

FARSCCD FACTS

Faculty Union Newsletter

January 2017

THE DISMANTLING OF OUR BENEFITS. IS BANKED LEAVE NEXT?

Chancellor Rodriguez is attempting to cut our health insurance escalator clause almost in half while he refuses to honor our 9th place ranking. . We are well aware of the playbook he brought from San Joaquin Delta College. Below is an excerpt of a letter he submitted to the *Lodi News* during his tenure at Delta:

"When I became president in 2002, one of the first actions that I took was to implement a cap on vacation accrual. At that time, classified and management employees at Delta could accrue unlimited unused vacation time. There were people who had accrued enough vacation time to take a year's vacation before they retired."

Banked leave is a contractual item, as is 9th place ranking and our escalator clause. Chancellor Rodriguez supports holding our 9th place ranking hostage until we agree to cut the escalator clause from 10% to 6% and we don't doubt banked leave will be next on his list. It is for these reasons we are at impasse and why the District is spending tens of thousands of dollars on legal fees to fight the faculty. The escalator clause has no bearing on our '15-16 contract, but Chancellor Rodriguez insists on tying it to our 9th place ranking.

For those who are unfamiliar with the escalator clause, it provides faculty with a 10% cushion should health insurance premiums rise. **It is irresponsible for any labor group to negotiate away such a valuable benefit at a time when the health insurance marketplace faces so much uncertainty.**

Your FARSCCD Executive Board will fight aggressively to maintain our benefits and make certain they are not stripped away by a chancellor whose focus is only on his own personal agenda.

CHANCELLOR RODRIGUEZ DISCUSSING PLANS TO PURCHASE PROPERTY WHILE THE FACULTY WAITS FOR A CONTRACT

Chancellor Rodriguez's record as an educational leader in our District has been abysmal, so he looked to Saudi Arabia to bring his talents in the hopes of helping Saudi students. Using District resources and personnel he set himself and Enrique Perez up as educational "Training Providers" for a Saudi Arabian college. Now he's attempting to try his luck in real estate looking to use \$36 million in reserves to purchase the building next to District headquarters. On the Board Docket, (January 6, 2017) he discussed during closed session the terms for purchasing 2333 N. Broadway, Santa Ana. All the while, the faculty is told that there is no money for the full year state allocated COLA that was paid to the District last year.

**JOIN THE FARSCCD LEADERSHIP AT THE NEXT BOARD MEETING ON
MONDAY, FEBRUARY 6th AT THE DISTRICT OFFICE, 4:30 PM**

HAS YOUR CLASS BEEN CANCELED? EVER WONDER WHY?

IF WE ARE CHASING FTES, THEN WHY ARE WE ‘SCARING’ FTES AWAY?

How many of you have heard of a class being cut because there were fewer than 20 students enrolled in the class? If you were to ask why the class was cut, you might be told that there’s a Board Policy that mandates a minimum of 20 students per class (with some exceptions). That used to be the case. However a few years ago, that 20-student minimum Board Policy was removed: there is no current Board Policy that mandates a minimum of 20 students in a class.

The idea that a class MUST have 20 students is a mindset that may have made sense ten years ago, but it doesn’t make sense now. Ten years ago, we weren’t chasing FTES. Ten years ago, we had more students (and therefore, FTES) than the state would compensate us for. So ten years ago, it would make sense to make sure that classes were efficient and generating money for the District: why offer a class if the state wouldn’t pay us for it?

However today, the District is chasing FTES. We are told, constantly, that we are not growing. There have been some discussions that the District might go into stabilization this year or next year. But why aren’t we growing? Why are we struggling?

One reason is that, across the entire state, enrollment is soft. However, the paradigm of ten years ago does not work today. An analysis suggests that canceling low enrolled classes may hurt the District. A comparison of the total cost for a faculty member to teach a class (at the part-time/beyond credit rate including additional costs like District STRS contributions) to the income that class would generate based on the number of students enrolled suggests that the District LOSES money when a low-enrolled class is canceled.

The following is based on a 3 unit (3 LHE) class.

	10 students	15 students
FTES	1.0750	1.6126
Income (from state)	\$5375	\$8063
Expense (faculty PT/BC pay)	\$4397	\$4397
Net Income (income – expense)	\$ 978	\$3666

As shown above, a 15-student, 3LHE class earns the district \$8063 in FTES from the state (i.e., apportionment) but only costs the District \$4397. So a 15-student class generates a positive net income for the District. That also means, however, that the District has generated over 1.6 FTES. Even a 10-student class will provide a positive cash flow for the District, but will also generate over 1 FTES for the District. If a class is producing a positive cash flow for the District, why cancel it?

When asked, there has been answers about average class size, needing to pay other salaries, and additional class costs. However if a class is canceled, is there a reduction in the Chancellor’s salary? Is there a savings in the dean’s salary that cut the class? No. The only reduction in salary for a cut class is the salary of the faculty whose class was cut.

If a class is cut, what cost savings is there to the electricity or custodial costs? Most likely, any such cost savings are minimal at best. What about class costs, for example, for labs? A section of one (expensive lab) is about \$900. So even a 10-student class produce a profit. However, there’s more to it since the supplies would already have been ordered prior to the class cancellation. So there is no savings.

When a class is canceled, these are the effects:

We are not serving our students. Sometimes lost in the discussion is the negative impact that a canceled class can have on a student – and maybe that student decides to leave our District altogether.

The faculty member loses that class (and the potential earnings).

The college does not earn the money from the net income.

The District cannot claim the FTES.

What are the cost savings? The cost of the faculty teaching the class. But if there are 10 students in a class, the District will lose more in potential income (and the ability to claim the FTES) than it will save in faculty costs.

Ten years ago the concern for efficiency could be appreciated – when the District generated more FTES than the state would pay for. But today, the paradigm of efficiency and 20-student limits might be exacerbating an already fragile enrollment environment and could potentially help us go into “stabilization”.

Board Meeting
Updates:
We commend
Trustee Claudia
Alvarez on
questioning the
process of bid
ratification for
District office
remodeling
projects.
According to the
Board docket,
the District
Office remodel
projects costs
totaling in excess
of \$159,000 and
counting.....

We wish safe
travels to the
RSCCD Board
members who
will be traveling
to Washington
DC next month.

RAUL RODRIGUEZ A HISTORY OF DECEPTION

A state audit by the California Controller's office found under Chancellor Rodriguez's watch at San Joaquin Delta College, \$283,382 in bond money was spent on Kual Financial Systems which was "prohibited" under the law. Rodriguez was a partner in the development of Kual Financial Systems. (Also involved with Kual was Christopher Mackie...more on him below)

The audit indicated a lack of control and oversight over bond expenditures. Will the \$200 million Measure Q funds for Santa Ana College be properly allocated for campus improvements or for Rodriguez's special projects and deals?

Brown Act violations seem to follow Chancellor Rodriguez. Two (yes, two) scathing Grand Jury reports blasted Rodriguez's board of trustees at Delta for open meeting law violations as well as the "squandering [of] millions of dollars in taxpayer money". A change of venue didn't make a difference in Rodriguez's leadership. In 2013 the California Attorney General confirmed that the RSCCD board violated the Brown Act by discussing Project Labor agreements in closed session.

It didn't stop at three - last year FARSCCD filed a lawsuit against Rodriguez's RSCCD-led Foundation for alleged Brown Act violations related to the Saudi agreement. A binding letter of execution with the Saudis was signed, but never discussed with either the Foundation board or the RSCCD trustees...until Rodriguez was caught

One violation - shame on the board; multiple violations - shame on the Chancellor

It's no secret that Rodriguez has shown little respect for his board of trustees.

He entered into a contract and used public funds to pay consultant, Christopher Mackie to assist with the Saudi project without telling anyone...until he was caught.

He provided a second contract worth \$250,000 to Mackie without telling anyone...until he was caught.

On June 15, 2015 he said, "The guy [Christopher Mackie] hasn't gotten rich from working on our projects, I'll tell you that much".

A response to a public records request revealed \$334,741 was paid to Mackie and his company while working on the District's Saudi project.

But this is nothing new. At Delta, Rodriguez went around his trustees and gave his top administrators \$94,000 in stipends without telling anyone...until he was caught. And like his oft-used excuses in our District, he informed the Delta trustees it was permissible because it had been done before. It may have been done before like the unilateral contracts he entered into in our District, but failing to inform the board shows his pattern of disrespect for the Board of Trustees.

After failing three times in two years to be hired as a Chancellor, Rodriguez' fourth try in 2010 proved to be the winner for him as he was hired by RSCCD.

Per *Transparent California*, Rodriguez's salary and benefits top all community college administrators in Orange County at \$358,516.48 and includes a \$30,000 annual relocation allowance per the original contract he signed June 4, 2010. According to RSCCD's attorney in a letter dated October 29, 2015, "The Chancellor continues to work under the terms of his original Employment Agreement".

LET'S MAKE A DEAL

A PATTERN OF BAD DECISIONS

On December 6th the Rancho Santiago Community College District's Foundation finally formalized a consulting contract with a Saudi Arabian company after almost two years of controversy. The fact that the deal appears to be moving ahead isn't as much of a surprise as to "why" Chancellor Raul Rodriguez has been so insistent with this project.

What surfaced publicly two years ago as a contract worth more than \$100 million is now estimated to provide a little more than \$300k each year for the next three years. To get to this point, Chancellor Rodriguez ignored protests from faculty, staff, community members, the clergy and the Anti-Defamation League as well as unfavorable reports in the local and national media. Even elected trustee and Foundation member, Arianna Barrios commented, "It seemed like the district went through "a lot of heartache" for what will end up being a relatively small amount of money".

Enrique Perez, the District Foundation's executive director said he and other district officials would gain experience with this deal that could translate into further international consulting work and more revenue for the district.

International consulting work? The RSCCD is a public community college whose mission is to serve its community. And who are the other district officials? As far as anyone can tell it's only Chancellor Rodriguez and Mr. Perez. Are they really attempting to gain experience for the Foundation or themselves?

Chancellor Rodriguez has a penchant for what appears to be personal side deals. As previously reported in this newsletter, a 2008 Audit by the California Controller's office found under Rodriguez' watch as president of San Joaquin Delta College, \$283,382 in bond money was spent on Kuali Financial Systems. The audit deemed the expense "prohibited" under the law. Chancellor Rodriguez was a partner in the development of Kuali. Also involved in Kuali was Christopher Mackie. (See the previous page of this newsletter regarding the connection Mackie has with RSCCD and Chancellor Rodriguez).

ICEED - the International Consortium of Educational and Economic Development, is operated out of the third floor of the District's offices on 2323 N. Broadway. Rancho District personnel answer phones as representatives of ICEED; Enrique Perez is listed as its executive director; and Raul Rodriguez is an ICEED director. In 2015, it was reported that ICEED failed to file state and federal taxes for at least a decade.

It has become impossible to get answers to questions on almost any matter in our District, let alone what may be occurring in Saudi Arabia or even on the third floor of the District office. Does anyone really believe the community will get an accurate financial statement from this Saudi agreement with funds coming from one Saudi company to another Saudi company and then supposedly to the District's Foundation? (Yes, that's how it is to be operated).

No one should hold their breath that we will ever get any truthful answers from Chancellor Rodriguez. We need to remember this is an educational leader who insisted discussions, negotiations and contracts regarding the Saudi agreement did not have to follow open meeting laws (Ralph M. Brown Act). And recently he had the audacity to dispute the public findings from Algonquin College, claiming their reported loss of \$5.8 million as a result of dealing with the Saudis was really a financial gain!

For more reading:

<http://voiceofoc.org/2017/01/rancho-santiagos-saudi-deal-is-apparently-back-from-the-dead/>



YOUR RIGHT TO UNION REPRESENTATION

"If this discussion could in any way lead to my being disciplined or terminated, or affect my personal working conditions, I request that my steward or union officer be present at the meeting.

Without representation, I choose not to answer any questions."

1975 US Supreme Court Case.

"The Weingarten Case".

WOMEN BELONG AT HOME

From the Saudi Contract.....

(e) Female initiatives

The Training Provider shall develop curricula and delivery mechanisms relevant for overcoming challenges specific to females (e.g., e-learning modules for home-based vocations).

Given that incorporating a female initiative component will likely impact curricula, incorporating these changes is not expected during the first Academic Year.

The FARS CCD Executive Board is here to help. How can we help you? Email us at farsccd@gmail.com www.farsccd.org