

The California State University Employee Update

Tuesday, June 23, 2009

Two Labor Groups Agree to Furloughs to Address Budget Cuts

Members of two of the California State University's labor unions have voted to discuss the concept of two-day-per-month furloughs as the CSU deals with a projected \$584 million budget cut.

The agreement comes from members of 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 who were polled by their leadership about the proposed furlough plan. Since the CSUEU's and APC's labor agreements with the CSU contain only provisions for mandated non-retention and layoffs, the unions will need to agree to a proposed furlough plan.

Including employees in management positions who may be furloughed, to date approximately 21,000 of the CSU's total workforce of 47,000 employees are committed to considering furloughs as one way to address the budget deficit.

CSU has been meeting with its labor unions to discuss the furlough option along with other proposals to mitigate the impact of the budget reduction. Approximately 80 percent of the CSU's costs are salary and benefit payments, and the CSU is proposing to furlough all of its employees (with the exception of public safety personnel) in all classifications, including management and executives. The CSU recently initiated changes to Title 5 of the California Code of Regulations for management and executive personnel which would allow it to alter provisions related to furlough, salary reductions and unpaid holidays. The change was put into place to meet a 45-day requirement should action be needed at the July 21 Board of Trustees meeting. The Title 5 revision can be found here: <http://www.calstate.edu/title5/index.shtml>.

Although the state budget has not been finalized, Gov. Schwarzenegger's May revision of the state budget proposes a \$584 million cut to the CSU's general fund support for 2009-10, representing a 13 percent reduction in state support from 2007-08. The furloughs, if accepted by all employees, would save approximately \$275 million, and other cost-saving options are under discussion to address the remaining deficit. CSU Chancellor Charles B. Reed has been working with the campus presidents on an action plan and expects to release details in the next few weeks. Reed has indicated that the guiding principles are to "serve as many students as possible without sacrificing quality, and to preserve as many jobs as possible."

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, or health or retirement benefits. Employees are not required to work on furlough days.