

Furlough Agreement FAQ

July 8, 2009

On July 6, 2009, CSUEU and CSU reached a Tentative Agreement regarding the implementation of furloughs between August 1, 2009, and June 30, 2010. The intent of this agreement is to lessen the severity of layoffs by reducing compensation costs.

Q1: What is a furlough?

A1: A furlough is the placement of an employee in a temporary non-duty, non-pay status in order to lessen the severity of layoffs

Q2: Where can I find the full text of the tentative agreement on furloughs?

A2: The full text of the tentative agreement has been posted to our website, www.csueu.org.

Q3: Why did the union consider furloughs?

A3: The State Budget Crisis finally hit the CSU in May 2009 when the State Budget Conference Committee approved cuts to the CSU budget totaling \$583,816,000. This represents an approximate 13 percent cut to the CSU budget. Roughly 70% of the total CSU budget comes from State General Funds.

Given that such a large proportion of the CSU budget (80% to 85%) goes towards employee compensation and benefits, the CSU proposed furloughs as an alternative to massive layoffs. In response, the CSUEU Board of Directors authorized three methods to assess our members' perspectives on the choice between furloughs and layoffs. The results of a scientific poll, a web-based poll, and chapter meetings on campuses around the state was that a resounding 80-plus percent of our members favored furloughs over massive layoffs. The Board of Directors authorized the union's bargaining team to sit down with the CSU to negotiate the best possible agreement.

Q4: How many furlough days will employees be subject to?

A4: For a full-time employee on a 12-month schedule, twenty four (24) days between August 1, 2009 and June 30, 2009?

Q5: How much pay will be deducted from my pay check each month during furloughs?

A5: The furloughs will result in approximately 10% reduction of your monthly pay.

Q6: Why does the agreement spread 24 furlough days over 11 mos. instead of 12 months?

A6: The fiscal year is July 1, 2009 through June 30, 2010. In order to provide employees with sufficient notice before the first furlough days were enacted and to give payroll sufficient time to process furlough days, we had to delay this program until August 1. That meant that two additional furlough days have to be

taken in FY 2009/2010. The CSU agreed to one of our major demands – equalizing the pay of employees over the 11-month period of furloughs. Your pay warrants will NOT change month-to-month. So, if you take 3 days in August and 2 in September, you will still get paid the same in both months.

Q7: Will campuses be closed on furlough days?

A7: CSUEU's preference is that campuses will be closed on furlough days. The CSU originally agreed with this position but several campuses wanted the flexibility to remain open. Therefore, under the tentative agreement, campus presidents would have the authority to determine whether they close the campus on any furlough days.

Q8: Do I have any choice in the days that I will be furloughed?

A8: Yes, for all furlough days not covered by a campus closure, an employee may request specific individual furlough days, subject to approval by the administrator. The administrator will make the final determination of the furlough days based on the operational needs of the campus. In the event operational needs restrict employee's choices, the administrator shall prioritize requests on the basis of seniority.

Q9: How many furlough days can be taken in any one month?

A9: Up to three furlough days may be taken in any one month. However, the President or the employee may designate one five-day furlough period during the entire year of the furlough program.

Q10: Why can I only take one 5-day block of furlough days? Why can't I take several 5-day furlough periods?

A10: The limit on the number of days per month is to reduce the cost to CSU of unemployment claims.

Q11: If I postpone taking my furlough days for a while, say by taking a five-day furlough period in October, can I postpone the paycheck reduction?

A11: No. The pay reduction will be spread evenly across your paychecks for the period of the agreement (section 4a).

Q12: Are holidays or holiday pay affected in any way?

A12: No. Section 3A specifically states that the president can designate "moveable" holidays as furlough days **only** if they have been rescheduled for observance on another date (typically between Christmas and New Year's Day). Since many K-12 schools are closed on these days, this could help employees who must make child care arrangements when their child's schools are closed. Regardless of whether the president picks these days as furlough days, you will not lose any holidays or holiday pay.

Q13: Can an employee request a furlough day before or after a holiday or in conjunction with paid leave?

A13: Yes, an employee may request to take furlough hours before or after a holiday, and this will not affect payment for the holiday. Additionally, an employee may take furlough hours in conjunction with other forms of paid leave.

Q14: What happens if I forget to take all 24 furlough days, or my administrator refuses to grant some of the days by the end of the fiscal year (6/30/10)?

A14: Since the pay dock is evenly applied to 11 pay checks, the CSU will owe you a day off. You will receive an ADO (alternative day off) to be scheduled in FY 2010/11.

Q15: What about 10/12 and 11/12 employees?

A15: 11/12 employees shall be subject to no more than 22 furlough days and 10/12 employees shall be subject to no more than 20 furlough days between August 1, 2009 and June 30, 2010.

Q16: Would part-time employees be subject to furloughs?

A16: Yes. All employees are subject to furloughs, including part-time employees, proportional to the number of hours they normally work.

Q17: What about per diem and intermittent employees?

A17: The number of days per diem or intermittent employees are allowed to work will be reduced proportionally.

Q18: What about employees who work 4/10 schedules? In their case, two furlough days would equal 20 hours, not 16.

A18: Employees on 4/10 schedules may be converted to 4/8 work schedules during furlough periods.

Q19: What about campuses such as Pomona and San Bernardino, which are already on summer 4/10 schedules?

A19: The TA provides that the schedule may be converted to a 4/8 schedule during furlough periods.

Q20: What about eight-month employees? How many furlough days will they take?

A20: Eight-month employees will be subject to a prorated number of furlough days, as with the 10-month and 11-month employees. We have the CSU's assurance on this. Eight-month employees would therefore be subject to no more than 16 furlough days.

Q21: What about vacation or sick days that fall on furlough days?

A21: Employees may not substitute vacation days, sick leave, CTO or holiday credits for furlough days.

Q22: What about exempt employees?

A22: Exempt employees who are furloughed lose their FLSA exemption during the week they take a furlough day. The CSU's intent is for exempt employees to work no more than 32 hours during a furlough week. Since exempt employees will be treated like non-exempt employees during a furlough week, they will have to account for absences such as vacation and sick leave during those weeks. They would be eligible for overtime in a furlough week, but only overtime that is deemed essential will be approved. Overtime would only be paid for authorized time worked in excess of 40 hours in a furlough week. Furlough days will not count as time worked for determining overtime in the work week. To view Department of Labor regulations on this subject, visit:
http://www.dol.gov/dol/allcfr/ESA/Title_29/Part_541/29CFR541.710.htm

Q23: Will all CSU employees be subject to furloughs?

A23: The CSU is proposing to furlough all employees in all classifications: represented employees, confidential employees, MPP, executives, and consultants. In fact, amendments were recently posted to Title 5 that would allow the CSU to furlough MPP employees. CSU is still negotiating with the other unions. They have told all of the unions that the alternative to the furlough plan would be massive layoffs.

Q24: Would any classifications be exempt from furloughs?

A24: Yes, the TA provides that employees who perform the work of public safety positions, regardless of job classification, would be exempt from furloughs. A list of such exempted positions and/or employees will be developed.

Q25: Would 24 furlough days over the next 11 months save enough money to avoid layoffs?

A25: Furloughs would save the CSU \$275 million. There are other cost-saving options under discussion as well. Because the state budget crisis is still unresolved, the CSU can't guarantee that furloughs would eliminate the need for layoffs. Their expressed intent, however, is to save as many staff jobs, including temporary employees, as possible. They do not want to lose trained, dedicated employees. In response to our request for assurances that if CSUEU is the only union to agree to furloughs, our members would be protected from the impact of other unions' refusal to reach such an agreement, the CSU told us across the table that the unions that did not agree to furloughs would begin receiving layoff notices very soon; the unions that did agree to furloughs would not.

Q26: What are some of the other cost-cutting measures that the CSU is considering?

A26: At a special meeting of the CSU Board of Trustees held on July 7, 2009, Chancellor Charles Reed said that "everything is on the table." Executive Vice Chancellor Ben Quillian said that some of the measures under consideration include reduced student enrollment, freezing salaries, restricting hiring and travel, restricting purchasing, examining fees charged, evaluating system-wide contracting, and eliminating duplications of effort.

Q27: What happens if some unions agree to furlough days and some don't?
A27: The CSU is poised to go through the layoff process with unions that do not agree to furloughs.

Q28: How many layoffs would be anticipated if CSUEU does not agree to the TA on furloughs?

A28: The numbers are staggering: approximately 2,000 FTE permanent employee layoffs, as well as the non-reappointment of over 3,000 temporary employees.

Q29: Where's the workload complaint process? (4j)

A29: Section 4(j) of the furlough agreement states that CSUEU and CSU will negotiate and reach agreement on this within 21 days of execution of this agreement.

Q30: I'm exempt. If I'm assigned to work overtime during a furlough week, do I get paid money for it, or will I get CTO?

A30: This is up to your appropriate administrator, per section 19.3 of the contract.

Q31: How will student assistant hours be monitored?

A31: If you see an increase in student assistant hours in a department, alert your chapter so they can investigate and file if necessary. CSUEU will be receiving data on student assistant hours which will be shared with each chapter.

Q32: What is the "period of the furlough" exactly?

A32: "Period of the furlough" refers to the entire period covered by this agreement, August 1, 2009, through June 30, 2010. Departments may not bring in extra student assistant hours to backfill for furloughed bargaining unit employees.

Q33: Where's the list of designated public safety classifications/employees which are exempt from furloughs? (7a)

A33: Once we get this information, it will be posted on our website.

Q34: Is the CSU considering closing any campuses?

A34: No. The Chancellor has stated that this is the only option that is not on the table.

Q35: Why does the Chancellor's Office prefer furloughs to layoffs?

A35: The CSU's expressed goal is to "share the pain." In a furlough, everyone suffers equally. Layoffs, on the other hand, create a good deal of stress in the workplace. Because of contractual notice requirements and the fact that Fiscal Year 2009/2010 has already started, layoffs would affect proportionally more people than even the high numbers with which we were presented initially.

Q36: What about the non-reappointment of temporary employees? Will furloughs mitigate against their non-reappointment?

A36: Although they cannot make guarantees, the CSU intends to retain as many employees as possible on the payroll with their benefits.

Q37: Will furloughs have any impact on retirement benefits?

A37: No.

Q38: Will furloughs have any impact on health benefits?

A38: No.

Q39: Can an employee on military leave be scheduled for furlough?

A39: No. Employees on military leave are exempted from furloughs, but would be subject to furlough days if returning to the CSU prior to June 30, 2010.

Q40: Can an employee receive unemployment benefits to cover the loss of compensation due to furloughs?

A40: The furlough program is structured so that employees will not be eligible to receive unemployment benefits to cover the loss of compensation as a result of furloughs.

Q41: Is the CSU considering offering golden handshakes to faculty and staff?

A41: No. The CSU points out that golden handshake retirement options are too expensive, especially in the first year, when CSU is trying to save money.

Q42. Are there plans to raise student fees by another five percent?

A42: This is not known yet.

Q43: Will the CSU go along with the Governor's Executive Order (S-09-09) which asked state departments to either cancel or reduce by 15% all outside contracts.

A43: This is not known yet.

Q44: Does the CSU Board of Trustees have to approve the TA on furloughs?

A44: No, but at its July 7 meeting, the Board discussed their desire for all unions to agree to furloughs in order to avert massive layoffs and disruptions to services.

Q46: What about employees who have already taken voluntary reductions in time base in order to save the CSU money?

A46. Employees who, in the last twelve months, volunteered to reduce their time base (10/12 or 11/12) shall be allowed to return to 12/12 status prior to the implementation of any furlough plan.

Q47: What about employees who are not funded from the state General Fund?

A47: All employees, regardless of funding source, are subject to furloughs. We intend to discuss this issue in the Labor Management Committee on cost-saving measures.

Q48: Are foundations subject to the furloughs also?

A48: We have asked the CSU to look into this. We have not yet received a response. Foundations are not funded by the general fund, but by grants; while it is likely that they have significant budgetary issues similar to those facing state

government, they are not represented employees and may be subject to furloughs, layoffs and/or salary reductions.

Q49: Can CSUEU members make suggestions for ways the CSU could save money?

A49: Yes. We agreed to establish a Labor-Management Committee to explore cost-saving measures that lessen the effect of cuts to the CSU budget. We anticipate having an online method for submission of cost-savings ideas shortly.

Q50: Is there any way we can ensure that MPP employees do not receive pay increases while rank-and-file employees are being furloughed?

A50: We would do everything in our power to have such pay increases rescinded.

Q51: How does this budget crisis compare to the ones we had in the early 1990s or in 2003/2004?

A51: This is far greater in magnitude. We have seen layoffs in the hundreds before, but never the potential for layoffs in the thousands.

Q52: How many classes does CSU estimate will be saved if all CSU unions agree to furloughs?

A52: CSU estimates that the furloughs, if accepted by all employees, would save an estimated 22,000 course sections, or approximately 15 percent of all classes, that would otherwise need to be eliminated for the academic year.

Q53: If the cut to the CSU budget is less than anticipated, would there be a reduction in the number of required furlough days?

A53: Under the TA, the number of furlough days would be subject to renegotiation.

Q54: I have heard that other employees are receiving bonuses, stipends, and possibly even pay raises. How is this fair when we are facing furloughs?

A54: Various contracts have provisions for campus-funded programs like IRPs, performance bonuses and stipends. If the necessary conditions are met, those salary benefits can still be paid. They are not the same as general salary increases that would go to all employees in a particular bargaining unit.

Q55: Please explain the ratification process and who can vote.

A55: Under the Higher Education Employer-Employee Relations Act (HEERA), the vote of each bargaining unit is tabulated separately. Only CSUEU members are eligible to vote on this tentative agreement. Fair share fee members will be given an opportunity to complete a membership card at the chapter ratification meeting.

Q56: What is the timetable for ratification?

A56: Chapters will hold special meetings for the purposes of ratifying the Furlough Tentative Agreement. Meetings will be scheduled in the very near future.

Q57: What happens if CSUEU members ratify the TA?

A57: The Furlough Agreement will go into effect as of August 1, 2009.

Q58: What happens if CSUEU members reject the TA?

A58: The tentative agreement will be null and void. It is likely that shortly thereafter, campus presidents will start sending out thousands of layoff notices throughout the state, pursuant to Article 24 (Layoffs). No further bargaining is anticipated.

All four CSUEU-represented bargaining units vote separately on whether or not to ratify the tentative agreement. If any unit(s) vote in support of the TA, it goes into affect for employees in those units. If any unit(s) vote against ratification, we would expect to see layoff notices sent to employees in that (those) unit(s).