Dearest Members of CCFA Rep Council, E-Board, and guests at Wednesday's meeting:

Thank you for your participation in Wednesday's discussion of our potential tentative agreement with the District. An open dialogue is very important, and I firmly believe we do better when there are more eyes on the ball. I'd like to share some thoughts with you especially in light the stunning "ending balance" information that was offered during the meeting. Though the meeting got tense, that is OK. It's our job to fully investigate and understand what's going on. For now, I can tell you the brakes are firmly applied in terms of accepting any potential deal. Please read on to learn why.

Background:
Up to now, we've been assured the ending balance for 2019-2020 Unrestricted General Fund (and thus the beginning balance for 2020-2021) would be around $25M. As of the Adopted Budget Forum offered to the campus community on October 15, 2020 and the subsequent Adopted Budget presentation given to the Board of Trustees on October 20, 2020, final 2019-2020 revenue numbers were still only being offered as projections. As such, the estimated revenue overage vs. what was budgeted for 2019-2020 was $2.5M. When that is added to what was the original projected ending balance for 2019-2020 of $20.8M, and in light of anticipated savings to the District because of COVID-19 and most everyone working remotely, it seemed the $25M ending balance number we had in our heads was right on target.

$25M is an enormous ending balance. And it might seem perfectly obvious based on that alone that the District can/could afford to offer significant salary increases. The cautionary tale we've been given is that there is uncertainty in the budget for a variety of reasons. 1) FTES are falling (we are down 870 YTD accounting for Summer and Fall 2020) and, 2) the State, while they have backed off from outright cuts to Community College budgets, is going to be deferring payments to the CCs for a not-quite-certain period of time. The estimated budget shortfall from this is $16.7M. Certainly a $25M reserve/contingency fund can cover this, but it puts the District in a position where they are leery of unnecessary expenditures--especially the ongoing kind.

Fine. We're in unprecedented territory. We'll have to defer salary increases for a while. At least we have our jobs. We are the lucky ones in this pandemic.

Enter John Fincher. "The ending balance is $32M. Claudette just texted me." This was certainly news to us. For my part, I fully expected this to be a product of both the Restricted and Unrestricted fund balances--including some millions of dollars in CARES funds. Bearing in mind our group, the CCFA Representative Council met October 21, and the budget had just been presented to the BoT on October 20, I called Robert Sammis Thursday morning to confirm my suspicions. He suggested John Fincher should have been referred to the Budget Presentation PDFs for the "real" numbers.

OK, so Mr. Fincher is wrong, just as I thought, right? No so fast.

Having not "really" gotten an answer from Mr. Sammis, I reached out to Claudette Dain. I asked, "Is the number you gave John a combination of both Restricted and Unrestricted fund balances including CARES funds?" I got a quick reply that she would like time to explain but was busy with interviews. That was neither a yes nor was it a no. So I did some digging and found that the official Budget Book had been published to the Citrus College website October 20. This had not been announced, as far as I know, but it contains some absolutely stunning revelations.

The reported Actuals for 2019-2020 include and Ending Balance not of $20.8M (nor even $25M), but $33M. As such, this is the Beginning Balance for 2020-2021. This is even higher than what John Fincher stated in our meeting and is, frankly, jaw dropping. Further, the projected Ending Balance for 2020-2021 is $32M. When one takes into account the projected 2019-2020 Ending Balance of $20.8M vs. the Actual of $33M (a full 12 million dollars more than projected!) one is left to wonder what the ACTUAL 2020-2021 Ending Balance (projected at $32M) is likely to be.

The District is projecting a potential $16.7M shortfall due to deferred payments from the State. Of course, we fully expect these to recouped; the main question is when. In the meanwhile, the District will be dipping into the "reserve" to cover normal expenditures. Many of us have long lamented the giant, seemingly unjustified

Ending Balance (reserve) to which the District has clung. Well, friends, that reserve is growing--and growing far faster than we could have imagined.

A few people have reached out to me with messages of support and hoping I wasn't feeling too "beat up" after the meeting Wednesday. While I am grateful, no one has to worry about that. It is my job to deal with both the shenanigans from the District and the disappointment of the members of our Unit when things don't go as well as we would like. That said, I can tell you the brakes are being applied BIG TIME to any notions of accepting a contract resolution for the time being. I am thankful we waited to sign off on a TA before more eyes were on it. "More eyes on the ball" is, as I've said before, always in our interest. Sure, I'd have liked these revelations to come out another way, but this is what happens when you deal with a District whose Administration insists on engaging in deceptive practices. I believe these data were hidden in hopes we'd sign-off on a deal before they were revealed.

The faculty at large don't know this, of course, but our team had to scratch and claw our way to getting the 2% increase we discussed Wednesday on schedule at all. The District insisted for months that all they could do was continue the 2% off-schedule payment so no one's net pay would go down. We got it on schedule only by making the argument that as an off-schedule payment, it did not help those who may wish to retire during this cycle and was non-STRS creditable. They then wished to have it explicitly NOT apply to overload and intersession salary. "It's got to be revenue neutral!" they insisted. We pointed out that since our contract explicitly states, in 8.2.4, 8.2.5, and 8.4 that our overload, intersession, and hourly rates are derived from the full-time schedule that there is no way we can or ever would sell that bag of goods to our faculty. Only after digesting that for a while did they acquiesce.

These truly are unprecedented times. Here we are, scratching and clawing for a paltry 2% while the District is sitting on EVEN MORE massive a reserve than we'd have imagined under the guise of pressure from deferred payments.

Last point: Sometimes we do well in a contract cycle on the financial side but make little to no gains in language/working conditions. Such was the case three years ago. 10% increase over three years, +2, +2, +2, while Counselors and Health Sciences folks were forced to wait for their very real working-conditions issues to be resolved. Sometimes, times are tougher, and we make gains in working conditions with little gain monetarily. That is what I've been expecting this time. Our District budgets conservatively. Underestimate revenues, overestimate expenditures, come out with a big ending balance. We have all known this for a long time. Add to that, as evidenced by what I've described above, they (at least try to) hide money. Our District is right to budget conservatively during a never-before-seen public health crisis, declining enrollment, and recession. But this?
A (projected) $16.7M budget shortfall is no joke. But someone is going to have to convince me, and indeed the rest of us, why and how the District needs to hoard so much money. To that end, we will be meeting with the District soon to ask some tough questions.

We have achieved some really good things in this cycle of bargaining, including dramatic, sweeping changes to how Counselors are treated and scheduled--potentially gaining them nine weeks off per year they didn't have before.

Nine weeks! From 44 weeks to 35. How many weeks are you currently obligated to set foot on campus?

There are other enhancements to language, too. We have improvements to our Grievance process, improvements to sick leave accumulation and use, and the final elimination of those lousy labs that have a 0.667 LHE factor. And we did not back-pedal at all on our protections related to class cancellations (though the District came after that provision fiercely). These are good things and represent issues we will no longer have to make such an intense focus during bargaining after this cycle.

Of course, there are things we went after that we have not yet been successful improving: We tried for and have not achieved enhancements to Overload Banking. We have not achieved enhancements to Retirement Option "B" as we had attempted. And we have not been successful in our attempts to advocate for the faculty who serve as head coaches of major sports. The District has taken a hard position that if something costs money, it isn't happening this time. Given the revelations of the past few days, I'm thinking those conversations are far from over.

Meanwhile, there is still other bargaining going on. We are currently working on an MoU for Winter-Spring. This includes discussions of Regular (tenured) Faculty evaluations as well as stipends related to COVID-19, expenses incurred by faculty, and a host of other issues.

As always, I will keep you updated as things develop.

Be well, all.

-Dave Brown

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