ALL FACULTY ASSOCIATION
EXECUTIVE COUNCIL
MEETING MINUTES

February 8, 2006

(Approved by Council 2/22/06)

Executive Council members present (noted by *):

* Janet McCulloch, presiding	* Jim Elrod	* Michael Ludder	* Deborah Sweitzer
* Alix Alixopulos	* Peggy Goebel	* Joel Neuberg	Doris Tolks
* Ted Crowell	* Ann Herbst	* Andrea Proehl	* Linda Weiss
* John Daly	* Johanna James	* Greg Sheldon	Lynda Williams

Also present: Courtenay Anderson, Craig Butcher, Phil Forester, Michael Kaufmann, Judith Bernstein.

The meeting was called to order at 3:10 p.m.

MEMBER CONCERNS

1. Music Department Workload Issue. Janet distributed a packet of background material regarding the Music Department's request that the Curriculum Committee address proposed revisions for 8 performance courses. Last year, it was discovered that many of the Music Department's performance courses are getting 3 hours of lecture or lab credit for one hour of student unit value, which is not in conformance with the Carnegie unit standard. This practice dates back to a 1981 agreement with Ed Buckley, who was a Dean at the time; however, it was never negotiated nor included in the Contract. Terri Frongia, Dean of Instruction/General Education, told the Music Department that the Curriculum Committee would not address the course revisions needed to fix the repeatability problems until an agreement on the load practice is reached through negotiations between AFA and the District. Janet said that very few community colleges load performance classes the way these were loaded. She informed the Council that it is a workload issue that is currently under discussion in negotiations, that the District has made a proposal that is unacceptable to the AFA Negotiations Team, and that the Music Department is distressed at the hold-up in the curriculum review process.

2. Departments Lacking Department Chairs. Phil reported that he received a complaint about the lack of a Department Chair from a faculty member in the Child Development Department (they have an administrator in that role). He said that there were many enrollment enhancement problems in that department and that they stem from decisions made by the director without consultation of the department faculty. Phil has conveyed this concern to the AFA Negotiations Team. Deborah suggested that the concerned faculty member send an e-mail to Mary Kay Rudolph, Academic Affairs Vice President. (Phil had already made this suggestion.) Several Council members recommended that AFA draft a formal letter expressing the Council's concern about this issue, which also applies in Work Experience, Health Sciences, and Public Safety. Janet agreed to draft a letter.

3. Team Teaching Courses. Michael L. reported that an adjunct faculty member who has been offered team teaching courses expressed concern to him about the change in credits and pay, and the possibility of losing load. He suggested that the Council ask questions about the assignments of these courses. Janet and Linda Weiss responded that the situation has come up because of the need to rewrite curriculum to address repeatability issues, which resulted in the temporary elimination of several courses. Both Janet and Linda noted that the Chair did a very thorough job of consulting with the District and affected faculty members, to make sure that as many adjunct faculty as possible did not lose their loads, even though courses were eliminated. The situation will be resolved through the curriculum review process.

4. CalSTRS Report. Craig reported on four retirement-related issues:
   - Faculty who are working under the pre-retirement reduction in load program need to be aware that, effective January 1, 2006, if they retire before they have completed the full academic year, they will be violating the provisions of their contract. If they do retire mid-year, they will receive a refund of contributions that they made and only part-time service credit for the semester that they taught.
   - Effective January 1, 2007, CalSTRS will be reducing from 8 to 5 the number of survivor benefit options and annuities from which faculty will have to choose. Those 5 choices will be labeled: Full option/annuity (unmodified allowance), 100%, 75%, and 50% option/annuity, and compound option/annuity (multiple beneficiaries). Faculty members who have already retired under a joint and survivor option will have six months (until June 30, 2007) to select a new option if they desire.
   - The Medicare Premium Payment Program, in which CalSTRS pays the Medicare Part A (hospitalization) monthly premium (currently $393) for those faculty who are not otherwise eligible for premium-free Part A and deducts the Medicare Part B monthly premiums (currently $88.50) from the faculty member's retirement allowance, has been extended to July 1, 2007. This program costs CalSTRS approximately $22 million per year.
   - The CalSTRS Board has asked their staff to propose and cost out some of the 8 options that they recently presented to the Board for addressing CalSTRS' $24 million unfunded actuarial obligation. One of the options would apply to new members only (thereby creating a two-tier system) and it would include: eliminating the career factor, the conversion of sick leave to service credit, and the 2% Defined Benefit Supplement (DBS) Program employee contribution; reducing or eliminating the employer's contributions to the DBS Program; and reducing the age factor after 60 years of age. Some of the other options to deal with the unfunded obligation include: issuing pension obligation bonds; amortizing the shortfall over 40 years rather than 30 years; increasing contributions from employers, employees and the State; and folding the purchasing power account into the Defined Benefits program. Craig said that staff would be bringing more information to the next CalSTRS Board meeting, and it will take a combination of options to solve the problem, unless the pension bond goes through.

5. Salary Placement for ADN Instructors. Peggy expressed concern about salary placement for nursing instructors, noting that nurses working at Sequioa Hospital in Redwood City are being offered contracts at $137,000 a year to work days and $167,000 a year to work nights, while many ADN Program instructors at SRJC are getting paid $60,000 a year. She said that projections indicate that by 2008, as much as 50% of the nursing workforce will be retiring. Peggy said she realized that there are contractual constraints on salary placement, but that AFA and the District need to be creative in finding ways to recruit and retain nursing instructors.

PRESENTATION: ANNUAL AFA AUDIT REPORTS

Mike Gibson, C.P.A. with Gibson & Company, Inc. appeared before the Council to present and answer questions about the annual audit of the financial statements, the fee payer report and the letter of comments and standards that his firm provided to AFA. (Each Council member was given a copy of the three documents.) He briefly talked about his firm and the kind of work they do, and described the three levels of service that accountants provide (compilation, review and audit). He noted that the financial statements that his firm prepares are on an accrual basis; however, the monthly treasurer's reports generated by AFA staff are prepared on a cash basis, which is normal for agencies, as the cash basis is less easily subject to manipulation. He briefly reviewed the financial statements, noting that AFA PAC money is considered to be temporarily restricted; as soon it is spent on political purposes, it falls outside the scope of the audit. AFA's expenses in 2004-05 ran about $14,000 per month, and there are about 10 months of expenses in the reserves. Mike said that most locals have 3 – 6 months of expenses set aside. There was a $5,000 increase over the previous year in salaries and benefits, and a $25,000 loss (excess of expenses over income) in the general fund. In 2004-05, the general administrative expenses were $128,043 and, in 2003-04, they were $128,075 — very close amounts. The financial statement also includes footnotes for unfamiliar readers and a description of applicable accounting principles.

Mr. Gibson next reviewed the Fee Payer report, and explained that if someone does not want to become a member, they can pay a fee payer fee instead of membership dues. The way to decide what the fees are is to calculate the ratio of expenses incurred for representing unit members versus the expenses incurred for donations, political activities and/or organizing another unit. The time sheets prepared by AFA office staff and officers are used as the basis on which administrative time and re-assigned time and stipends are allocated. In terms of other expenses, he said they look at the actual expenses to see which activity applies. In the world of local labor unions, AFA has an "astronomically" high percentage of chargeable expenses. Most of the locals they work with average 65% to 75% chargeable, as they pay dues to national unions, which typically have a very low percentage of chargeable activities, and they also do a lot of organizing.

Finally, Mr. Gibson reviewed the letter of standards and comments. He noted that they don't look at every transaction, but do look at internal control. It's important to try not to let one person do everything, and it's critical that the Board perform certain review functions. He said that the AFA Board is doing all of those functions and they should not take that responsibility lightly. The letter includes the observation that last year the AFA PAC hit the $1,000 threshold for reporting to the Fair Political Practices Commission (FPPC), and a recommendation that the organization file the appropriate paperwork. (AFA office staff has begun the process of filing and reporting to the FPPC.) Mr. Gibson said that the correct procedure for transferring money into the AFA PAC is for the Board to approve the amount of the contribution (which needs to be calculated on a per-member-per month basis) prior to the month it's going to apply. The IRS wants the money to be transferred right after it is received. The rate can be changed every month, if desired. Fee payers only need to pay the chargeable percentage of the non-PAC-designated dues.

MINUTES

There were no additions or corrections to the January 25, 2006 Executive Council meeting minutes, which were accepted as written.

ACTION ITEMS

1. AFA PAC $2,100 Donation to Community College Initiative Campaign. Following confirmation by staff that there are enough funds in the AFA PAC account for the proposed donation, Council members continued discussion about the concerns expressed at the previous Council meeting. Greg confirmed that Prop 98 funds are affected by the system-wide growth rate in the two select age groups identified in the initiative — not by the growth rate at each individual district. Deborah reiterated and the Council discussed the concerns that were raised at the previous meeting:

- The Ed Code says that community colleges are organized to serve anyone who can benefit from education. If the initiative passes, it might change that purpose in such a way as to give priority to either people who had no education (i.e., no retraining), or people who are unemployed.
- There is an inherent conflict in the initiative: part of the basis is to become more independent and guarantee a revenue stream, without having to be bound by the K-12 experience; however, the proposed initiative would tie the community college growth rate to those students who are between 17-21 and 22-25 years of age (i.e., the graduates of K-12). The initiative changed the target group from the whole adult population, which includes all age groups, to only some age groups.
- In separating the community colleges from K-12, the initiative could be creating the potential for abuse, such as in the UC system, where the Chancellor rewards friends and acquaintances with huge contracts.
- The governor is playing this initiative as a political issue. Part of the reason why he allocated a higher Prop 98 percentage to community colleges in his January budget was to knock the sails out of this initiative. He wanted to demonstrate that it can be fairly done and, as a result, selling it to the public is going to be difficult.

   Greg said that, if the unemployment rate goes up 5%, there would be more money in addition to growth. He noted that statistics were run to identify the best populations to target for the growth factor. Also, he said that no one is currently representing community colleges and that a unified force, which would have the potential to move the system and be a body that's listened to, would make for a better playing field in Sacramento. Greg noted that the initiative was withdraw and resubmitted to the Secretary of State; however, none of the items that the Council was concerned about were changed. Janet and Johanna, who both attended the California Community College Independents (CCCI) conference last spring, noted that the initiative is less than perfect, but it may be better than what we have now. They both commented on the importance of a show of political solidarity with the independent community college unions in the state and the need for an increase in political visibility. CCCI is collecting donations from its member unions, and then will send one check on behalf of the organization to the initiative campaign. At the end of the discussion, the Council approved a motion to donate $2,100 to the Community College Initiative campaign (8 in favor, 3 opposed, 1 abstention).

2. Increase in AFA Dues and Fees. The Council reviewed a summary of AFA's actual income and expenses since its inception. Ann pointed out that the current budget is 10 times larger than it was at the beginning. In the last two years, AFA has been running a deficit and, this year, another deficit is projected. A second spreadsheet that presented 9 scenarios for increasing dues and fees was then reviewed and discussed at length. Ann noted that the AFA officers are looking at reducing expenses in the future and, although they are focusing on re-assigned time and stipends, it won't be clear how much of that cost the District will be picking up until negotiations are concluded. A copy of an e-mail summarizing a verbal conversation between AFA office staff and the Payroll Supervisor re: changing the dues and fees structure was distributed to the Council for their review (see attached). There is a possibility that Payroll might be creating a separate category for summer earnings, but it is not clear if or when exactly that might happen. Ann explained that it is easiest for the Payroll Department to just change the dues and fees rate. The next easiest would be if AFA were to assess the same dues and fees rate on all earnings all year long (otherwise it might require making as many as 500 individual manual entries, twice a year, and that process could lead to mistakes).

   The ensuing discussion included the following opinions: 1) the ultimate decision should be driven by the concept, rather than by what might be a problem at the administrative level; 2) it would be better to increase the dues in phases, rather than all at once; 3) contract faculty contribute more than twice what adjunct faculty contribute — they might be very distressed to be asked to contribute on their overload earnings, and the income would only generate $6,000 a year; 4) the summer inequity needs to be addressed first, before the rate increase; 5) it would solve the equity issue and the long-term physical health of the organization to increase the rate to 0.55% on all gross earnings; 6) it should be recognized that the last two years are anomalous in the budget, because of AFA's willingness to allocate the re-assigned time to other purposes; 7) summer is a different employment period than the academic year for contract faculty, and it makes sense to assess dues and fees on those earnings; that would be better than raising the rate to 0.6% — a 50% increase; and 8) another point of view is that regular employment goes up to 100% and everything else is hourly — whether it's summer or during the academic year — and both categories should be assessed at the same rate. The discussion will be continued at the next Council meeting.

3. Assessment of Dues and Fees on Summer Earnings. *(Included in Discussion Item #2.)*

4. Assessment of Dues and Fees on Regular Faculty Academic Year Overload. *(Included in Discussion Item #2.)*

DISCUSSION ITEMS

1. Letter to FACCC re: Ed Code Due Process Clause for Adjunct Faculty. Due to time constraints, discussion of this item was postponed until the February 22, 2006 Council meeting.

2. CPFA Proposal to Increase Adjunct Load Limit to 80%. Due to time constraints, discussion of this item was postponed until the February 22, 2006 Council meeting.

MAIN REPORTS

1. Conciliation/Grievance Report. This report and subsequent discussion were conducted in closed session.

The meeting was adjourned at 5:00 p.m. Minutes submitted by Judith Bernstein.