

President's Report

State, District Both Have Deficits

by Richard Hansen, FA President

Governor Schwarzenegger declared open season on budget-cutting back in early October 2008, just weeks after setting a record for State budget tardiness. Back then, the State deficit for the current year (2008-09) was estimated to be around \$6 billion due largely to anticipated tax revenue shortfalls. By the time he announced a concrete reduction goal a month later, the projected deficit had grown to over \$9 billion, with community colleges to absorb \$332 million in mid-year cuts for 2008-09 to help address the state shortfall.

Here it is, the end of January 2009, and budget cuts are still fair game. The discussion has now expanded to the 2009-10 budget with state deficit projections growing to some \$42 billion over the next 18 months.

It may come as a surprise, but the pain the governor plans to inflict on community colleges has actually diminished: loss of this year's meager 0.68 COLA and no COLA for 2009-10. Again urging community colleges to "do more with less," the governor would keep the funding for two percent enrollment growth in the current year and grant another three percent growth for 2009-10. In other words, the community colleges will be expected to grow, funded at 2007-08 per student levels, for two years.

In addition, the governor has promised to address local property tax shortfalls suffered by community colleges. At the same time, in answer to cash flow calculations that show the State running out of money by the beginning of February, he proposed to stall State payments to the community college system for two months. In other words, the colleges will not get a State payment until March 2009. Make-up payments for January and February would be sent in July, and further, a similar \$200 million deferral that hails from the last time the system faced mid-year cuts, would be pushed back from July to October.

In short, community colleges would be forced to borrow to meet immediate expenses so that the State doesn't have to. The funding spigot would be turned on again as the spike in tax returns begins to balance cash flow with the approaching April 15 deadline.

As for the State budget deficit, solutions

are obvious but the political skill and will to accomplish them is missing. The governor has proposed a compromise very similar to that proposed by the Democratic legislators just before the winter holidays. It's a combination of cuts and new revenue, including a 1.5 percent sales and use tax increase, a 9.9 percent oil severance tax, an increase in taxes on alcoholic drinks, an increase in vehicle registration fees, and a reduction in the dependent exemption credit. The Democrats offered a similar package, utilizing fees rather than taxes, in hopes of avoiding the necessity of a two-thirds vote for passage. Oddly, Schwarzenegger made good on his pledge to veto the measure when the Democrats forced his hand early in January.

Schwarzenegger joined other governors at the Obama inaugural ceremony. Many have lobbied the new president for a State bailout as part of the federal stimulus package. Maybe a dose of liberal fiscal policy will rescue the State from the anti-tax hammerlock imposed by Republican legislators since the taciturn Schwarzenegger doesn't appear to have the *cache* to broker a deal. It remains to be seen what eagerly awaited President Obama will do, but the stimulus package could be an effective, though temporary, vaccine demanded by the State's woeful inability to heal itself.

All of this leaves Foothill-De Anza in fairly good shape for 2008-09 but—and this is an ominous "but"—the dark clouds of the larger economy continue to threaten. For the current year, the District did not include revenue from the 0.68 COLA. But it did include a one percent deficit factor "just in case." In addition, the colleges and Central Services still hold some of the one-time funding allocated by the State about two years ago. Into 2009-10, however, the lack of COLA will begin to take its toll as inflationary pressures on the cost of operations and benefits take effect.

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Hansen

Negotiations Update

FA Takes Its Position on Concessions to the Trustees

by Anne Paye, FA Chief Negotiator

This column reprints the Faculty Association statement to the Board of Trustees at its January 20 meeting with a brief epilogue explaining FA's position on unit concessions.

"It is now clear to us that the District is facing two problems: the internal operating deficit and the State budget shortfall. In our view, these two problems need to be considered separately. Once the District solves the internal deficit problem, it can turn to addressing the additional challenges brought on by the faltering State economy.

"First, the internal deficit needs to be cured through institutional change and systemic cost containment. We can no longer depend on using one-time funds to bridge the gap—now is the time to recognize that the District is, in the parlance of the marketplace, 'upside down': the District is living beyond its means.

"As you know, for years the District's full-time faculty count has been pegged at the minimum necessary to maintain the faculty obligation number (FON) to avoid a State fine. It is our belief that other employee groups need to operate on the same 'minimum necessary' basis.

"To operate within its budget constraints, the District must consolidate and/or eliminate programs, positions, and services that exceed its financial ability to fund them. The first step in this paring-down process is to call a *complete halt to all new hiring*—not just in faculty, but also in management and classified ranks as well. Doing so would immediately generate \$4.2 million, nearly half of the current internal operating deficit.

"With every new college president, we have witnessed a campus re-organization that resulted in up-sizing the management structure. We are now challenging the current Presidents to use their skills and creativity to reorganize in a downsizing mode.

"We urge the Board to demand that the colleges put aside the competitive inter-campus instincts of the past and collaborate on creating cost-efficient structures that best serve the interests of the District and its students. If that means shifting an administrator from one campus to the other to fill a vacant position, so be it.

"In the same way, the Faculty Association will support transfer of faculty from one campus to the other in order to meet program needs. Our mantra in these difficult times is that faculty must teach full classes and make full annual load. The era of "I prefer not to" is temporarily over for all employees.

"FA has already met with Foothill's President and suggested a number of significant cost-cutting measures, including consolidating some divisions, modifying the reporting structure, and eliminating at least one Vice

President position. In a financial crisis, four Vice Presidents seem unwarranted when two Vice Presidents served us well for so many years. FA will soon engage De Anza's President in a discussion of structural changes on that campus. And Central Services, including ETS, must also undertake a similar organizational review and overhaul to reduce costs.



Paye

shares this principle. If we hire good people, smart people—which we say we do—these same good people should be capable of adapting to changes in their positions or duties that might occur under a reorganization.

"The Faculty Association is adamant that the District identify ongoing cost-savings and cutbacks in all areas, not just in the health benefits arena. FA will support modifications in the health benefit plans to reduce the projected trend increase of \$3.2 million, but it will not allow the District to eviscerate health benefits and reduce salary to bail out the internal operating deficit, a problem that has occurred under the District watch.

"Instead, FA demands that the District look to other cost-saving measures in addition to the program and position consolidations mentioned earlier, including reductions in management travel funds (budgeted at \$1.3 million for 2008-09), reductions in consulting costs, reductions in division dean and division assistant contracts from 12 to 11 months (as they were in the past), and the elimination of any non-essential administrative leave.

"Once the District has developed an ongoing plan to eliminate its fiscal structural imbalance, FA will agree to look at short-term/one-time strategies for closing the budget gap due to the shortfall in State funding—but not before.

"In closing, the Faculty Association urges the Board to adopt an immediate and complete moratorium on all hiring and to direct the colleges and Central Services to reorganize and 'right-size' in a more cost-efficient manner. Only in this way can the Board meet its professed goal of protecting people first and preserving the long-term health and viability of this District.

"To repeat the words of Rahm Emmanuel, President Obama's White House Chief of Staff, commenting on the collapsing condition of the American economy, 'Never allow

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Changes Proposed to Health Benefits

by Anne Paye, FA Chief Negotiator

Adding more bad news to the budget picture, the Health Benefits Office is now projecting a 13 percent inflationary increase in health benefits for 2009-10, a whopping \$3.2 million increase. This swells the District's internal operating deficit to nearly \$11 million.

At the recurring Joint Labor-Management sessions and at the most recent Health Benefits Committee meeting, Christine Vo, Health Benefits Manager, presented options that can help stanch the hemorrhaging.

1. Roll over unspent 2008-09 budgeted health dollars—currently projected at \$1 million—into next year.

2. Remain with UHC, since the cost of changing from United HealthCare to Blue Shield—which the Health Benefits Committee selected as a finalist in the request for proposals (RFP) process—would be \$704K. Due to this significant cost differential, the Committee agreed to retain UHC. However, the RFP exercise proved successful in an unanticipated way. Because of the competitive bidding process, UHC was willing to reduce its current administrative costs—a savings of \$389K.

3. Make plan design changes for all active employees (including part-time faculty) and retirees. Some of the itemized cost-savings options clearly threaten the tradition and philosophy of District health benefit coverage, which has provided relatively "free" complete health care coverage for employees and their eligible dependents in either an HMO (Kaiser) or the District Self-Insured Medical Plan utilizing a preferred provider organization (PPO). Beginning in 2004-05, the Self-Insured Plan was split into two: the premium-free PPO Network Only Plan for employees and their dependents and the PPO+ Plan that requires a monthly contribution for dependents.

One of the potential "models" presented by Vo includes employee contributions for all dependents: Kaiser would cost \$50 for one dependent (E + 1), \$100 for family; PPO Network Only would cost \$75 for E + 1, \$150 for family; PPO+ would cost \$175 for E + 1, \$275 for family. Another model requires employees to bear 50 percent of their dependent costs.

A third model establishes a District dollar cap on health benefits: stated monthly, \$768 for employee only; \$1,175 for E + 1; \$1,492 for family. While these amounts would almost cover the current costs regardless of the plan, a health benefits cap is a dangerous thing. Once capped, the health benefits "allowance" would have to be renegotiated upward annually to offset inflationary increases or else employees would have to dig deeper into their own pockets. History has shown that, in Districts that adopt a cap, employees end up paying an ever-increasing share of their

health care coverage.

What else was on the list? Although accepting health benefit changes feels like undergoing major surgery without anesthetic, more modest plan modifications target co-pays (the current ones were instituted in 2003) and include the following recommendations made by the District Health Benefits Committee: 1) elimination of dual coverage (when spouses are both employed in the District)—savings of \$358K; 2) increase in Kaiser office visit co-pays from \$10 to \$20—savings of \$126K; 3) increase in PPO and PPO+ office visit co-pays from \$20 to \$25 and to \$30 for specialist and urgent care visits—savings of \$100K; 4) increase in Kaiser prescription co-pays from \$5 to \$10 generic and \$30 brand—savings of \$206K; 5) change in the PPO and PPO+ prescription plans from two- to three-tiers with an increase in co-pays from \$5 to \$10 generic, \$10 to \$20 brand, and \$45 non-formulary—savings of \$427K. Faculty can check the tier-placement of drugs they use by going to www.myuhc.com (Note: Drugs on the non-formulary list average between \$200 and \$400 per scrip and go upward to \$6,000.) In addition, mandated mail order after the third fill of the prescription would be eliminated (retail pharmacies now offer better discounts than mail order) and the \$500 cap on mail order refills would also be eliminated—savings of \$50K.

The combination of rolling over unspent 2008-09 health benefit monies into 2009-10, remaining with UHC, and instituting the plan design changes outlined in the previous paragraph would result in cumulative savings of approximately \$3 million. At its January 21 meeting, the Executive Council, given the multi-million dollar hole in the District budget, with great reluctance approved the Benefit Committee recommendations in order to offset the projected 13 percent health care cost increase, protect dependent coverage, and avert a drastic remodeling of the health plans.

On January 22 and 23, Christine Vo and Vice Chancellor of Human Resources Dorene Novotny held Benefit Informational Meetings for all benefit-eligible employees "in response to ongoing questions regarding changes to benefit plans as part of [the] District-wide efforts to find solutions to our anticipated budget imbalance." While FA supports informed, open discussions and full employee understanding of both potential health cost containment strategies and the impact of such cost-shifting, it reminds all faculty that any changes in medical benefits *must be negotiated*.

Article 22, 22A, and 23 health benefit changes will be on the negotiating table on January 28. Before then, FA encourages faculty to contact the FA office at x7544 with their ideas and input on this critical issue.

FA Welcomes Invitation to Administrative Council

With its goal of being more pro-active, FA attended a recent Administrative Council meeting at Foothill to discuss the rise in conciliation cases in 2007-2008 with President Judy Miner and the vice presidents, managers, and deans. Anne Paye, Chief Negotiator, and Linda Lane, Grievance Officer, offered guidelines on how to avoid the big four *Agreement* "hot spots" responsible for most grievances: evaluations, scheduling, load, and class cancellation.

For *Article 6-Evaluation*, FA emphasized strictly observing protocols, including advance notice of impending evaluations and constructive feedback for any "2" or "3" objective scores. Most conciliations focus on administrative evaluations that contain hearsay: managers' evaluations should be based only on direct observation or discussions with the faculty member. To reduce the number of "NO" (Not Observed) scores, evaluators may ask faculty about professional contributions during the pre- or post- evaluation discussions and request sample materials.

As to *Article 9-Load/Class Size*, FA highlighted the importance of adhering to departmental past practices as well as contractual obligations. Any changes to established load (the term includes class size, load factor, number of preps, and number of classes per year) must be driven by curriculum adjustments and approved by division faculty and the college curriculum committee. Except for courses approved as concurrent sections (*Appendix V*), maximum class size, the largest number of students that can be enrolled, as stipulated by the Official Course Outline, can be increased only by instructors if they wish to add students beyond that number; maximum class size decreases only for room limitations or safety concerns.

FA tips for *Article 11-Class Cancellation* included early communication from managers—and lots of it—regarding anticipated reductions in sections, possible "bumping," and explanations of the current enrollment mode (productivity versus growth).

The administrators at the table had no questions about the three articles above, but *Articles 7, 10, and 26-Scheduling* elicited several. FA stressed transparency in the scheduling processes, including posting each quarter's timelines and the current re-employment preference list. Managers should communicate to faculty exactly how schedules—both for regular quarters and summer sessions—are built. The two most common scheduling complaints are 1) from part-time faculty, that the *Article 7* re-employment preference list is not used correctly, and 2) from full-time faculty, that they don't get the classes they want.

Managers expressed frustration with increasing faculty schedule "demands." FA was asked whether a particular faculty member "owns" a particular class (no one else can teach it) if s/he wrote the original course outline. The answer is "no." Curriculum is approved and "owned" by the entire department or program. Faculty have ownership rights only to materials created (lecture notes, assignments, etc.), especially for online courses. FA encourages popular (and unpopular) courses to be rotated equitably among faculty. In one Foothill department, faculty are guaranteed a popular course for three successive offerings then it becomes available to others.

FA was also asked to clarify the role of faculty preferences in scheduling. Managers reported faculty who insist on being assigned to only particular classes at particular times and who refuse to teach other courses. FA strongly supports faculty input into schedule building, but faculty are obligated to teach all courses in their discipline (or as noted on their original job description). *Article 10.4* states, "A faculty employee's schedule shall normally be established by mutual agreement between the employee and his or her Division Dean...The scheduling process shall ensure that each faculty employee is assigned a schedule of duties in a reasonable manner that provides for the efficient operation of the District's educational program, with due attention to the convenience and welfare of faculty." This means that a preference is just that: a preference, not an entitlement. Schedulers must balance the requests of each faculty member with the requests of all other faculty and the needs of the program. Again, rotating assignments can result in fairness to all faculty.

FA welcomes invitations from District groups or committees to continue a conversation on the "big four" conciliation areas or other topics upon request.

Training Opportunities for Faculty

PART-TIME FACULTY: Email and Portal Training

Beginning Fall 2009, part-time faculty will be required to access their FHDA email to receive important District documents, including Contract Letters (notification of assignment) and paid office hour forms. To support the development of part-time faculty technology skills, both campuses are providing training on the use of the District's Portal and Webmail. Training is available and encouraged for part-time faculty not already using these tools. (At Foothill, full-time faculty who would like Webmail or Portal training should contact Pat Hyland or Tahiya Marome; at De Anza, training is not yet available.)

With training to be held on both campuses, part-time faculty are welcome to attend a session on either topic at either campus, and the first 350 attendees will receive a stipend: \$25 to attend one session of email training and another \$25 to attend one session of portal training.

Webmail helps faculty manage FHDA email from any computer with internet access. Training will cover the basics, such as logging in, composing and sending email, creating folders, changing an "ugly" email name to a friendly one, and forwarding FHDA email to another email account. Facilitators will be Tahiya Marome from Foothill Global Access and José Rueda from ETS at De Anza.

Sign-ups have been brisk. De Anza's webmail workshops scheduled for January 30 and 31 and Foothill's workshop on January 31 are full, but more sessions will be given later in the quarter.

The Portal opens a door to faculty to check class enrollments and rosters, direct email messages to some or all students, drop students, and submit final grades; by customizing their page, faculty can also get pay stubs and check email. Drake Lewis from ETS will demonstrate how to access these features.

The De Anza workshop on February 2 is full but, again, more sessions will likely be offered later in the quarter. Foothill still has openings in its February 9 portal workshop. To sign up, go to <http://www.foothill.edu/staff> and click on "Dev. Activities." The last day to register is Monday, February 2.

Part-time faculty should have already received an email and a purple brochure in their mailboxes on these two paid training opportunities.

FULL-TIME FACULTY: Training/Retraining Stipend (Article 35)

Full-time faculty who wish to participate in a program of study, work experience, or training that will expand their service areas are eligible to apply for a Training/Retraining stipend.

The funds are limited to the educational costs of tuition, fees, books, and materials, or to supplement income if the training is requested by the Board. The funds cannot be used to cover transportation, lodging, or meals. (Faculty can apply for staff development funds for these costs.) Requests are for the next academic year only, so do not cover expenses incurred during summer; if the training continues beyond one year, a separate application must be submitted for each academic year.

The Professional Development Leave Committee reviews the applications then forwards their recommendations to the Board; faculty will receive notification of the amount awarded. First priority for training/retraining funds is given to faculty whose service areas are overstaffed or dwindling.

To apply, full-time faculty must fill out *Appendix R, Application for Training/Retraining Stipend* (<http://fa.fhda.edu> and <http://hr.fhda.edu/personnel/faculty>). Faculty are solely responsible for turning in three signed copies to Human Resources by this year's deadline of 5:00 pm Tuesday, April 14.

PAA Workshops

Professional Achievement Award (PAA) workshops will be held on both campuses Winter Quarter:

- De Anza: February 26, 12:30-2:00, in Admin 109.
- Foothill: March 4, 12:00-1:00, in the Toyon conference room.

Faculty should look for MeetingMaker proposals for each workshop.

2008 FACCC Tax Deduction

Part of the FA dues faculty pay goes to the FACCC Education Institute, and 100 percent of this amount can be taken as a charitable deduction.

- For full-time faculty who worked all of 2008, the tax deductible amount is \$162. For those who worked a portion of last year, the deduction is \$54 per quarter.
- For part-time faculty who worked all three quarters of 2008, the deduction is \$45. For those who worked a portion of last year, the deduction is \$15 per quarter.

Want to Be Part of the Solution? Be the Next Foothill Conciliator!

The position of Foothill FA Conciliator, starting Fall 2009, is now open for applications. Interviews will take place before the end of Winter Quarter so that the selected faculty can undergo training during Spring Quarter (with a \$500 stipend). This special assignment, under *Article 25*, is for three consecutive years and typically releases faculty member from a four or five unit class per quarter or up to one third of yearly load, 0.3333.

Being a Conciliator offers faculty the opportunity to work with colleagues and managers across campus in a different venue from that of teaching. The top five *Agreement* topics a Conciliator deals with—evaluations, leaves, load, re-employment preference, and scheduling—are familiar to everyone. Helping faculty and managers resolve contractual misunderstandings and disputes on these and other *Agreement* issues is both emotionally rewarding and intellectually satisfying.

The job does not require prior knowledge of the *Agreement*. That wisdom is gained in bits and pieces as each case develops. In fact, a new Conciliator's initial response to faculty, at least for the first year, is typically "I'll do some research and get back to you." The conciliator then discusses the case with the FA Grievance Officer, who offers guidance and provides contractual options.

What is required of a Conciliator are listening and communication skills, patience, curiosity, and persistence. The job requires wearing two hats. First and foremost, a Conciliator is a detective, who undertakes the task of figuring out what happened, when it occurred, and who was involved; this part of the job includes interviews and research. A Conciliator is next a mediator; with the *Agreement* in hand, s/he assists both parties—faculty member and manager—in crafting a mutually satisfactory contractual resolution.

Each week the Conciliator workload is likely to vary. The number of cases tends to wax and wane in synchrony with particular *Agreement* deadlines or certain events circumscribed by contract language. For example, when the schedules come out or when PAA applications are due, calls increase. During a quarter, many calls to the conciliator are "information-only" and may require only a phone/email response or a couple of meetings with the faculty member and manager. A handful of cases will require extensive conciliation, which may include several

meetings with the various parties (and FA staff) over the course of a quarter. The very few cases—two or three per year—that are unresolvable are referred to the Grievance Officer for action.

If you have questions about this position, please contact Linda Lane, FA Grievance Officer (lanelinda@fhda.edu, 650.949.7450). If you are interested in applying, please email a letter of introduction that details your qualifications to Susanne Elwell (elwellsusanne@fhda.edu) by February 10, 2009.

Two Deficits . . .

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So, what should we do? Plan but don't panic. The District faces two challenges: its own ongoing deficit amounting to \$11 million and the threat of further state budget problems that could add another \$8 million. The former is something within the District's control; the latter is not. For the present, it looks like we know what is in store for 2008-09, so the District should use what it knows to find efficiencies to balance its budget. Once this is achieved, FA is prepared to help the District meet whatever budget challenges come in what looks like an ongoing state budget-cutting season.

FA Goes to Trustees

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a crisis to go to waste.' This is the District's opportunity to reshape and re-invent itself, if the Board and senior management have the imagination to try."

The Board's response to the FA statement? Officially none, which is standard procedure: the Board does not take action or respond to items not on the agenda. And, shortly afterward, it approved, on the consent calendar, seven new classified hires (six at De Anza and one in ETS). Doing so constitutes a throwing down of the gauntlet, ensuring that recurring District pleas for "us all to come together"—that is, by agreeing to employee concessions (Human Resources has set the faculty's targeted proportional "share" of the deficit at \$2 million)—will fall on deaf ears.

FACCC's First Advocacy and Policy Conference

Faculty are urged to attend FACCC's Advocacy and Policy Conference March 1-2 in Sacramento. Topics will include how faculty should lobby the 2009-10 budget, how community colleges must politically position themselves in the midst of an economic decline, and how faculty can successfully advocate for faculty priorities. Go to www.faccc.org for program details and hotel and parking information.

NEWS

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Letters and articles from District faculty are invited. FA, 12345 El Monte Road, Los Altos Hills, CA 94022. Ph: 650.949.7544 Email: ElwellSusanne@fhda.edu Website: <http://fa.fhda.edu>

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