall be determined consistent with the employee's time base.

e. The number of days in the pay period that per diem or intermittent employees are allowed to work shall be reduced by two days so that no per diem or intermittent employee shall be allowed to work more than nineteen (19) days in a month with twenty–one (21) days in that pay period or twenty (20) days in a month with twentytwo (22) days in that pay period.

f. Employees may not substitute vacation days, sick leave, CTO or holiday credits for furlough days.
g. It is the intent of the CSU to avoid overtime during any furlough periods. Overtime must be authorized in accordance with Article 19, Section 19.4.

h. Exempt employees lose their FLSA exemption during the week they take a furlough day and are treated as hourly employees.

i. It is the expressed intent of the CSU that exempt employees should not be required to work more than thirty–two (32) hours during a furlough week.

j. Where an exempt employee believes they have been assigned an excessive or unreasonable workload during a week in which he/she maintain his/her exempt status, the employee may file a complaint using a similar process contained in Article 8 of the Collective Bargaining Agreement. This process shall include a Chancellor’s Office Level of Review. The parties shall execute a MOU fully outlining the process to be followed within twenty–one (21) days of the execution of this agreement.

k. Furlough days do not count as time worked for determining overtime in the workweek.
   i. In the event that any employee is authorized to work in excess of thirty–two (32) hours during any furlough week, he/she shall be compensated at the employee’s straight time rate up to forty (40) hours.

   ii. All hours worked in excess of forty (40) hours in a workweek shall be compensated at a rate of one and one–half times his/her hourly straight time rate.

   iii. In the event an employee is scheduled to work outside of their normal five–day workweek as a result of observing a furlough day, such time shall be considered call–back pursuant to Article 19, sections 19.17 and 19.18.

5. Work Jurisdiction During the period of the furlough, the number of student assistant hours and the number of administrators in a department shall not be increased for the purpose of performing bargaining unit work.

6. Impact of Furlough Programs on Benefits and Retirement

a. Furlough Programs shall not adversely affect an employee's anniversary date or seniority credit or create a break–in–service. Furlough Programs shall not impact the accrual of vacation and sick leave or the payment of health, dental or vision benefits, or the Flex Cash Option.

b. Furlough Programs shall not impact compensation for the purposes of retirement and death and disability benefits. These benefits shall be based on the unchanged salary rate that would have been credited had the employee not been furloughed.

7. Exemptions from Furloughs
a. Designated employees who perform the work of public safety positions (such as dispatchers and community service employees), regardless of their job classification, shall be exempt from any Furlough Programs. A list of such exempted classifications and/or employees shall be prepared and appended to this agreement.

b. The Furlough Program does not apply to employees who are on a leave of absence without pay or on military leave.

8. State–wide Labor Management Committees

a. Pursuant to Article 27, the parties shall form a state–wide Labor–Management Committee (LMC) to monitor the effect of furloughs on workload during the period of this agreement. The parties recognize, however, that both the CSUEU and employees should make good–faith efforts to resolve workload issues arising out of the furlough with local campus management at the campus level before raising the issue to the state–wide committee’s attention.

b. Pursuant to Article 27, the parties shall form a state–wide Labor–Management Committee to explore cost–saving measures that lessen the effects of cuts to the CSU budget.

c. These two labor management committees shall be formed within thirty (30) days of the execution of this Agreement. Within forty–five (45) days of the execution of this Agreement, the LMCs shall meet and schedule routine meetings thereafter.

9. Reduction of Maximum Number of Furlough Days

a. If the 2008–2009/2009–2010 reductions in state general fund support are more than $58,000,000 less than those detailed in the Legislature’s Conference Committee recommendations on the budget bill (approximately $583,816,000), or should the CSU negotiate and implement new salary increases with another employee group such as General Salary Increases or Service Salary Increases while any CSUEU–represented employees are subject to furloughs the CSUEU may elect to meet and confer over the maximum number of furlough days allowed under this proposal.

On June 24, 2009, CSUEU sent the Chancellor’s Office a list of 48 questions, followed up by additional questions on July 1, 2009, the date of a meeting with Chancellor’s Office representatives. This document reflects not only the answers received on July 1, but also updated information obtained since then. We gave the CSU the opportunity to read an advance copy of this document, and they edited some of the answers so that they accurately reflect their responses.

Furloughs – Questions and Answers July 10, 2009

Q1. In addition to furloughs, what are some of the other cost-cutting options the CSU is considering? A1. Chancellor Reed has said, “Everything is on the table.” On July 7,
Executive Vice Chancellor Ben Quillian told the CSU Board of Trustees that some of the measures under consideration include reduced student enrollment, freezing salaries, restricting hiring and travel, restricting purchasing, examining fees charged, evaluating system-wide contracting, and eliminating duplications of effort.

Both at the bargaining table, and during the Board of Trustees meeting, the point was made that reductions in student enrollment will not take place overnight and are unlikely to have any major impact until fall 2010. However, given the level of reductions in student numbers that are being planned (about 30,000) for 2010/2011 the administration is being clear that a restructuring on this scale will have an impact on the levels of staffing that will be necessary to deal with a significantly reduced student population. Reducing the numbers of students by itself does not reduce operational expenses; in fact, it actually reduces revenue because the CSU will not receive fees from those missing students. The reduction in expenses will eventually come from a reduced need to service those students across all sections of the University, including faculty, staff, and administrators. This reality is one of the primary reasons why the University has been unable to provide any guarantees that there will not be lay-offs during the operational period of any furlough program.

Q2. What is the current position regarding furloughs of each union representing employees in the CSU?

A2.

1 – UAPD, physicians
On July 1, UAPD advised CSU it wasn’t interested in negotiating furloughs. As of July 7, however, UAPD has indicated that it is reconsidering its position.

3 – CFA, faculty
CFA is in the process of polling their members before negotiations.

4 – APC, counselors
APC is in the process of furlough negotiations.

6 – SETC, maintenance trades
Unit 6 has no contract in place, and the CSU is in full bargaining with them. Their executive board has voted against furloughs. The CSU proposed either furloughs or a 10% permanent reduction in salary. CSU and SETC are in fact-finding.

8 – SUPA, police officers
The CSU has stated that all Unit 8 employees will be exempt from furloughs.

10 – IUOE, Maritime operating engineers (CMA campus only)
IUOE has advised the CSU they are not interested in a furlough option.
11 – UAW, Academic student employees
The CSU has stated that furloughs do not apply to Unit 11 academic student employees due to the way that these employees are hired which means that campuses can match the number of individuals hired into positions with the funds available to support those positions.

12 – CSUEU, Head Start (S.F. State campus only)
The CSU has stated that unit 12 employees will not be subject to a furlough, given that they are funded from a federal grant.

13 – CSUEU, extended education ESL instructors (L.A. campus only)
The CSU has stated that unit 13 employees will not be subject to a furlough, given that they are funded from extended education. Unit 13 employees are in full bargaining with the CSU and have no contract in place. Mediation failed to produce an agreement. The parties will be going to fact-finding.

Q3. Is there a deadline by which an agreement must be reached?
A3. The Chancellor has said that he will announce the full plan to deal with the budget deficit following the Board of Trustee meeting on July 21st.

Q4. What impact will decisions of other unions have on any such deadline?
A4. The campuses have been instructed to prepare plans to deal with the $275 million in compensation savings that the Chancellor outlined at the last Board of Trustees meeting. Campuses are not “waiting” to see what other unions decide on furloughs. Planning will proceed on the basis of how things stand at this moment in time.

Q5. Has the CSU considered bargaining a statewide template which allows for local campus options?
A5. Although the CSU would like a statewide agreement, campuses are unique and have their own needs. The way to deal with this is to negotiate as much flexibility into the Program as possible to allow the campuses to tailor the Program to meet their own individual needs.

Q6. If so, does the CSU envision campus-by-campus impact bargaining or regional bargaining?
A6. No. We can have consultation on the campuses, but we want to address central issues at this table.

Q7. Do campus Academic Senates have to approve changes to the academic calendar associated with possible furloughs? If so, how will the Senates be integrated into the decision-making process, and how will that affect collective bargaining?
A7. As the University goes about the planning that the Chancellor has ordered, the Academic Senate will be consulted in the usual course of events in relation to those issues that fall within the HEERA joint governance process. Should CFA decide to adopt a Furlough Program, then there may be other more specific issues that will require the input of the Academic Senates.

Q8. There has been some discussion regarding campus closures in December rather than two days per month. Is that the kind of option that could be negotiated on a campus-by-campus basis?

A8. The University is moving away from systemwide campus closures for all sorts of operational reasons, although some individual campuses may elect to follow this model.

Q9. Can every campus close for one more week in December to capture energy savings and furlough days?

A9. The advice that the CSU has received is that employees cannot take more than one block of furlough days in any given 52-week period without opening up the CSU to a liability for unemployment insurance. As the CSU is self-insured, this exposure would seriously negate the purpose of furloughs which is to reduce our compensation expenses.

Q10. Does the CSU have an estimate for the amount of energy savings that could be generated by all campuses closing for one day? What are the seasonal variations (summer v. winter)? Would a closure during the winter save more money than a closure during the summer?

A10. See #9 above.

Q11. Can furlough days be banked and the monthly paychecks be equalized?

A11. The CSU doesn’t want unemployment insurance liability (see #9 above). The one-year TA provides for the equalization of paychecks over 11 months.

Q12. Does the Chancellor’s Office intend to submit any tentative agreements to the Board of Trustees for ratification?

A12. No.

Q13. Please explain exactly how an employee’s paycheck would be affected by a furlough. If we agreed to a two-day per month furlough, would the gross pay be reduced, and as a result, all payroll-related deductions (federal income tax, state income tax) and employer expenses (FICA, Medicare, etc.) be reduced accordingly?

A13. Yes.

Q14. Will employees’ retirements be affected in any way by furloughs?

A14. No.
Q15. Will employees’ benefits be affected in any way by furloughs?
A15. No.

Q16. Will fee waiver benefits for employees or their dependents be affected in any way by furloughs?

Q17. Would furloughs have any impact on employees’ accruals of vacation and sick leave?
A17. No.

Q18. UC is proposing furloughs and/or pay reductions based on employee's income. Specifically, they are proposing lesser cuts for employees earning less than $46,000 per year. Is the CSU considering some sort of sliding scale?
A18. No.

Q19. The Chancellor’s Office has stated that one of its goals is to “share the pain” equally. However, is the CO going to take into consideration the fact that faculty and MPP not only earn more money than support staff, but, over the years, they have received higher pay raises as well? Is it fair that furloughs and the pay cuts that go along with them not be adjusted to reflect this basic inequity?
A19. No, we are not considering a sliding scale. The CSU did initially look at some tiered approach to furloughs but it soon became clear that

(1) such a program would not generate the same level of reduced expenses as a system operating across all pay scales;

(2) Deciding where to put the cut-off lines would be entirely arbitrary and inevitably result in some employees feeling that they had been unfairly treated; and

(3) Such a policy goes against the Chancellor’s statement that everyone shares the pain equally. While we understand the pressures that will be generated at the lower ends of the pay scales by the Furlough Program, we also have to be clear that absent a Furlough Program, there would be a significant number of employees within that group who would likely no longer have jobs within the CSU.

Q20a. If an agreement is reached on a furlough plan, how much notice will employees be given?
A20a. The Furlough Program will run retroactively from July 1st, but the first operational month will be August, 2009.
Q20b. What about the first two furlough days in July?

A20b. In order to equalize pay throughout the year, the University will need to utilize the nominal two furlough days that would fall to be taken in July. For pay-roll “catch-up” purposes, it is anticipated that there will be one month in which four furlough days are assigned.

Q21. Is the CSU considering reducing the pay of any MPPs or executive employees who recently received pay increases?

A21. No.

Q22. How will the CSU ensure that employee workloads not be increased as a result of furloughs?

A22. The first point to make is that no employee is to perform any work during a furlough day. Exempt employees are converted to non-exempt employees for those weeks in which they observe a furlough day and must be paid for all work performed over 32 hours in that week. Further, to deal with the concern raised by the CSUEU that exempt employees will be pressurized into taking on excessive or unreasonable workloads during non-furlough weeks, there will be a new complaint process that will allow employees to challenge any such assignments. The CSU also expects that workload issues will be examined as necessary by the system-wide Labor Management Committee that will also be formed pursuant to the Agreement. The CSU is committed to making this Program work and we recognize that this will involve not only the ongoing support of the CSUEU, but also our individual employees.

Q23. How can we ensure that cost savings generated by furloughs of CSUEU-represented employees are only used to mitigate layoffs for employees represented by CSUEU?

A23. Furloughs do not generate any “savings”; furloughs are just a means of reducing our compensation expenses. All it means is that we will be paying 9.2% less over 12 months for our expected labor costs.

Q24. Will the salary savings from CSUEU units be embargoed or used to subsidize other bargaining units? How will this be tracked? We do not want our furlough savings going to hire more MPP (or faculty?)!

A24. See #23. There are no savings.

Q25. Many CSU departments, such as student health centers, housing and parking, are self-supported. How will furloughs of these employees benefit the CSU?

A25. Consistent with the view that we should all share the pain equally, it was decided that the bright-line rule for furlough eligibility should be whether or not that individual is getting a CSU pay-check independent of where the funds may come from to support that position. This seemed the fairest way of dealing with the situation that we face and
prevents the situation arising where two individuals are in the same classification, doing the same work, but one individual is being paid 9.2% less just because their salary is considered to be general fund rather than from another source.

Q26. Will the CSU support the creation of campus labor-management committees that can be tasked with discussing and making recommendations on cost-cutting measures?

A26. Yes.

Q27. Will the CSU support the creation of a systemwide LMC to monitor the situation statewide?

A27. Yes.

Q28. Could the CSU, CalPERS, or other agencies provide loans to employees?

A28. Without making any commitments, we would be willing to send a CSU representative along with any CSUEU representatives to talk with CalPERS about any options that might exist.

Q29. Can employees choose to go on an 11/12 program for one year instead of being furloughed?

A29. No.

Q30. Will employees who took voluntary reductions in the last six months have those reductions restored prior to a furlough program, so they do not take a double hit?

A30. Yes.

Q31. How will employees on paid leave be affected by furloughs (FML, parental leave, bereavement leave)?

A31. FML, NDI, and IDL would not be affected by the furlough. Contractual leaves like maternity, bereavement could not be used to cover one of the furlough days.

Q32. Will campuses cancel existing contracts for bargaining unit work to save money and avoid further displacement or layoffs (e.g., expensive IT contractor for Student Health Service at SFSU)?

A32. The CSU is in the process of identifying potential areas. Thus, everything is getting looked at as part of the system-wide review that is taking place.

Q33. Will furloughs affect requests for IRP, in-class progression, and reclassification (those in progress now, and those to come)?
A33. There would be likely be reductions in the funds available for IRPs, but the programs are still in place and available to the campuses to use.

Q34. Does the CSU plan to implement a hiring freeze while employees are being furloughed?

A34. We have already reduced all but critical purchases; placed a freeze on the salaries of the most senior administrators; and implemented a freeze on all non-critical hires.

Q35. How will the CSU ensure that potential mass non-reappointment of temporary employees does not have a disproportionate impact on protected groups (particularly Unit 5)?

A35. We will follow the contract.

Q36. How will furloughs affect mandatory overtime and/or the distribution of overtime?

A36. If you are required to work overtime, and you work the overtime, you are going to get paid. But if campus resources have been reduced, there may well be reduced opportunities for overtime going forward.

Q37. How will CSU ensure that performance evaluations are not negatively affected by furloughs (Art. 24 language on layoffs protects employees from unrealistic expectations)?

A37. You are correct that Art. 24 protects employees from unrealistic expectations and the contract will continue to provide that protection.

Q38. What about foundation employees? Will they be furloughed and the foundations closed when the campus closes? If not, why not?

A38. The Foundations are separate legal entities and not subject to the Furlough Program.

Q39. What about 10/12 employees who already have banked the time and salary for this year? Will furloughs take affect on their pay in their months off retroactively?

A39. No. If they have already banked and earned the time, then we are not going to take it away from them.

Q40. Will lump sum vacation payouts be affected by the furloughs?

A40. No.

Q41. How will new employees hired after a furlough plan is in place have their salary set? Will they be advised of a normal salary and then the actual furlough plan?
A41. Yes.

Q42. Has the CSU considered a complete hiring freeze?
A42. No. We have imposed a freeze on non-critical hires, but we recognize that some critical positions will still need to be filled during the Furlough Program.

Q43 Has the CSU considered a hardship program for employees under a furlough plan?
A43. No.

Q44. Will there be new policies for overtime?
A44. No.

Q45. How will the workload for exempt employees be managed in furlough and non-furlough weeks?
A45. The Tentative Agreement contains a detailed provision in Section 4 to deal with these issues.

Q46. Will CSU executives have their housing allowance, cars and other perks reduced in addition to furloughs?
A46. No.

Q47. Will student assistants be affected? Will student assistant hours be frozen so that there is no increase in hours or number so they do CSUEU work?
A47. No, but student assistants are hired based on available funds, and there won’t be much in the way of extra funds.

Q48. Will there be a pro rata reduction in parking fees, since salaries are potentially being reduced?
A48. No.

Q49. How do we ensure that the overall quantity of work is reduced? With campus closures, there would be no work generated. Without campus closures, there is nothing to indicate that the overall amount of work will be reduced. If it is not reduced, an employee will either have to speed up their work or work for free.
A49. It is true that a furloughed employee will not be performing work during that day and there will be operational pressures created by the realities of any furlough program. Work will need to be prioritized and not all tasks may end up being performed as a consequence. Managers will have to come out with schedules that reflect the realities of furloughing and the reduced work schedules of employees.
Q50. What about an LMC to address workload issues to ensure that overload does not happen?

A50. The parties have agreed to create an LMC regarding workload issues.

Q51. What happens to per diem employees if the CSU does not close the campus on furlough days? (Some are working five days/40 hours per week.)

A51. The TA sets limits on per diem and intermittent employees.

Q52. It matters what happens to faculty, as they create work for our members.

A52. Whatever decision the faculty takes in regards to furloughs is independent of your union. But a reduction in students and faculty probably means a reduction in support positions as well.

Q53. Explain how exempt employees become non-exempt during a floating furlough program. What are the mechanics of that?

A53. We’re looking at fixed dates, for the month, quarter or term. People need to know, well in advance, which week(s) they will be non-exempt, since we will have to track hours.

Q54. What about funds from the CSU’s so-called cash cows (health centers, extended education, etc.)? Does it make sense to furlough employees in revenue-generating departments?

A54. If you’re a CSU employee, then you are part of the system and we believe that it is only fair that you take your share of the sacrifice (See #25).

Q55. If furloughs are not enough and layoffs are necessary, will negotiations be handled at the campus level?

A55. We will follow the contract.

Q56. Due to issues with the state budget, it is expected that more psychological/medical services will be needed for our students. How will this affect health centers and counseling services? Will such services be exempted from furloughs?

A56. Although Health center employees are not exempted from the Furlough Program, Student Health is a priority. In these very difficult times the University will do its best to meet our student’s needs within the resources available. (See #54 and #25).

Q57. You said that, for the next budget year, the number of students will not be dictated by the legislature. Does this refer to FY 2009 or FY 2010?
A57. What we said was that the Joint Budget Committee had recommended that the CSU appropriation for 2009/10 should not contain a specific number of students that the CSU is expected to educate in return for that appropriation. This would mean that the CSU would be free to reduce its student enrollments in line with the numbers currently being planned for.

Q58. How can the SCO payroll system exempt university police and dispatchers?

A58. They could key in a classification code.

Q59. What about payroll advances (SAM 8595)?

A59. It’s in the SAM.

Furlough Agreement FAQ - July 12, 2009

On July 6, 2009, CSUEU and CSU reached a Tentative Agreement regarding the implementation of furloughs between August 1, 2009, and June 30, 2010. The intent of this agreement is to lessen the severity of layoffs by reducing compensation costs.

Q1: What is a furlough?
A1: A furlough is the placement of an employee in a temporary non-duty, non-pay status in order to lessen the severity of layoffs

Q2: Where can I find the full text of the tentative agreement on furloughs?
A2: The full text of the tentative agreement has been posted to our website, www.csueu.org.

Q3: Why did the union consider furloughs?
A3: The State Budget Crisis finally hit the CSU in May 2009 when the State Budget Conference Committee approved cuts to the CSU budget totaling $583,816,000. This represents an approximate 13 percent cut to the CSU budget. Roughly 70% of the total CSU budget comes from State General Funds.

Given that such a large proportion of the CSU budget (80% to 85%) goes towards employee compensation and benefits, the CSU proposed furloughs as an alternative to massive layoffs. In response, the CSUEU Board of Directors authorized three methods to assess our members’ perspectives on the choice between furloughs and layoffs. The results of a scientific poll, a web-based poll, and chapter meetings on campuses around the state was that a resounding 80-plus percent of our members favored furloughs over massive layoffs. The Board of Directors authorized the union's bargaining team to sit down with the CSU to negotiate the best possible agreement.

Q4: How many furlough days will employees be subject to?
A4: For a full-time employee on a 12-month schedule, twenty four (24) days between
August 1, 2009 and June 30, 2009?

**Q5: How much pay will be deducted from my pay check each month during furloughs?**

A5: For a full-time employee in a 12/12 position, the furloughs will result in approximately a **9.23% reduction in pay for the fiscal year (July 2009-June 2010)**.

Here's how it works: you will receive your full normal paycheck for the month of July, since furloughs won't be implemented yet. This delay benefits employees, since you get more money up front the first month, then the cuts are spread evenly over the following 11 months. **When furloughs begin in August, the 9.23% overall annual reduction will result in a 10.07% reduction in your monthly check for a full-time employee in a 12/12 position.** For 11/12 employees, the monthly reduction beginning in August will be approximately 11.38%, and for 10/12 employees, the reduction would be approximately 13.09%.

**Q6: Why does the agreement spread 24 furlough days over 11 months instead of 12 months?**

A6: The fiscal year is July 1, 2009, through June 30, 2010. In order to provide employees with sufficient notice before the first furlough days were enacted and to give payroll sufficient time to process furlough days, we had to delay this program until August 1. That meant that two additional furlough days have to be taken in FY 2009/2010. The CSU agreed to one of our major demands – equalizing the pay of employees over the 11-month period of furloughs. Your pay warrants will NOT change month-to-month. So, if you take 3 days in August and 2 in September, you will still get paid the same in both months.

**Q7: Will campuses be closed on furlough days?**

A7: CSUEU's preference is that campuses will be closed on furlough days. The CSU originally agreed with this position but several campuses wanted the flexibility to remain open. Therefore, under the tentative agreement, campus presidents would have the authority to determine whether they close the campus on any furlough days.

**Q8: Do I have any choice in the days that I will be furloughed?**

A8: Yes, for all furlough days not covered by a campus closure, an employee may request specific individual furlough days, subject to approval by the administrator. The administrator will make the final determination of the furlough days based on the operational needs of the campus. In the event operational needs restrict employee’s choices, the administrator shall prioritize requests on the basis of seniority.

**Q9: How many furlough days can be taken in any one month?**

A9: Up to three furlough days may be taken in any one month. However, the President or the employee may designate one five-day furlough period during the entire year of the furlough program.
Q10: Why can I only take one 5-day block of furlough days? Why can't I take several 5-day furlough periods?
A10: The limit on the number of days per month is to reduce the cost to CSU of unemployment claims.

Q11: If I postpone taking my furlough days for a while, say by taking a five-day furlough period in October, can I postpone the paycheck reduction?
A11: No. The pay reduction will be spread evenly across your paychecks for the period of the agreement (section 4a).

Q12: Are holidays or holiday pay affected in any way?
A12: No. Section 3E specifically states that the president can designate "moveable" holidays as furlough days only if they have been rescheduled for observance on another date (typically between Christmas and New Year's Day). Since many K-12 schools are closed on these days, this could help employees who must make child care arrangements when their child's schools are closed. Regardless of whether the president picks these days as furlough days, you will not lose any holidays or holiday pay.

Q13: Can an employee request a furlough day before or after a holiday or in conjunction with paid leave?
A13: Yes, an employee may request to take furlough hours before or after a holiday, and this will not affect payment for the holiday. Additionally, an employee may take furlough hours in conjunction with other forms of paid leave.

Q14: What happens if I forget to take all 24 furlough days, or my administrator refuses to grant some of the days by the end of the fiscal year (6/30/10)?
A14: Since the pay dock is evenly applied to 11 pay checks, the CSU will owe you a day off. You will receive an ADO (alternative day off) to be scheduled in FY 2010/11.

Q15: What about 10/12 and 11/12 employees?
A15: 11/12 employees shall be subject to no more than 22 furlough days and 10/12 employees shall be subject to no more than 20 furlough days between August 1, 2009 and June 30, 2010.

Q16: Would part-time employees be subject to furloughs?
A16: Yes. All employees are subject to furloughs, including part-time employees, proportional to the number of hours they normally work.

Q17: What about per diem and intermittent employees?
A17: The number of days per diem or intermittent employees are allowed to work will be reduced proportionally.
Q18: What about employees who work 4/10 schedules? In their case, two furlough days would equal 20 hours, not 16.
A18: Employees on 4/10 schedules may be converted to 4/8 work schedules during furlough periods.

Q19: What about campuses such as Pomona and San Bernardino, which are already on summer 4/10 schedules?
A19: The TA provides that the schedule may be converted to a 4/8 schedule during furlough periods.

Q20: What about eight-month employees? How many furlough days will they take?
A20: Eight-month employees will be subject to a prorated number of furlough days, as with the 10-month and 11-month employees. We have the CSU's assurance on this. Eight-month employees would therefore be subject to no more than 16 furlough days.

Q21: What about vacation or sick days that fall on furlough days?
A21: Employees may not substitute vacation days, sick leave, Compensatory Time Off (CTO) or holiday credits for furlough days.

Q22: What about exempt employees?
A22: Exempt employees who are furloughed lose their FLSA exemption during the week they take a furlough day. The CSU’s intent is for exempt employees to work no more than 32 hours during a furlough week. Since exempt employees will be treated like non-exempt employees during a furlough week, they will have to account for absences such as vacation and sick leave during those weeks. They would be eligible for overtime in a furlough week, but only overtime that is deemed essential will be approved. Overtime would only be paid for authorized time worked in excess of 40 hours in a furlough week. Furlough days will not count as time worked for determining overtime in the work week. To view Department of Labor regulations on this subject, visit: http://www.dol.gov/dol/allcfr/ESA/Title_29/Part_541/29CFR541.710.htm

Q23: Will all CSU employees be subject to furloughs?
A23: The CSU is proposing to furlough all employees in all classifications: represented employees, confidential employees, MPP, executives, and consultants. In fact, amendments were recently posted to Title 5 that would allow the CSU to furlough MPP employees. CSU is still negotiating with the other unions. They have told all of the unions that the alternative to the furlough plan would be massive layoffs.

Q24: Would any classifications be exempt from furloughs?
A24: Yes, the TA provides that employees who perform the work of public safety positions, regardless of job classification, would be exempt from furloughs. A list of such exempted positions and/or employees will be developed.

Q25: Would 24 furlough days over the next 11 months save enough money to avoid layoffs?
A25: Furloughs would save the CSU $275 million. There are other cost-saving options
under discussion as well. Because the state budget crisis is still unresolved, the CSU can’t guarantee that furloughs would eliminate the need for layoffs. Their expressed intent, however, is to save as many staff jobs, including temporary employees, as possible. They do not want to lose trained, dedicated employees. In response to our request for assurances that if CSUEU is the only union to agree to furloughs, our members would be protected from the impact of other unions’ refusal to reach such an agreement, the CSU told us across the table that the unions that did not agree to furloughs would begin receiving layoff notices very soon; the unions that did agree to furloughs would not.

Q26: What are some of the other cost-cutting measures that the CSU is considering?
A26: At a special meeting of the CSU Board of Trustees held on July 7, 2009, Chancellor Charles Reed said that "everything is on the table." Executive Vice Chancellor Ben Quillian said that some of the measures under consideration include reduced student enrollment, freezing salaries, restricting hiring and travel, restricting purchasing, examining fees charged, evaluating system-wide contracting, and eliminating duplications of effort.

Q27: What happens if some unions agree to furlough days and some don’t?
A27: The CSU is poised to go through the layoff process with unions that do not agree to furloughs.

Q28: How many layoffs would be anticipated if CSUEU does not agree to the TA on furloughs?
A28: The numbers are staggering: approximately 2,000 FTE permanent employee layoffs, as well as the non-reappointment of over 3,000 temporary employees.

Q29: Where's the workload complaint process?
A29: Section 4(j) of the furlough agreement states that CSUEU and CSU will negotiate and reach agreement on this within 21 days of execution of this agreement.

Q30: I'm exempt. If I'm assigned to work overtime during a furlough week, do I get paid money for it, or will I get Compensatory Time Off (CTO)?
A30: This is up to your appropriate administrator, per section 19.3 of the contract.

Q31: How will student assistant hours be monitored?
A31: If you see an increase in student assistant hours in a department, alert your chapter so they can investigate and file if necessary. CSUEU will be receiving data on student assistant hours which will be shared with each chapter.

Q32: What is the "period of the furlough" exactly?
A32: "Period of the furlough" refers to the entire period covered by this agreement, August 1, 2009, through June 30, 2010. Departments may not bring in extra student
assistant hours to backfill for furloughed bargaining unit employees.

Q33: Where's the list of designated public safety classifications/employees which are exempt from furloughs?
A33: Once we get this information, it will be posted on our website.

Q34: Is the CSU considering closing any campuses?
A34: No. The Chancellor has stated that this is the only option that is not on the table.

Q35: Why does the Chancellor's Office prefer furloughs to layoffs?
A35: The CSU's expressed goal is to "share the pain." In a furlough, everyone suffers equally. Layoffs, on the other hand, create a good deal of stress in the workplace. Because of contractual notice requirements and the fact that Fiscal Year 2009/2010 has already started, layoffs would affect proportionally more people than even the high numbers with which we were presented initially.

Q36: What about the non-reappointment of temporary employees? Will furloughs mitigate against their non-reappointment?
A36: Although they cannot make guarantees, the CSU intends to retain as many employees as possible on the payroll with their benefits.

Q37: Will furloughs have any impact on retirement benefits?
A37: No.

Q38: Will furloughs have any impact on health benefits?
A38: No.

Q39: Can an employee on military leave be scheduled for furlough?
A39: No. Employees on military leave are exempted from furloughs, but would be subject to furlough days if returning to the CSU prior to June 30, 2010.

Q40: Can an employee receive unemployment benefits to cover the loss of compensation due to furloughs?
A40: The furlough program is structured so that employees will not be eligible to receive unemployment benefits to cover the loss of compensation as a result of furloughs.

Q41: Is the CSU considering offering golden handshakes to faculty and staff?
A41: No. The CSU points out that golden handshake retirement options are too expensive, especially in the first year, when CSU is trying to save money.

Q42: Are there plans to raise student fees by another five percent?
A42: This is not known yet.

Q43: Will the CSU go along with the Governor’s Executive Order (S-09-09), which asked state departments to either cancel or reduce by 15% all outside contracts?
A43: This is not known yet.

Q44: Does the CSU Board of Trustees have to approve the TA on furloughs?
A44: No, but at its July 7 meeting, the Board discussed their desire for all unions to agree to furloughs in order to avert massive layoffs and disruptions to services.

Q46: What about employees who have already taken voluntary reductions in time base in order to save the CSU money?
A46: Employees who, in the last twelve months, volunteered to reduce their time base (10/12 or 11/12) shall be allowed to return to 12/12 status prior to the implementation of any furlough plan.

Q47: What about employees who are not funded from the state General Fund?
A47: All employees, regardless of funding source, are subject to furloughs. We intend to discuss this issue in the Labor Management Committee on cost-saving measures.

Q48: Are foundations subject to the furloughs also?
A48: We have asked the CSU to look into this. We have not yet received a response. Foundations are not funded by the general fund, but by grants; while it is likely that they have significant budgetary issues similar to those facing state government, they are not represented employees and may be subject to furloughs, layoffs and/or salary reductions.

Q49: Can CSUEU members make suggestions for ways the CSU could save money?
A49: Yes. We agreed to establish a Labor-Management Committee to explore cost-saving measures that lessen the effect of cuts to the CSU budget. We anticipate having an online method for submission of cost-savings ideas shortly.

Q50: Is there any way we can ensure that MPP employees do not receive pay increases while rank-and-file employees are being furloughed?
A50: We would do everything in our power to have such pay increases rescinded.

Q51: How does this budget crisis compare to the ones we had in the early 1990s or in 2003/2004?
A51: This is far greater in magnitude. We have seen layoffs in the hundreds before, but never the potential for layoffs in the thousands.

Q52: How many classes does CSU estimate will be saved if all CSU unions agree to furloughs?
A52: CSU estimates that the furloughs, if accepted by all employees, would save an estimated 22,000 course sections, or approximately 15 percent of all classes, that would otherwise need to be eliminated for the academic year.

Q53: If the cut to the CSU budget is less than anticipated, would there be a reduction in the number of required furlough days?
A53: Under the TA, the number of furlough days would be subject to renegotiation.
Q54: I have heard that other employees are receiving bonuses, stipends, and possibly even pay raises. How is this fair when we are facing furloughs?
A54: Various contracts have provisions for campus-funded programs like IRPs, performance bonuses and stipends. If the necessary conditions are met, those salary benefits can still be paid. They are not the same as general salary increases that would go to all employees in a particular bargaining unit.

Q55: Please explain the ratification process and who can vote.
A55: Under the Higher Education Employer-Employee Relations Act (HEERA), the vote of each bargaining unit is tabulated separately. Only CSUEU members are eligible to vote on this tentative agreement. Fair share fee members will be given an opportunity to complete a membership card at the chapter ratification meeting.

Q56: What is the timetable for ratification?
A56: Chapters will hold special meetings for the purposes of ratifying the Furlough Tentative Agreement. Meetings will be scheduled in the very near future.

Q57: What happens if CSUEU members ratify the TA?
A57: The Furlough Agreement will go into effect as of August 1, 2009.

Q58: What happens if CSUEU members reject the TA?
A58: The tentative agreement will be null and void. It is likely that shortly thereafter, campus presidents will start sending out thousands of layoff notices throughout the state, pursuant to Article 24 (Layoffs). No further bargaining is anticipated.

All four CSUEU-represented bargaining units vote separately on whether or not to ratify the tentative agreement. If any unit(s) vote in support of the TA, it goes into affect for employees in those units. If any unit(s) vote against ratification, we would expect to see layoff notices sent to employees in that (those) unit(s).

ADJOURNMENT

Adjourned main meeting at 2:30 pm. The voting, question and answer period continued until 5:00 pm.

Respectfully submitted by Janine Licausi, Secretary

The minutes are a draft and not yet approved.