

April 14, 2016

AFT 2121 critique of FCMAT report

1. FCMAT mentions some risk that the District might run afoul of the so-called 50% law. Under the 60 year old law, school districts must spend a minimum of 50% of the “current cost of education” on classroom instruction, namely salaries and benefits of classroom instructors. For the first time in memory, District CCFS-311 reports show the District precariously close to the 50% line in the last two years, 2013/14 and 2014/15. Moreover, AFT has learned that the administration, by miscategorizing some expenditures in 2014/15 in the 50% law reporting, has actually dipped below the 50% law threshold. We have found \$804K erroneously placed on the instructional side last year. We have requested more information from the previous year, as we have reason to believe the District was below the 50% threshold in the 2013/14 as well. In other words, because of the underspending by the District on faculty, the District could face liability for these years, i.e. monies owed to faculty. Further, by stubbornly refusing to provide ongoing salary increases to faculty, especially in the context of further planned cuts to faculty assignments, the District will face 50% law violations going forward. In this regard, the planned cuts of 26% will make compliance with the 50% law more difficult, while providing competitive faculty salaries would mitigate against violating the law.
2. FCMAT ignores the fact that the administration is misspending Prop A monies, ongoing funds that could go towards funding ongoing salary improvements and restore classes. Last year, the District spent a paltry \$3 million of the \$15 million in Prop A revenues on faculty. Furthermore, this \$3 million went to noninstructional faculty; not one penny of Prop A was spent in the classroom in 2014/15! In fact, of the \$15 million Prop A revenue last year, the District only spent \$11 million total, leaving \$4 million for in reserves. This year, 2015/16, the District has over \$18 million available in Prop A revenues and reserves. Of this, \$9.4 million is budgeted on academic salaries. [See attached table on Prop A revenues/expenditures.] But the District has no intention of actually spending anything close to this on faculty. Clearly, there is substantial money here that could and should go to restore faculty salaries and CCSF programs.
3. FCMAT in warning against using reserves (one-time monies) to fund ongoing increases. This ignores a major reason why the CCSF Fund Balance has grown to such high levels—over 20% when the State recommends a minimum 5%—namely the cutting of faculty salaries and assignments. The District budgets faculty expenditures at one amount, currently \$86 million, then proceeds to spend significantly less, accumulating close to \$5 million each year that goes to reserves. This is *ongoing* money that could have, and rightly should have, gone to restore faculty salaries, which still lag 3.5% below 2007 levels.
4. FCMAT, it must be noted, doesn’t even acknowledge low faculty salaries, much less suggest a balance between the need to fairly compensate faculty with the need for

workable District budgets. Latest salary comparisons of full-time salaries place CCSF at the bottom of Bay Ten community colleges, while part-time faculty earn a fraction of what full-time faculty earn for comparable work. FCMAT equates AFT 2121 demands for ongoing salary increases as pressure on the Board to “compromise prudent fiscal principles.” That attitude will continue to divide the College and lead to greater turmoil.

5. FCMAT and the administration continue to claim that the beginning Fund Balance this year, i.e. on July 1, 2015, was \$28.4 million, as reported in the Adopted Budget. However, the District’s own subsequent report to the State, known as the annual CCFS-311 report, puts the figure at \$38.7 million. Moreover, according to recent budget scenario documents of the District, dated 1/26/16, the beginning balance is (correctly) stated as \$38.6 million, and climbs to \$57.7 million, 30%, by year’s end on July 1, 2016 *even after* factoring in AFT’s proposed 8.7% wage increase! [See attached budget scenario.]
6. FCMAT recommendations should not be used to pressure the Board/administration to make bad decisions. We know from department chairs and coordinators that they were denied permission to run classes in high demand areas, forcing them to cut many fully enrolled classes in the coming Fall semester. This is bureaucratic-driven downsizing at its worst, which only insures that CCSF will lose millions in State apportionment when stabilization funding ends.
7. FCMAT claims that part of the District’s “fiscal challenge” is the cost of excessive lifetime health benefits that go to part and full-time CCSF faculty. Not true. Only full-time faculty with 20 years of service fully vest in retiree health benefits; part-timers get nothing.