

STILL TIME TO PRIORITIZE FACULTY~ BACKGROUND INFORMATION FOR THE DISTRICT NEGOTIATIONS TEAM AND THE CABRILLO COLLEGE GOVERNING BOARD

Goals:

- Improve faculty salaries in relative to comparative salaries statewide
- Improve faculty salaries as a percentage of total revenue
- Increase the adjunct/overload pro rata towards our contractual goal of 80%

Background

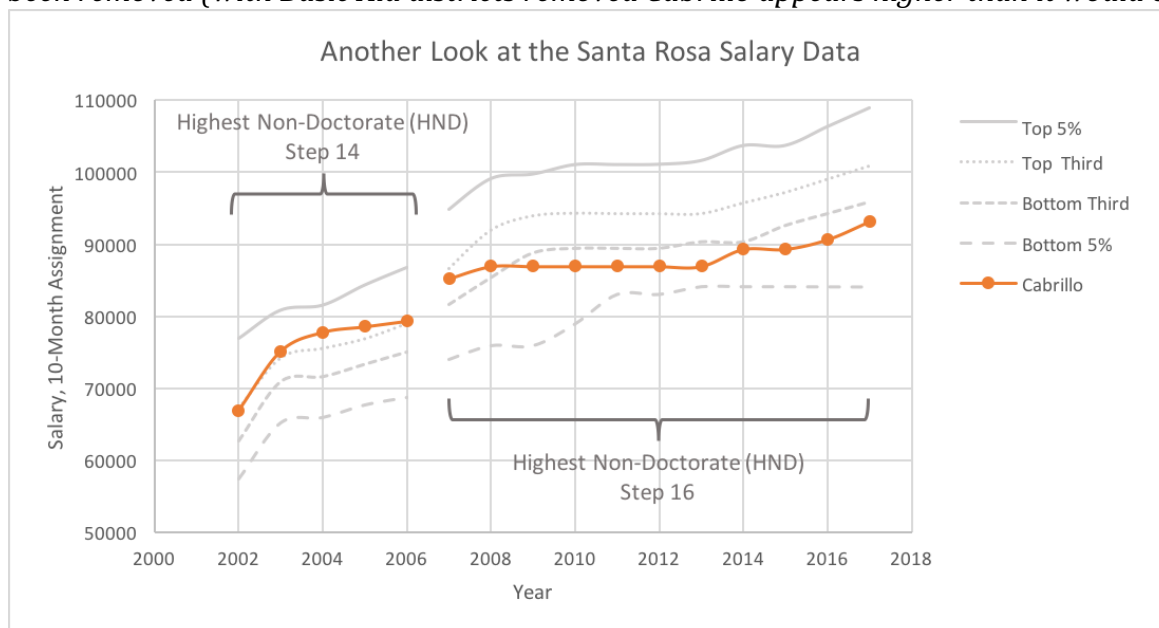
Current District/CCFT Contract language (13.1) states, “The intent is that CCFT receive a fair share of increased revenues to be allocated toward the faculty total compensation package of salary and benefits, with the goal of returning to and improving the salary schedules as quickly as possible.” The Contract language explicates that, “the following will be considered in determining the availability of new revenue for total compensation and to inform a “fair share” approach: state revenues, the Cabrillo base budget, CCFS-311 reports; the faculty obligation number (FON); allocation of teaching units; the 50% law; workload; and total faculty expenses, including salary, health and welfare benefits and professional growth & development for the current year and in the future, with a goal of increasing the percentage of the college budget spent on faculty salaries as a percentage of the budget.”

Ranking in Statewide Salary Comparisons

Cabrillo salaries have fallen precipitously in statewide comparisons in the past decade:

- In 2003-04 Cabrillo full-time salaries ranked 15 out of 72 Districts in the Santa Rosa statewide salary study (column 6, step 14).
- By 2014-15 Cabrillo full-time salaries had dropped to 51 out of 72 in the Santa Rosa study (column 6, step 14)
- For 2015-16 Cabrillo salaries rank 52 out of 65 non-basic-aid districts (column 6, step 16: note that basic aid districts generally have higher salaries)

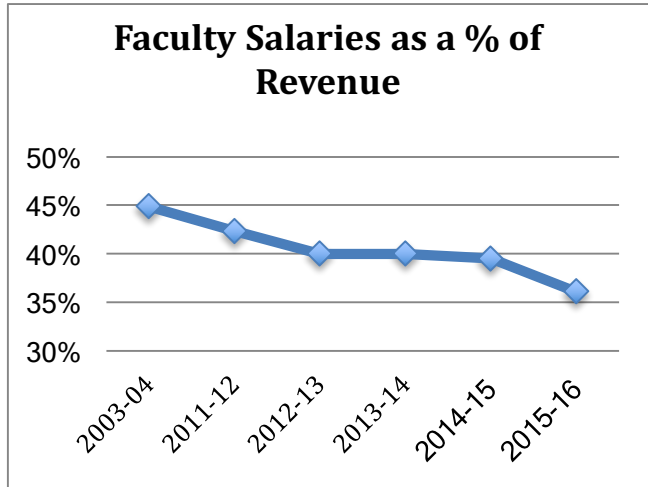
The following chart shows the trend in Cabrillo’s salaries in comparison to other colleges in the state. Note that the basic aid Districts, which generally place near the top of such studies, have been removed (with Basic Aid districts removed Cabrillo appears higher than it would otherwise).



Spending on faculty salaries as a percentage of the college revenues

Current trends show that the college remains on a trend of decreasing the spending on faculty salaries as a percentage of total revenue. The percentage of base budget revenue going to faculty salaries decreased from 44.89% in 2003-04 to 39.98% in 2014-15 to 36.08% in 2015-16 (this includes both adjunct and full-time faculty).

Note that this is true for 2015-16, even though the state budget included about \$570,000 in funding specifically to increase full-time faculty positions.

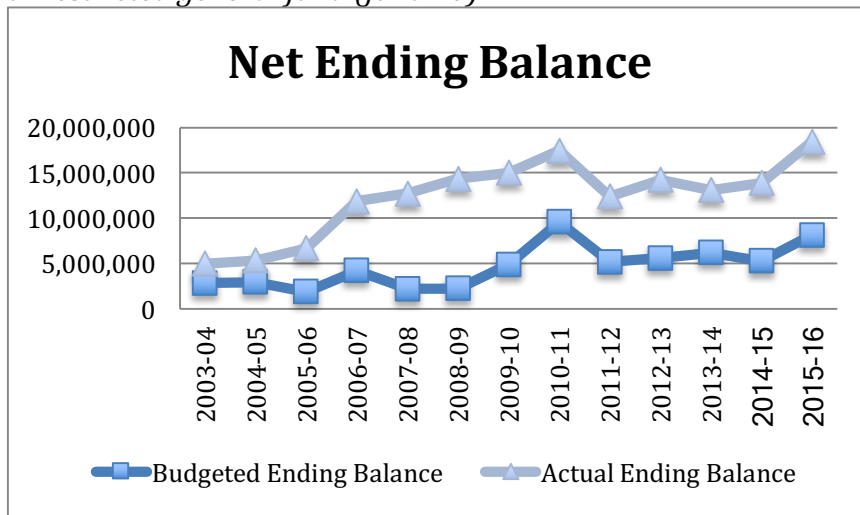


Source: Salaries Shown By Bargaining Group (provided to CCFT in negotiations)

Net Ending Balance (NEB)

At the same time, the net ending balance (NEB) for the base budget increased from 10% of total revenue in 2003-04 to 28% of total revenue in 2015-16. For the total budget the NEB increased from 9% of total revenue in 2003-04 to 23% of total revenue in 2015-16.

The following graph shows the budgeted NEB versus the actual NEB for the restricted and unrestricted general fund (fund 10):



Source: CCFS 311 Budget Report to the State

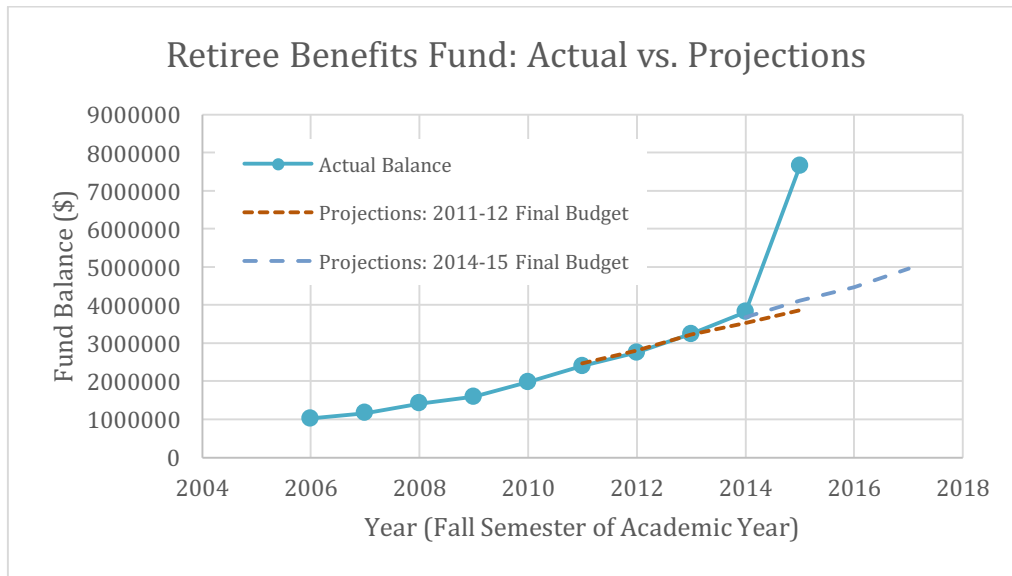
Retiree Benefits Fund

Over this period, starting in 2006-07, the District created a retiree benefits fund (fund 23). The amount of funding in this fund *significantly surpasses* goals set by a task force several years ago.

For 2015-16 the District allocated an additional \$3.5 million to this fund (note that faculty reps on the College Planning Council expressed concern with this.) The 2016-17 budget shows an increase to \$8.2 million. Note that this fund is separate from, and in addition to the net ending balance.

According to the 2016-17 Final Budget, “the current available fund balance in the Retiree Fund of \$7,647,539, is 35.16% of the total projected liability (\$7,647,539/\$21,751,627).”

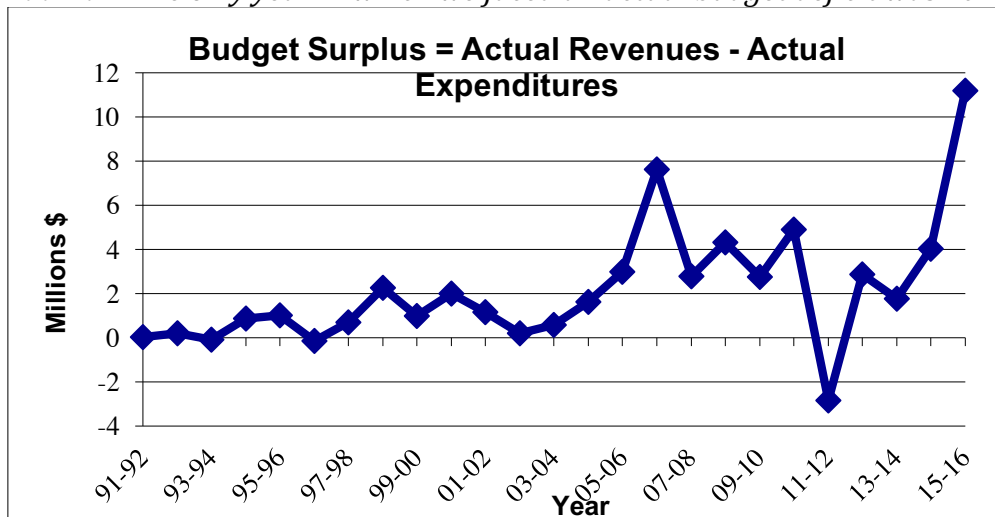
The following chart shows that the additional amount of one-time funding for 2015-16 nearly doubled the size of the retiree benefit fund from previously budgeted projections.



Source: Cabrillo College Final Budgets: 2006-07 through 2016-17

Budget Surplus

The following chart demonstrates changes in actual revenues minus actual expenditures since 1991-92. The only year in which we faced an actual budget deficit was 2011-12.



Source: CCFS 311 Budget Report to the State

Summary

CCFT acknowledges and appreciates the effort to make salary improvements over the past two years. While we have made modest gains, faculty salaries remain low statewide and as a percentage of the college budget. Faculty, and all college employees, also must contend with the fact that we live in one of the most expensive areas in the country. Moreover, the state budget has included specific funding to increase the number of full-time faculty.

Cabrillo has an above average net ending balance, has funded over a third of all future retiree benefits obligations in a separate fund, increased the official reserves from 5% to 7%, and still has a large amount of one-time funds for the current year. We believe this provides a sound financial context to make significant progress on improving faculty salaries.

The union has been patient over the years of budget cutbacks and increases in health benefits costs. At the same time faculty have worked hard to provide excellent services to students while dealing with increased workload, fewer staff, and fewer full-time faculty members to run departments and serve on participatory governance committees. We have moved to a “cost-sharing” model for health benefits increases in recognition of the increases and agreed to health benefit plan degradations over the years.

Cabrillo faculty urge the District and the Governing Board to make a commitment to improving faculty salaries for 2017-18 and beyond.

ADDITIONAL INFORMATION

Changes in students and staffing (source: Final Budget for 2015-16)

Fall semester	Students	FTEs (for the academic year)	Mgrs/ Admin	Contract faculty	Adjunct faculty	Classified staff	Confidential employees	Hourly employees
2000	13,604	10,175	47	227	356	234	12	570
2003	14,867	11,410	37	227	372	217	12.5	382
2008	16,900	13,472*	39	228	436	246	13.5	632
2014	13,330	10,887	37	193	383	202	11	142
2015	13,275	10,400*	38	189.5	359	204	11	146

*Note that in 2008-09 we served 13,472 FTEs although the college was only funded for 11,847 FTEs.

In 2015-16 we were funded for 10,877 FTEs but served only 10,400 FTEs.

Source: Cabrillo College Final Budget, 2015-16 and 2016-17

Net Ending Balance (source: CCFS 311 state budget reports)

Year	Unrestricted sub-fund (does not include categorical funds)			General fund (all funds)		
	Ending Balance	Total expenditures	NEB as a % of expenditures	Ending Balance	Total expenditures	NEB as a % of expenditures
2003-04	5 mil	48.4 mil	10%	5 mil	55.6 mil	9%
2008-09	12.8 mil	59.8 mil	22%	14.3 mil	69.7 mil	21%
2014-15	13.3 mil	59.3 mil	22%	13.9 mil	69.3 mil	20%
2015-16	17.9 mil	63.9 mil	28%	18.4 mil	81.7 mil	23%

Retiree Benefit Fund (source: Final Budget for 2015-16)

Year	Amount in Retiree Benefit Reserve
2008-09	1.4 million
2014-15	3.8 million
2015-16	7.6 million (\$3.4 million in funding more than initially planned went into this fund)