

F A Q ON FURLOUGH REQUEST

(Last updated 6.16.09)

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OVERVIEW

1. How bad is the CSU budget for the 2009/10 academic year?

Very bad. Although as of this writing, a budget is not yet in place, the cuts proposed for the CSU budget are severe and it is very likely they will be enacted. The Chancellor's Office, at this time, is working with an estimate of \$583.8 million in funding cuts in 2009/10. This is about 20% of the 2007/08 state general fund budget. ("Mid-year" cuts to the 2008/09 budget are still being made.) See additional information on the CFA website [http://calfac.org/allpdf/Budget_09_10/BudgetData_0609.pdf] for more perspective on the magnitude of the crisis we are facing.

2. What exactly did Chancellor Reed propose to CFA as a plan to address the budget deficit?

The CSU administration's Labor Relations team approached CFA recently to discuss the Chancellor's proposal to address the CSU's budget deficit. He would like to implement a systemwide furlough of all employees for two days per month during the 2009/10 academic year, for a total of 20 furlough days for academic year employees (24 days for 12-month employees). If CFA (or any of the other bargaining units) does not agree to the furlough plan, the labor relations team said, the administration would instead begin contractual layoff procedures in order to drastically reduce that bargaining unit.

3. How much "savings" would be generated by the proposed furlough?

According to CSU estimates, a systemwide furlough of all employees (management, faculty, and other staff) would reduce the deficit by \$275 million. The furlough of unit 3, (i.e., tenured and tenure track faculty, lecturers, coaches, counselors, and librarians) would save about \$147.4 million

4. How many layoffs of faculty could we be facing if CFA refuses to agree to the furlough plan?

According to the estimates provided to CFA by the Chancellor's Office, the CSU would need to lay off about 9,000 faculty members (headcount) or about 3,700 full-time equivalent positions. The administration would need to comply with the layoff procedures in our contract, however, the vast majority of layoffs would be of lecturer faculty who would simply disappear. That is, they would not be re-appointed and there would be no formal layoff process. The magnitude of the cuts, though, could well threaten some FERP, probationary, and tenured faculty members.

5. How has CFA responded to the furlough proposal?

At this time, CFA has requested additional information and agreed to further discussions with the CSU administration but has not agreed to anything. CFA leaders are very aware of the magnitude of the budget crisis in the state, more generally, and in the CSU in particular. The so-called solutions that are being contemplated have terrible and disproportionate implications for lower-and middle-income families. However, CSU faculty have also already gone without raises negotiated for the 2008/09 year and there were over 1,000 fewer faculty teaching this spring than there were last spring. CFA would like to know what assurances faculty would have that mass layoffs not occur if we agreed to a two-day per month furlough. Up to now, the Chancellor's Office has been unable to provide any firm assurance on this issue or on the question of how faculty workload would be reduced.

6. When will CFA decide how to respond?

On June 12, the CFA Board of Directors decided to ask members to vote whether to agree to the furloughs or not. Before a vote can take place, we will need to get in writing something from the CSU

administration and the logistics involved in a vote at this time of the year will need to be hammered out. With that in mind, the CFA Officers would like to hold the vote as soon as it is feasible.

MORE ON CSU PLAN TO CLOSE THE DEFICIT

7. *Is the CSU's estimate of a \$584 million budget deficit exaggerated?*

CFA staff who have been following closely the unfolding of the budget crisis and the budget negotiations believe the \$584 million estimate is fair. Since the legislature enacted the 2009/10 budget in February of this year, over \$1.3 *billion* in budget cuts have been enacted and proposed for the CSU. The CSU is expecting to receive \$640 million from the federal stimulus act that will backfill some of the cuts, but a large reduction to the budget will still remain. The 10% student fee hike will alleviate the budget deficit by about \$84 million. This leaves the CSU with about \$584 million less than it had this year (2008/09), when the system experienced a \$97.6 million cut compared with 2007/08.

8. *If a systemwide furlough would recover \$275 million, what other measures is the CSU planning to implement to deal with the total cut?*

According to the Chancellor's labor relations team, the administration does not have any plans yet for closing the remaining \$309 million budget deficit. When asked, CFA and other unions have been told repeatedly that the Chancellor hasn't decided yet and that the only option not on the table is campus closure. CFA leaders told the administration it would be extremely difficult to agree to furloughs without knowing what else they had planned.

9. *Will CSU guarantee no more layoffs if CFA agrees to the furlough plan?*

The CSU administration says it wants to preserve as many jobs as possible but also does not want to guarantee no more layoffs to faculty (or staff) if the furlough plan is implemented.

10. *When does the CSU say it will unveil its plan to deal with the full cut?*

CFA has been told that Chancellor Reed and the campus presidents will meet June 22-24 to develop additional plans.

11. *Is there any discussion about a "Golden Handshake" or similar incentive for early retirement?*

The Chancellor says he is not considering anything like this and thinks it would not provide the kind of savings that are needed this year.

MORE ON FURLOUGHS

12. *How does the CSU envision a systemwide furlough?*

The administration thinks shutting down all campuses for two Fridays each month would be the best way to implement a systemwide furlough, allowing it to recover some additional savings from lower utility costs on those days. However, no firm plan is in place. If all units do not agree to the furloughs, this scenario would obviously not work. The CSU says the furlough plan exempts public safety employees.

13. *Will management and executives be furloughed too?*

According the labor relations team that is negotiating with CFA, all MPPs and executive will be furloughed for two days per month. However, employees have not been formally noticed about furloughs yet. There is a special Board of Trustees meeting scheduled for July 7 to begin the necessary procedures that will enable the Chancellor to furlough non-represented staff. The labor consultants say they too will be furloughed. See the notice about these procedures here: <http://www.calstate.edu/title5/index.shtml>

14. *How are the other unions responding to the furlough proposal?*

Unions we have spoken with are struggling, much like CFA, to contemplate the impact of two bad options. They are also asking members for input. As of this writing, to CFA's knowledge, no unit has agreed to the furloughs.

15. Is a furlough the same as a pay cut for faculty?

No. In both instances, take-home pay is lower but the mechanism for reducing it is different. A pay cut reduces an employees' base pay rate while a furlough means the employee is not paid for days when they are on furlough but there is no change to the person's base pay rate or timebase. Once a furlough ends, full pay is restored immediately without having to renegotiate pay rates. However, if faculty are furloughed for two days per month, this would translate roughly to a 10% pay cut during those months.

16. Would the furlough affect eligibility for health benefits?

No. Employees' timebase is unchanged so nobody who is furloughed would lose health benefits. This is also how it has worked with the other state employees (who have been furloughed for two days per month for several months.)

17. Would the furlough affect pension and service credits?

No. Nobody's retirement benefits or service credits would be affected by the furlough plan.

18. If the campus is closed down on Fridays what would happen to classes that are taught on Friday?

It does not appear that much thought has been given to issues like this one. Perhaps there are better ways to implement a furlough. CFA is discussing this with the administration and also still trying to find out how the Chancellor proposes to ensure faculty workload is reduced by the equivalent of two days per month.

19. Could the CSU propose more than two furlough days per month?

According to the CSU labor relations team, the chancellor is not considering any more than two days of furloughs per month.

20. If CFA and other unions agree to furloughs, does that mean there will be no layoffs?

Even if all CSU employees were furloughed for two days per month, by CSU estimates, there would still be a deficit of over \$300 million. Even if CFA agrees to furloughs, the administration has not been prepared, up to this point, to guarantee that faculty would be protected from additional layoffs. In addition, if other "cost savings" come from sharp enrollment restrictions, there will be a reduction in course offerings that means less work for faculty. See also #9 above.

MORE ON LAYOFFS

21. How many faculty might be laid off if the CSU chose to use layoffs rather than furloughs?

The Chancellor's labor relations team told CFA it would, abiding by the terms of the contract, proceed with layoffs for about 9,000 (headcount) or 3,700 (FTE) faculty. If done on a systemwide basis, this works out to about a 36% (headcount) or 20% (FTE) reduction. Layoffs or non-reappointments would begin with lecturers, coaches, and counselors and librarians with temporary appointments.

22. Would lecturers and other faculty with temporary appointments receive notice of layoff?

If the CSU proceeds with their layoff proposal for CFA, many people with temporary appointments will simply disappear when their contracts are not renewed. However, some lecturers would be subject to the contractual layoff procedures and would receive 45 days of notice. Please see materials on the CFA website: <http://calfac.org/allpdf/Job%20Protection/handout%20layoff.pdf> regarding layoff and non-reappointment and refer to Article 38 of the contract for much more information about layoff procedures.

23. Is it possible that Tenured and Probationary faculty could get laid off?

Yes. There is an order of layoff, as stated in the contract, in which tenured faculty would be the last to be laid off. However, layoffs would be done at the campus level, not the system level, and the "unit" of layoff is the department. Given the enormous scope of the layoffs being considered, there are no assurances that probationary and tenured faculty won't lose their jobs. Also, if the plans to address the remaining \$300+ million involved program eliminations, probationary and tenured faculty would also be facing

layoffs. Please see materials on the CFA website regarding layoff and non-reappointment and refer to Article 38 of the contract for much more information about layoff procedures:
<http://calfac.org/allpdf/Job%20Protection/handout%20layoff.pdf>

24. Aren't lecturers and others with temporary appointments already losing work?

Yes. We have lost at least 1,000 (headcount) lecturers in the past academic year and many more have seen their timebase reduced involuntarily. The CSU says these reductions in the workforce were necessary with the \$97.6 million budget cut the system had in 2008/09.

25. Does CFA know if management and executives also will be laid off?

The CSU administration has not discussed layoffs of management or executive personnel with CFA. They say they will impose furloughs on these employees as an alternative to layoffs, just like they say they prefer to furloughs to layoffs for faculty.

**We will be updating this information as more becomes available.
Please check back for updates to this FAQ.**

**If you have questions that have not been addressed in this document, please send an email to:
furloughsandbudgetcuts@calfac.org and someone will respond as soon as possible.
We appreciate your patience.**