

The California State University Employee Update

Tuesday, July 7, 2009

CSU Employees Union Tentatively Agrees to Furloughs

The California State University Employees Union (CSUEU) representing more than 16,000 non-academic employees has tentatively agreed to furloughs two days per month. The CSU has been meeting with all of its labor unions to discuss furloughs as one way to mitigate a proposed \$584 million cut to its 2009-10 budget. CSUEU is the first to reach an agreement, which is subject to ratification.

“While agreeing to furloughs is not an easy decision, the CSUEU has helped us move forward as we address the massive budget cuts the system is facing. This is an unprecedented crisis, and we appreciate CSUEU’s cooperation as we put a plan into place to get us through the next year and beyond,” said CSU Chancellor Charles B. Reed.

Collective bargaining agreements between the CSU and its employee unions do not include provisions for furloughs; therefore, each union must agree to negotiate furloughs. 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. Approximately 85 percent of the CSU’s costs are salary and benefit payments.

Including management employees and executives, approximately 21,000 of the CSU’s overall workforce of 47,000 employees will be furloughed beginning August 1.

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. Employees are required not to work on furlough days. As with Gov. Schwarzenegger’s previous executive orders, the CSU is not subject to his most recent order requiring state employees to take a third furlough day.