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Cerritos College Faculty Federation
AFT Local 6215

Comprehensive Negotiation Report

May 10, 2022

Table of Contents

I. Introduction and Summary of Economic Proposals

The Cerritos College Faculty Federation has prepared this comprehensive negotiation report to inform Cerritos College employees, students, and the public about its bargaining proposal in negotiations. CCFF proposes that for each year of the contract, faculty receive State COLA (an ongoing increase of State funding to the College), plus an additional on-schedule percentage to ensure faculty compensation keeps pace with inflation.

The proposal is **fair to faculty**: LA County CPI has increased 8.5% over the last year, with projected inflation of 4.9% in 2022 and 4.1% in 2023. The Federation carefully designed the proposal in consideration of the College's finances, the increased area cost-of-living, and competitiveness with the College's cohort.

The Union's proposal is **affordable**: The College had a surplus of more than $10 million for the 2020-2021 fiscal year and is projecting a $5 million dollar surplus for the 2021-2022 fiscal year. These two surpluses exceed the cost of CCFF's economic proposal by over $3 million dollars, while at the same time the College's revenues are outpacing its expenditures.

The College proposes no ongoing salary increases for faculty at all. The College instead proposes a series of one-time bonuses for faculty, which would result in faculty going ***five years*** without any on-schedule salary increase and which would cause faculty to suffer a massive loss in real earnings relative to inflation. The College proposes a mere 1% parity increase for part-time faculty.

The College has been unable to articulate any defense or explanation for this position. The College's proposal is harmful and insulting. It does not reflect inflation, the ongoing State funding increases the College is receiving this year and next, or that almost all of the College's cohort districts are providing COLA or more to faculty.

A. CCFF's Economic Proposal

For salary, CCFF proposes that for each year of the contract, faculty receive State COLA coupled with an additional on-schedule percentage to ensure faculty compensation keeps pace with inflation:

2021-2022: COLA (5.07%) + 3.85%, retroactive to July 1, 2021.
2022-2023: COLA (TBD) + 3.00%
2023-2024: COLA (TBD) + 2.00%

CCFF's economic proposal includes an increase in the parity rate for part-time faculty from 0.545 to 0.635. The part-time salary schedule is based on a percentage of the full-time salary schedule, on an hourly basis. So currently, on an hourly basis, the College only compensates part-time faculty at 54.5% of the level of full-time faculty. CCFF's proposal modestly increases that parity, where part-time faculty would receive 63.5% of what full-time faculty make.

CCFF's proposal also advances fairness for part-time faculty by adding three columns to the part-time schedule, to mirror those of full-time faculty. (Bachelor's Degree + 50 units including Master's; Bachelor's Degree + 70 units including Master's; Bachelor's Degree + 90 units including Master's.)

Finally, CCFF's economic proposal provides all full-time faculty with the ability to obtain longevity increments, not just those with advanced degrees (Doctorate or Masters+90 units). Ensuring all full-time faculty have the ability to obtain longevity recognizes the importance of service for all full-time faculty equally, including those in Career and Technical Education, where a Doctorate or Masters would be atypical and often unrelated to the field.

B. <u>The College's Economic Proposal</u>

Despite record inflation, strong College reserves, and a State COLA of 5.07%, the College has proposed for each year of the contract, CCFF receive no ongoing salary increase whatsoever. Instead, it proposes a series of off-schedule, one-time bonuses (3% for 2021-2022 and 2% for the next two years.) The College proposal for part-time parity is equally unsupportable, with parity increasing by a tenth of a percentage point each year of the contract, from 0.545 to 0.555 in 2021-2022, then 0.565 for 2022-2023, ending at 0.57 for 2023-2024.

Even the College does not believe its proposal is fair or reasonable. The College has conceded that it *could* offer a more realistic and fair increase for faculty, if it wished to do so. This bad faith conduct has resulted in unnecessary delay in these negotiations, with the College attempting to subvert good-faith discussion of salary to instead "anchor" its position to be one that is neither fair nor supportable.

II. CCFF's Proposal is Affordable and Supports the Interests and Welfare of the Public

The equity and student success focused economic proposal from CCFF, as presented at the 10/29/21 bargaining session, limits the annual net cost to the College as follows:

	COLA+	Part Time Parity (.635)	New PT education columns	Longevity Increases	Total
2021-2022	2 Million	2 million	250,000	200,000	4.5 million
2022-2023	1.5 Million	2 million	250,000	200,000	4 million
2023-2024	1 million	2 million	250,000	200,000	3.5 million
Net Cost for Successor CBA	4.5 Million	6 Million	750,000	600,000	11.85 million
Average per year	1.5 million	2 million	250,000	200,000	4 million

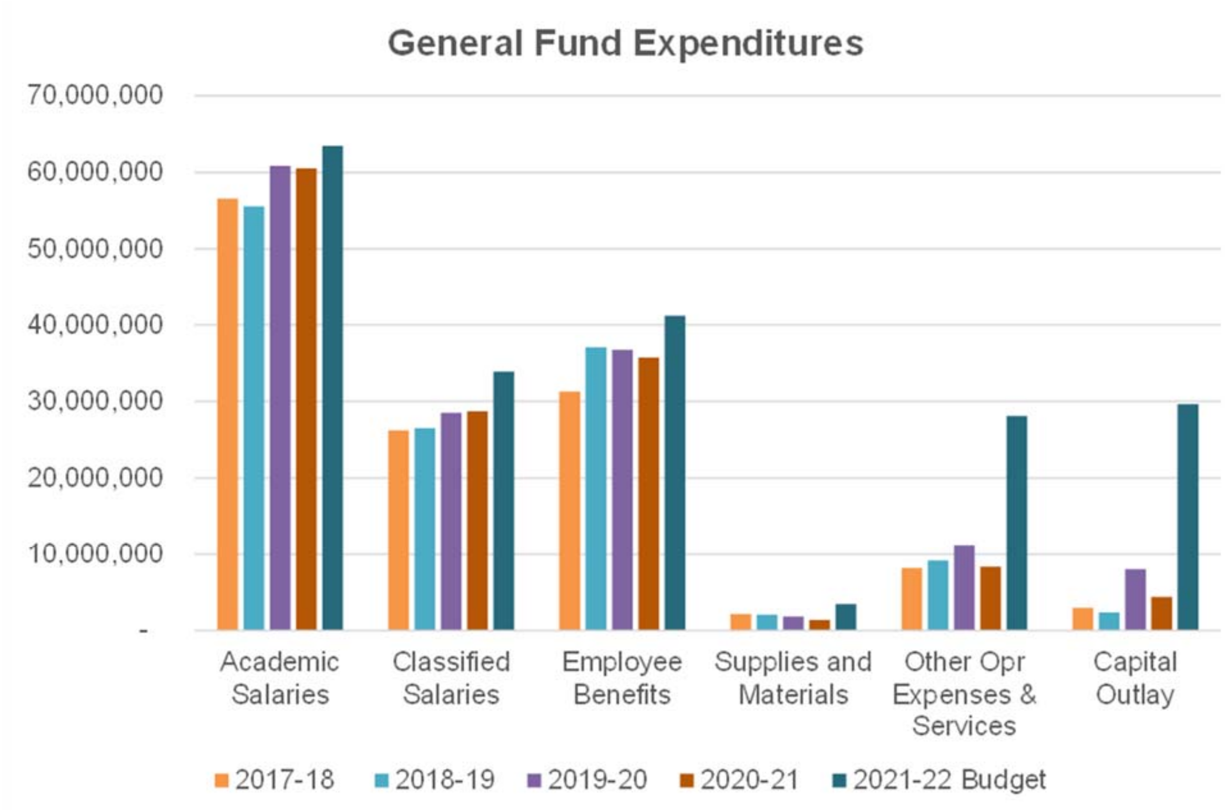
The College has a track record of strong fiscal health and reserves. The College has had a surplus four out of the last five years ($1.5 million for 2017-18, but otherwise running a surplus of *at least* $3 million each fiscal year since 2016. The recent surplus was the most outrageous: <u>the College had a surplus of more than $10 million unrestricted general funds in the 2020-2021 fiscal year.</u>

Additionally, the College has budgeted for a $5 million surplus this fiscal year. Moreover, a comparison of historical trends between the College's <u>projected</u> and <u>actual</u> budgets shows that the College routinely underestimates its actual fiscal strength. We can expect that following this same practice, the College's actual surplus for 2021-2022 will be much larger than the projected $5 million.

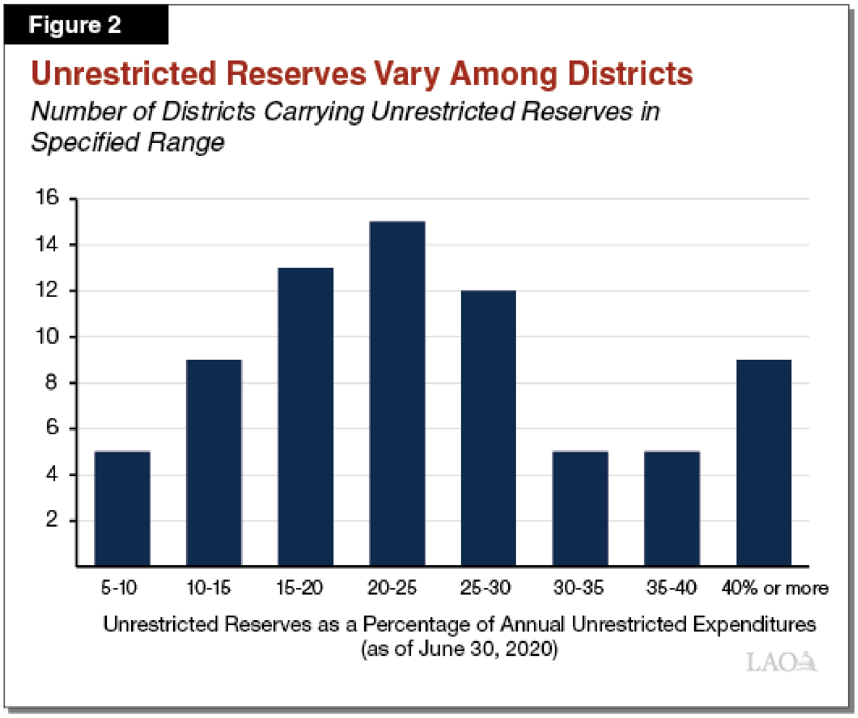
The College also engages in a manipulative budgeting practice of transferring funds out of the unrestricted general fund into other restricted funds – capital outlay, SERP, innovation funds, etc. – to deliberately understate the actual available unrestricted general funds. The California Community Colleges Chancellor's Office reports that the College has diverted over $48 million from the unrestricted general via interfund transfer since the 2010-2011 budget year, with $22 million alone transferred within the past six years.

Data From the California Community Colleges Chancellor's Office CCFS-311 Report- Interfund Transfers	
Actual Year	Amount Transferred from Unrestricted General Fund
2006-2007	$1,510,565
2007-2008	$1,683,753
2008-2009	$7,334,041
2009-2010	$5,989,139
2010-2011	$5,905,814
2011-2012	$698,960
2012-2013	$1,500,000
2013-2014	$1,500,000
2014-2015	$500,000
2015-2016	$16,200,000
2016-2017	$641,730
2017-2018	$1,667,291
2018-2019	$1,436,191
2019-2020	$1,297,544
2020-2021	$911,855
Sum Total 2006-2021	$48,776,883

The College engages in other budgeting tricks to understate its reserves and surplus. For the 2021-2022 fiscal year, the College budgeted far more for operational expenses/services and capital outlay than it has historically required. The College has also budgeted for a significant increase in employee benefits and supplies/materials. The College's practice in overstating anticipated expenditures consistently results in significant surpluses at the end of each fiscal year.



The College also boasts reserves far beyond a healthy level. As of March 2022, the College has 36% ($41.8 million) unrestricted reserves. This is significantly more than the 5% recommended by the CCCO and is more than *double* the 17% that the [Legislative Analyst's Office](#) recommends. The College's reserves are at an all-time high and are projected to continue to grow. Even with the expected growth, Cerritos College still boasts significantly more in unrestricted reserves compared to the state average of 20%. Furthermore, the College holds larger sums of unrestricted reserves than 75% of the California community college districts.



Not only is the College's fiscal position excessively strong, but the State outlook likewise supports the CCFF's proposal. The California State Legislature has demonstrated significant investment in the California Community Colleges. The 2021-22 May revise includes an unprecedented level of investment in higher education to drive upward mobility across the state. The proposed budget for 2022-23 is predicted to include an additional 1.8 billion dollars for higher education. Hence, according to LAO January 2022 budget overview, the deficit factor for the subsequent years is 0%, ensuring that California Community Colleges will receive all of the funding they have been allocated. Additionally, more than half of the budget has been identified as ongoing funds, maintaining the high level of financial commitment from the state.

The LAO Budget Review identifies an anticipated 6.56% COLA for the 2022-2023 fiscal year. This, in addition to the 2021-2022 COLA of 5.07%, are intended to ensure the community college districts have sufficient funds to offer salary increases commensurate with sharply rising inflation.

The College argues that the State COLA cannot be relied on in negotiations, because the Student Centered Funding Formula (SCFF) may change the way COLA is applied to the annual budget allocation. This argument is without merit, and is contrary to the College's actual assumptions and practices in its own budgeting. The College's 2021-2022 and 2020-2021 budget reports both identify COLA as part of the College's budget assumptions. Although the College argues *in negotiations* that it cannot assume it will receive COLA, the College has otherwise made that exact same reasonable assumption in its budgeting. The College knows that it will receive the full COLA based on the SCFF, relies on the COLA, and only asserts otherwise in negotiations.

Such assumptions by the College in its budgeting that it will receive COLA are rational. The SCFF provides a variety of protections against any sudden decline in enrollment including a hold harmless provision which has been extended through the 2024-2025 fiscal year. And beyond the protection provisions already outlined in the SCFF, we can anticipate the California Community College Chancellor's Office developing and enacting additional provisions should the need arise, as they have done throughout the COVID-19 pandemic and since the inception of the SCFF.

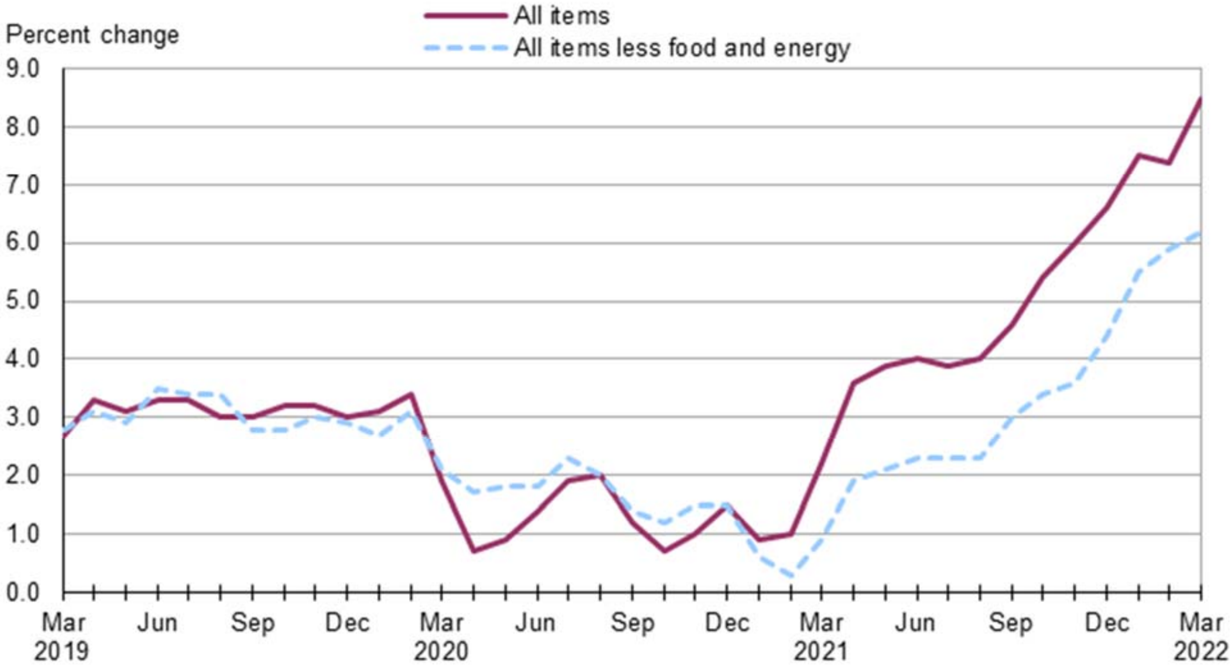
Moreover, the base apportionment allocation is derived using a three-year average of FTES, which means the College has identified the FTES to be used in the SCFF calculation through 2024. The College's 2021-2022 adopted budget identifies a 3-year average of 16,958 FTES through the 2023-2024 projected budget. While the College will be able to grow and earn additional funding through the SCFF, it will not receive base apportionment funding below the 3-year FTES average. Given that a significant portion of our student population consists of Promise Grant recipients, the College *benefits* from the new SCFF funding formula. Since the inception of the new SCFF funding formula, its revenues under this formula have exceeded revenues under the old hold harmless provision. Essentially, the SCFF provides a greater budget ceiling for the College than existed previously while also providing a sufficient floor to accommodate the CCFF's proposal via the hold harmless provisions.

Consistent with the above protections, the College's adopted budget report shows the undesignated reserves continuing to grow and surpluses continuing to occur through 2022-2023. The College's arguments related to enrollment and the COLA are not made in good faith, as the College itself acknowledges the certainty of the COLA and sufficiency of enrollment levels in its own budgets, which show surpluses based on these assumptions.

III. Significant Increases in the Consumer Price Index (CPI) Make CCFF's Proposal a Necessity for Faculty

The Consumer Price Index (CPI) for goods and services in the Los Angeles area has increased significantly. Area prices have increased 1.5% over the past month alone, and are up 8.5% from a year ago. Food and energy prices have experienced even steeper increases at 8.6% and 36.7% over the last year respectively. Gas prices alone in the Los Angeles area have risen by 54% from a year ago. Moreover, inflation is expected to remain high through 2024 pushing inflation to its highest rate in over 30 years.

Chart 1. Over-the-year percent change in CPI-U, Los Angeles-Long Beach-Anaheim, CA, March 2019–March 2022



Source: U.S. Bureau of Labor Statistics.

These high and historic inflation rates have reduced the purchasing power of faculty by 12% since 2019. Faculty have not received a salary increase in three years. The last wage increase received by faculty was a minimal 3.26% in the 2018-2019 fiscal year, commensurate with – but not greater than – the state-funded COLA. This means that faculty have been required to absorb all CPI increases since 2019, suffering a significant loss in real wages as a result. Inflation decelerated sharply in 2020 largely because of COVID-19 and Stay At Home Orders decimated the demand for fuel, driving energy costs down; however, the steep increase demonstrated in the above chart highlights the fiscal pressure faculty at Cerritos College are experiencing due to rising inflation.

IV. CCFF's Proposal Increases Equity for Part-Time Faculty

CCFF's economic proposal includes an increase in the parity rate for part time faculty, moving the College closer to equitable pay between full- and part time faculty. This move starts to align the College with the California Equal Pay Pledge and AB1752 which aim to address systemic inequities in the pay structures between full and part time faculty. CCFF's modest proposal for a .09 increase, or 9% increase from 54.5% 63.5% for part-time faculty is far less than what the California Legislature is considering mandating via AB 1752, and represents just a start to this process.

Part-time parity is crucial in light of the College's absolute reliance on part-time faculty. 69% of the faculty at the College are part-time, and as such, an increase in parity pay has a significant positive impact on the morale and productivity of our PT faculty and thus affecting student success in the classroom. The increase in part-time parity rate also aligns with the goals of the Cerritos College District which list:

- Celebrating diversity in people, philosophies, cultures, beliefs, programs, and learning;
- Promoting respect and trust in all people regardless of background, including students, community members and employees.

Moving part-time faculty pay toward full parity demonstrates respect and trust in all people and celebrates diversity among faculty members.

V. CCFF's Proposal Increases Equity for Full-Time Faculty

CCFF's economic proposal also includes longevity increments for *all* full-time faculty, not just those with a Doctorate or Masters+90 units. These longevity increases recognize the service of all full-time faculty, especially those in Career and Technical Education.

The California Community College Chancellor's Office Vision for Success identifies increasing the percent of exiting CTE students who report being employed in their field of study, as one of its core tenets. By adding the longevity increments to all columns on the full-time salary schedule, the College will be able to better recruit and retain experienced and effective CTE faculty and those who may not have a traditional educational path to the classroom. Providing longevity increments for all columns on the full-time faculty salary schedule aligns with the goals of the Cerritos College District, set forth above.

This change to the salary schedule will demonstrate the College's commitment to these programs and faculty and the worth of CTE programs to the public, directly impacting student success.

VI. CCFF's Proposal is Comparable to Recent Agreements at the Cohort College Districts

Cerritos College is located in a densely populated metropolitan area, with no fewer than nine colleges within a 15-mile radius. Consequently, Cerritos College must compete with neighboring districts to employ and retain the highest quality faculty and staff. If the Cerritos Community College District does not make significant strides to remain competitive to these local institutions with regard to compensation the impact to faculty retention and student success will be devastating. In the past two fiscal years, several of our neighboring colleges have enacted significant economic packages, which increased faculty salaries to keep pace with inflation and which have assisted those colleges in retaining faculty. Below is a short list of Southern California college districts that provided reasonable compensation packages for the 2021-2022 fiscal year and beyond:

- El Camino CCD - 7.2% (2021-2022)
- Rio Hondo CCD - 6.07% (2021-2022)
- Santa Barbara CCD - 5.5% on-schedule + 2% one-time bonus (2021-2022)
- Long Beach City College - 5.07% (2021-2022)
- Los Angeles CCD - 5.07% (2021-2022)
- North Orange CCD - 5.07% (2021-2022) and 5.03% (22-23)
- Riverside CCD - 5.07% (2021-2022) and State COLA (22-23)
- Chaffey CCD - 5.07% (2021-2022)
- Pasadena Area CCD- 5.07% (2021-2022)

The College is also lagging several comparable districts with respect to full-time longevity increments or steps. The cohort districts identified above all boast longevity increments for all full-time faculty, regardless of column placement.

Long Beach City College, Rio Hondo College and El Camino College have completed salary schedules where all full-time faculty receive a step increase regardless of column placement. The tables below show that while salary may be competitive for less senior faculty, that such competitiveness evaporates full-time faculty with 15 or 20 years of experience.

Full Time Faculty with 15 years full time experience				
District	Less than a Master's Degree	Master's Degree	Bachelor's Degree plus 50 units	Bachelor's Degree plus 70 units
Cerritos College	$93,964	$100,791	$107,614	$114,439
El Camino College	$89,042	$99,043	$113,123	NA
Long Beach City College	$91,016.27	$97,357.94	$104,028.61	$107,756.67
Rio Hondo College	$96,069	$103,117	$110,163	$117,228

Full Time Faculty with 20 years full time experience				
District	Less than a Master's Degree	Master's Degree	Bachelor's Degree plus 50 units	Bachelor's Degree plus 70 units
Cerritos College	$93,964	$100,791	$107,614	$114,439
El Camino College	$92,003	$102,002	$116,084	NA
Long Beach City College	$100,502.51	$107,192.26	$114,204.85	$118,111.95
Rio Hondo	$99,433	$109,849	$116,894	$123,926

The College is also lagging several comparable districts with respect to part-time parity, with several *above* 82% parity of full-time faculty salary, as compared to Cerritos College's 54.5%. This is significantly lower than those of our sister colleges. It behooves Cerritos College to increase the parity rate to 63.5% because it helps to attract and retain high quality faculty, therefore positively impacting our student success metrics. Additionally, this is an equity issue that has received statewide attention. Most recently a lawsuit has been filed against Long Beach City College for part time faculty members citing inequitable compensation for work performed. Increasing the parity rate, ancillary activities, ancillary pay rate, and student hour pay rate are all meaningful ways that the College can address the equity issues around part time faculty pay and improve student success.

VII. Conclusion

CCFF has worked diligently to ensure that all economic proposals meet two criteria:

1. That they are affordable based on the Cerritos Community College District actual budget, reserves, and projected budgets; and
2. That they create a more equitable and competitive workplace for all faculty, including part-time faculty.

The Union's economic proposals meet both of these criteria. They are supported by the College's strong fiscal health, are comparable to our cohort districts; and, most importantly, and are necessary to stop the erosion of faculty real earnings in light of the historic inflation taking place.