

DATE: May 3, 2011

TO: Victor R. Collins
Interim Vice President, Human Resources

FROM: Ted Stolze
CCFF President

CC: Steve Andelson
Cerritos College/CCFF Chief Negotiator

RE: Open Issues & the District Information Request

On April 26, 2011, the District submitted to the CCFF an official information request associated with the CCFF's response proposal to the March 15, 2011 District Budget Modifications Proposal to Preserve Programs and Services. Please consider this communication to be the CCFF's response to the District's information request (the CCFF's responses appear in **boldface**).

1. The CCFF Has Not Received Information Previously Requested, Which Has Impacted the CCFF's Ability to Respond Here

At the March 15, 2011 negotiations session, the District promised a savings estimate for all items on the District's original proposal (dated March 15, 2011). The CCFF had not received those savings estimates in writing to date. The CCFF cannot complete its analysis of the District's proposals without that essential information, nor can we be certain of the cost savings analysis you requested of the CCFF in the District's request. Furthermore, the CCFF has not received a "right-sized" budget projection for the next three years and cash-flow estimates for March, April, May and June of this year. Please let us know when we can have those documents, as their production has been delayed too long already. Please provide the CCFF with the remainder of the information within a week so that we can be prepared for further bargaining.

2. Additional Information Needed by the CCFF

The CCFF also requests that the District provide that estimate, accompanied by the calculations used to determine the funds saved by the District for each item. Also, please see the CCFF's second answer to the second District request for additional information needed to answer the query. The information is necessary and relevant to bargaining and is required at least a week before the next bargaining session.

The CCFF also needs the District's corrected financial projections. As you know, the CCFF identified inaccurate District projections of many millions of dollars. Please let us know by Friday, May 6, 2011, when we can expect all requested information.

3. *District Information Request:*

1. The CCFF documents included four proposals to increase compensation to Federation bargaining unit members; specifically, item number 3 proposed to (1) adjust summer session compensation provided to full-time faculty members to “their hourly overload rates”; (2) funds previously used to provide such faculty pro-rata compensation would be “redistributed” as follows:
 - a. On January 1, 2012 “the full-time faculty salary schedule shall be increased by 6%...”
 - b. Commencing with the Fall 2012 Semester, that “full-time faculty salary schedule shall be increased by an additional 6%...”

The District requests (1) the amount and calculations to determine the cost/funds saved by the salary reduction by the summer session salary modification for full-time faculty; (2) the amount and calculations to determine the cost/funds required to place an additional 6 percent on the full-time faculty salary schedule on January 1, 2012; and (3) the amount and calculations (including compounding effect) of placing an additional 6 percent on the full-time faculty salary schedule effective “with (the) Fall 2012 semester.”

A. CCFF Cannot Analyze Information that the District Has Yet to Provide

As with all of the CCFF’s proposals, it is not possible to give comprehensive answers to the District’s queries. As explained above, the District has yet to provide all of the economic data the CCFF has requested and requires for providing exact answers and calculations. The CCFF looks forward to when it can complete its calculations, but, for now, these proposals are based on the District’s information as it exists.

B. Retirements & New Hires

According to District projections, there will be more than three dozen retirements and rehires (at an entry or lower scale rate) for next year. The impact of this cost-saving has yet to be determined as well.

First, there needs to be some context to the CCFF’s proposal based on the District’s actions. The District has proposed the elimination of pro-rata summer pay for full-time faculty. This pro-rata pay has been in place for more than 30 years as a historic benchmark for campus compensation. The District is also proposing that it introduce a second tier for newly hired full-time faculty.

C. The District’s Reduction of Summer Assignments Reduces Average Salary by between 10 and 20 percent

Summer school represents 10 percent to 20 percent of annual income for faculty.

In some divisions, Summer 2011 has been cut to the point *that most faculty have just one class or no classes, which is again an effective pay cut of 10 to 20 percent for 2010-2011*. So our team's rough estimate is that a 12-percent increase to the base salary schedule would be appropriate. For most full-time faculty, teaching an additional two classes in summer at pro-rata pay amounts to an additional 20 percent in income beyond the base pay.

In light of this, a 6 percent reallocation of salary from overload to base pay in January 2011, to be followed by another such reallocation in the fall of 2011 is, indeed, very reasonable. Anticipated savings to the District will result from:

- i) increased "efficiency" (per President Lacy's public comments regarding Summer 2011 at the CCFF-sponsored forum) as full-time faculty teaching in the summer at overload pay will cost about 50 percent less than what it would have been under pro-rata.
- ii) Given the proposed change in compensation rate for summer, many full-time faculty members will likely not teach in the summer, hence, contributing to additional savings to the District.
- iii) As the economy recovers, and when the District moves to a 16-week calendar, it can offer more winter intersession, and, by so doing, earn more FTES at a much cheaper rate by relying on the proposed overload rate for summer teaching.

D. Rough Estimates of CCFF's Proposal – To Be Modified After the District Corrects its Financial Projections and Analysis

The CCFF estimates the cost savings to the District of cutting summer pro-rata pay as \$346,274.73, based on the following calculations (this is a rough estimate that requires additional cost verification from the District):

Number of full-time faculty eligible to teach summer classes:	239
Average salary (based on Salary Step D13):	\$86,662.00
Additional cost per faculty member of teaching pro-rata (\$86,662 x .2):	\$17,332.00
<u>Savings to the District (\$17,332 x 239):</u>	<u>\$4,142,348.00</u>

Number of full-time faculty and counselors (239 + 31):	270
Average salary of full-time faculty and counselors:	
\$86,662.00	
Annual cost (\$86,662 x 270):	
\$23,398,740.00	

Marginal cost of a 6 percent reallocation in salaries for the first half of 2012 (\$23.4 million x 6 percent x 0.5):	\$701,962.70
Marginal cost (compounded) of a 6 percent reallocation	

in salaries for the second half of 2012 (\$23.4 million x 1.06 x 6 percent x 0.5):	\$723,021.07
Total marginal cost of reallocation of full-time faculty salaries for 2012:	\$1,424,983.27
Cost of 2012 Summer School at new overload rate of \$91.86 (86.67 x 1.06):	
\$2,371,090.00	
<u>Total cost of reallocation:</u>	<u>\$3,796,073.27</u>
<u>Total savings to the District from reallocation of full-time faculty salaries</u>	<u>\$346,274.73</u>

District Information Request:

2. The second faculty increased compensation proposal is included as item #4 of the CCFE proposal. The Federation has proposed that “beginning with the 2011-2012 academic year all lab classes shall be compensated in the same manner as a lecture class.” The District requests the amount and calculations to determine the increased cost/funds that would be required from the 2011-2012 District budget and annual costs in succeeding fiscal years.
 - A. **This is a cost item, but we believe it is fair, especially in light of the college’s healthy budget and the real interest by faculty members who have historically experienced uneven and conflicting campus practices regarding workload.**

Here again, the exact savings in terms of a dollar figure depends on a) the number of lab sections anticipated to be taught in the 2011-2012 academic year, b) the individual faculty scheduled to teach these labs, c) their course load and d) their rate of compensation. Unfortunately, all of this information is privy to the District. As a result, we request that this information be provided to the CCFE.

District Information Request:

3. The third faculty increased compensation proposal is included as item #5 of the CCFE proposal. The Federation has proposed that “beginning with the 2011-2012 academic year all part-time faculty members shall be paid for ‘professional ancillary activities’ in accordance with Education Code 87482©(1), at their regular hourly rate.” The District requests the amount and calculations to determine the increased cost/funds that would be required from the 2011-2012 District budget and annual costs in succeeding fiscal years.
 - A. **This Cost is Under the District’s Control based on Work Assigned to Adjunct Faculty**

This is a cost item only if the District asks part-time faculty to perform additional professional duties such as curriculum development, committee work, or course and program assessment. Given the great number of full-time faculty members who have taken advantage of the “golden handshake,” we strongly believe that it would be in the interest of the District to involve more part-time faculty in the professional life of the campus—and to compensate them accordingly.

For example, if no part-time faculty are asked to participate in ancillary activities, then the total cost would be \$0; if 100 part-time faculty were asked to participate for one hour each per semester, then the total cost would be $100 \times 1 \times \$54.60 = \546.00 ; if 100 part-time faculty were asked to participate for 18 hours per semester, then the total cost would be $100 \times 18 \times \$54.60 = \$98,280$.

District Information Request:

4. The fourth faculty increased compensation proposal is included as item #5 of the CCFF proposal. The Federation has proposed that “beginning with the 2011-2012 academic year, any COLA received by the District from the State of California shall be automatically ‘passed through’ towards both full-time and part-time (faculty) total compensation.” The District requests the amount and calculations (if any) used to determine the increased cost/funds that would be required to implement its proposal.

A. Cost of Living Adjustments Pass-Through are Designated by the State for Faculty

This fiscal year and the last contained no COLA from the State of California. Since there is no budget yet for FY 2011-12, it is impossible for CCFF to calculate the projected cost of a COLA pass-through. But, in general, a 1-percent COLA raise for faculty amounts to \$265,245 (inclusive of payroll taxes) as per the District’s presentation in Planning & Budget on April 7, 2011.

District Information Request:

5. Although CCFF provided paper copies of part of its power-point presentation and proposal, the District is requesting an electronic version of its complete proposal presentation.

A. On April 29, 2011 the CCFF sent to the District an electronic PDF of our PowerPoint presentation, but we are attaching another copy to this communication.

District Information Request:

6. The introductory portion of the CCFF power-point proposal to the District also included additional documents that included quotations and comments about the mutual openness and respect of the bargaining process, as well as stated CCFF perceptions of

shortcomings by the District administration in the bargaining process. These documents have not been provided as paper copies. The District hereby requests that these documents be provided as part of the requested electronic version of the complete CCFF negotiations proposal—since it was presented to the District as a component of your proposal.

- A. The CCFF included this introductory material in the electronic PDF of the PowerPoint presentation we sent to the District on April 29, 2011, but we are attaching another copy to this communication.**