

The California State University Employee Update Monday, July 6, 2009

Board of Trustees to Discuss Ways to Manage Budget Crisis Tomorrow

The CSU Board of Trustees will meet tomorrow to discuss plans to address a proposed \$584 million cut to its 2009-10 budget. The Committee on Collective Bargaining will begin in closed session at 10 a.m., and the Committee of the Whole will convene at 12:30 p.m. at the Chancellor's Office in Long Beach.

Trustees will discuss several measures ranging from enrollment reductions to furloughs that seek to address an unprecedented reduction to the CSU's budget, the largest in its history. The reduction is part of the state's attempt to close an estimated \$26.3 billion budget gap.

Under CSU Chancellor Charles B. Reed's guidance to "serve as many students as possible without sacrificing quality, and to preserve as many jobs as possible," the CSU administration is proposing furloughs two days per month for all employees including management and executives, with the exception of public safety personnel. Approximately 85 percent of the CSU's costs are salary and benefit payments. Furloughs would reduce the CSU's salary expenditures by approximately \$275 million, as well as preserve 22,000 course sections or 15 percent of all classes for students for the academic year.

Because collective bargaining agreements between the CSU and its employee unions include provisions covering mandated non-retention and layoffs but not furloughs, each union must agree to negotiate furloughs. Two groups--the California State University Employees Union (CSUEU) representing 16,000 non-academic employees and the Academic Professionals of California (APC) representing 2,400 student service employees--have agreed to discuss furloughs after a favorable vote of their members. The CSU has met several times with its largest labor union, the California Faculty Association (CFA) representing 23,000 employees, but to date, no vote of its members has been scheduled. Only dues-paying members of the faculty union will be allowed to participate in a vote.

Including management, approximately 21,000 of the CSU's overall workforce of 47,000 employees are looking at furloughs, which are expected to begin in August for several personnel groups. A furlough is a mandated period of time off without pay. Furloughs differ from salary reductions and pay cuts in that they are temporary and do not affect employment status, health benefit eligibility or pay rate for retirement benefits. Also, employees are required not to work on furlough days. As with previous executive orders, the CSU is not subject to Gov. Schwarzenegger's most recent executive order requiring state employees to take a third furlough day.

In an attempt to mitigate furloughs and potential layoffs, the CSU took action last fall and implemented salary and hiring freezes, travel and purchasing restrictions, and a cap on student enrollment. The magnitude of the state's proposed reduction to the CSU's budget, however, is requiring the CSU to take further action.