



# *F*aculty *A*ssociation *B*ulletin

## COLLEGE BUDGET OUTLOOK BEST IN YEARS

By Lantz Simpson

SMC's budget outlook for the next few years is looking brighter than ever, despite the efforts of the perpetual spinners of doom to claim otherwise. Since the arrival of Dr. Tsang, the budget has made a major turn-around. Consider the numerous positive developments over the last eighteen months.

- There is a record college reserve (ending balance) as of June 30 for fiscal year 2007 of \$15 million plus.
- The one-time funding received in FY 2007 of \$9.2 million pushed the reserve to the new record.
- The alleged "structural deficit" has disappeared. The college actually had a \$1.9 million operating surplus for FY 2007.
- The Community College Initiative on the February 2008 ballot has over 60% support according to recent polls. Despite some CTA grumbling, there is no organized opposition. Passage of the CCI means \$62 million new dollars for the college over the next five years as well as a three year stabilization window for the college to have forgiveness of its FTES borrowing. The new CCI dollars would far offset any future funding reductions from lower FTES three years out.

What's more good news is that the college Budget Committee has been receiving more accurate numbers thanks to better projection models from Fiscal Services Director Chris Bonvenuto. In addition, the committee has a group working on establishing college benchmarks in such areas as ratios of faculty/students, faculty/administrators, classified staff/classified managers, and cost per thousand of advertising. Furthermore, the committee has made recommendations on budget efficiencies based upon an employee survey last spring.

Despite all this good news, the doom spinners still told the Board in May 2007 that the college has a \$1.5 million operating deficit. Therefore, their logic goes, the employees should accept a paltry raise with no gains toward part-time parity while other desperate needs of the college should also go unmet. Once again, the trustees were presented with an "edge of the

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cliff' scenario. How many times have the doom spinners been accurate in their predictions over these last eighteen months? Have we plunged over the cliff yet? Consider the following history:

- At the March 2006 Board retreat, trustees were given a budget scenario showing that the college reserve would be a *negative* \$3.1 million for FY 2008!
- In April 2006 the doomsday scenario was revised to a \$1.7 million reserve for 2007 and a *negative* reserve of \$2.1 million for 2008.
- The Board and the Academic Senate were told in September 2006 that the college had a \$3.5 million operating deficit.

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- Also in September the college's annual master plan report bragged that for the third year in a row the college's reserve fund exceeded 5% and that FY 2007's projected balance would be 5.7%

(about \$6 million).

- In January 2007 the projected FY 2007 ending reserve suddenly jumped to \$9 million. Yet, this prediction was still off by \$6 million!
- In March, the projected reserve was going to be \$11.3 million. This was only off by almost \$4 million!
- Last spring, the *Corsair* ran an article warning about \$3.5 million in upcoming budget cuts, which never materialized!

The lesson learned from looking at this history is that the cliff is constantly moving! Do the doom spinners still have any credibility?

The excellent budget outlook means that the college now has the funds to address a number of neglected areas over the last five years. Among the areas that need immediate attention:

- Employees have not received state COLA since 2002.
- No progress has been made towards part-time faculty parity pay since the 2001 categorical state budget augmentation.
- Back-sliding on full time faculty hiring continues as the number of full time faculty has declined by more than thirty over the last five years.
- The number of teaching hours by part-time faculty is now more than half of all hours taught and continues to increase.
- There has been no return of the vocational programs wiped out in 2003 and no significant new programs added.
- More than fifty classified staff positions remain unfilled with acute shortages of staff in human resources, fiscal services, and maintenance.

Yes, the budget news is the best in years. It's time for the trustees and administration to let go of the old game of phony budget projections, doom spinning and fear mongering. It's time for Santa Monica College to move confidently into the future with a solid budget and projections based upon reality.

# EDITORIAL

## *A Santa Monica Moment*

By Martin Goldstein

As a Santa Monica resident for the last 27 years, I've had many "Santa Monica Moments" in my life, times when civility and democracy and intelligence and good humor all combined, moments which collectively define for me the why and how this community works.

One of those moments just happened on Thursday, August 25, when the FA called a general membership meeting for the Negotiating team and the FA leadership to inform the faculty of the situation as they saw it, a job they did with great clarity and generally good humor, considering.

What made it a Santa Monica Moment for me was the fact that during this presentation, which was followed by a trenchant and well-informed question-and-answer period, three Trustees of the College were among the audience, listening and absorbing. Just that. That they were there, in our open meeting, to hear what we had to say.

The three were Andrew Walzer, former PTER here and now FT at LACC; Susan Aminoff, professor of sociology at Pierce College; and David Finkel, a retired Judge and former member of the Santa Monica City Council – and also a former PTER here at SMC. They are our Trustees, but they were and remain our colleagues as well.

And they were there to listen and learn, said Trustee Aminoff, and by being there they represented the best of Santa Monica, which is passionately and intelligently democratic. If we have problems or disagreements, we try to understand them, see the other person's point of view, and work something out. It is how we get along in this community. It's why it works so well.

And it is how we should get along here at SMC – and it looks like that's starting to happen. I have no inside information about negotiations; I'm just giving an impression of the moment. I saw and felt something happen in that room, a sense of a community coming together, our Santa Monica College community. We all have to – and want to – live and work together for a long time. We don't want to make -- or be -- enemies.

If we negotiate in honesty with that attitude (and without outsiders mucking it up) we will necessarily get along, and get on with the good and valuable work of the College, rather than wasting it in needless wrangling. I trust those Trustees in the room to have gotten this message, and I trust them to urge their fellow Trustees to act accordingly. We all can get along if we work together, directly. Let's do it.

## "Back To School" Flex Day 2007: DISTRICT BUDGET QUIZ

- 1. The SMC District 06-07 reserve is...**
  - a) \$1.2 million
  - b) \$3 million
  - c) \$6 million
  - d) \$15 million
  - e) more than \$15 million and the historical high
- 2. This year's reserve represents what percent of the unrestricted budget?**
  - a) 5% (the amount recommended for Community Colleges)
  - b) 6%
  - c) 7%
  - d) 9%
  - e) 12%
- 3. From the beginning of the "budget year" in Sept 2006 until the close of this "budget year", the reserve has increased by what percent?**
  - a) 5%
  - b) 10%
  - c) 20%
  - d) 50%
  - e) 100%
- 4. From 2004-2007, the District has received over 13% in state COLA. How much COLA has been passed on to faculty?**
  - a) more than 13%
  - b) 13%
  - c) 6%
  - d) less than 5%
  - e) Coca-Cola
- 5. There are 102 Community Colleges in California. Looking at SMC's salary schedule, where would you expect the average (Step 11) faculty salary to rank?**
  - a) We're #1
  - b) #10
  - c) #36
  - d) #47
  - d) #102

**BONUS QUESTION:** If the District were to increase its salary offer from 2% to 3% how much money would it cost? In other words, what is the cost of each 1% increase in faculty salaries?

For answers go to: <http://www.smcfa.org>

# Negotiations Update

By Mitra Moassessi, Chief Negotiator

Over the summer intersession, negotiating teams from the Faculty Association and District had ten negotiation sessions and exchanged a number of proposals. Please see [www.smcfaf.org](http://www.smcfaf.org) for all the initial proposals from the Faculty and District. Although the District is proposing a three-year contract, its salary proposal is only for 2007-08. The district has stated that either party may reopen to negotiate salary and benefits for 2008-09 and 2009-10. The Faculty Association has proposed a three-year contract including a three-year salary proposal and no reopeners.

The District has hired attorney Ellen J. Shadur from Burke, Williams & Sorensen, LLP to be its chief negotiator. The contract with Burke, Williams & Sorensen, LLP is for \$235 per hour for partners and \$215 per hour for associates and runs until June 2008.

As of end of the summer session, a verbal agreement has been reached on proposals regarding the Faculty Association receiving information from the District, retirees being able to audit SMC classes, and part-time faculty members being able to purchase additional health, dental and vision benefits.

For this round of negotiation, the District has adopted an approach of "Total Compensation" to salary, benefits, and all other proposals that have or may have associated costs. This approach considers all the costs associated with employees' services in determining any salary adjustment that it may offer. Furthermore, the District considers COLA received from the state as the only source of funding for any increase in employees' expenses.

According to the District's salary proposal, for 2007-08 the District will receive \$3.6 million in COLA (COLA for 2007-08 is 4.53%). After subtracting the increase in Health and Welfare premiums and the cost of annual step advancements, if the leftover money were placed on the salary schedules, it would represent an adjustment of 2.227%.

The District's salary proposal can transpire only if none of the proposals with potential costs presented by the faculty are accepted. Examples of these proposals include: 1) improvements on

load factor, 2) parity for part-time faculty, 3) additional office hours for part-time faculty, 4) increased reassigned time for faculty leaders and department chairs, 4) compensation of science department faculty for over-sized classes, 5) maternity leave, 6) funding of professional development, 7) increased stipends for head coaches and assistant coaches, 8) increased fellowship amounts. The District has not submitted any counter-proposals to proposals that may have associated costs; however, it has stated:

*"The District is, of course, ready and willing to negotiate any monetary proposal that the FA brings to the table, with the understanding that financial commitments to the FA other than salary, will, unless circumstances change, need to be accounted for by a concomitant reduction in salary increases."*

Four more negotiation sessions have been scheduled for the first three weeks of the fall semester. The Faculty Association's goal is to come to a quick and successful conclusion to our current contract negotiation. Nevertheless, as your representatives, the Faculty Association's negotiating counsel believes that the faculty is not willing to settle on terms that are detrimental to current and future negotiations.

## SMC FACULTY ASSOCIATION BULLETIN

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# AAUP Summer Institute in Reno

By Martin Goldstein

For almost a century, the American Association of University Professors has represented the moral high ground in the battle for academic freedom. It has recently gotten more and more involved in the related issue of contingent employment, emphasizing that job security equals academic freedom, and the lack of it – contingent employment -- deletes it. With all this in mind, several leaders of our FA, namely Lantz Simpson, FA President, Kathy Sucher, VP, Mitra Moassessi, Chief Negotiator, and myself, Editor and Political Director, have become active in the AAUP, forming our own Santa Monica College Chapter, and as part of that, we four went of the national AAUP Summer Institute in Reno, Nevada, July 19-22.

It was held on the spacious campus of the University of Nevada, Reno, which, at 5,000 feet, was quite comfortable even in late July when we arrived for the annual Summer Institute. The bulk of our time, in morning and afternoon sessions, was spent in various different workshops we all attended, some of which lasted two full days. They covered negotiations, arbitrations, grievances, organizing, chapter formation, and the like. As we discussed our experiences, the value of the national scope of the AAUP became clear; we were able in all the seminars to compare our own local situations with those from other systems and other states, and thus gain further insight into them. Swapping war stories over meals from the excellent campus food services added to the intellectual energy, as strangers became colleagues.

Overall, I would say the issue of contingency was, understandably, on everyone's mind, as higher ed has fully realized what a dangerous position it is now in, being threatened on one side by the rapidly growing for-profits, where both tenure and academic freedom are practically non-existent, and the continuing growth of contingent faculty on the other, which now covers over 60% of the workforce in higher ed. The profession has changed, and not for the better, in the working lifetime of one generation.

If it's going to change back, we're starting to realize, it's going to take, in all probability, just as long to fix it as it took to break in the first place. Which is another generation, at least.

All in all it was an intellectually vigorous time. Beyond that, it was great to spend time with our good friend, Craig Flanery, AAUP west coast organizer. On Friday night we all got to take a sunset cruise on Lake Tahoe, where some of us danced and most of us knew the words to the old 60's songs, or at least could fake them well. We all came home tired and filled to the brim with good thoughts and ideas. We'll be