

HX Bargaining Report #6

UPTE HX Bargaining Committee met for the sixth time with the University of California in Irvine on September 10 and 11th. These bargaining sessions were held at the Ayres Hotel Conference Rooms, across the street from UC Irvine Medical Center.

UC began the first session by discussing additional information regarding the proposed Furlough/Salary Reduction Program. The program is expected to become effective October 1, 2009 for a twelve month consecutive duration. UPTE continues to oppose the idea and the need for furloughs and salary reductions as each of the Medical Centers are making a profit. Additionally, UPTE's counter proposal has been that if furloughs and salary reductions are absolutely necessary, we want a guarantee from UC that there will be no temporary lay-offs for our members. UC is not willing to commit to this.

UC passed an article entitled UC Medical Center Income. The article discusses the need for the Medical Centers to continue to be self supporting in its operation in a competitive market. The article also states that UC's Medical Centers receives almost no State funding and that as a public entity all net income is reinvested back into operations. Last year all 5 of the Medical Centers combined earned revenues of \$5.21 billion dollars, and approximately \$400 million of that is profit. Even after adjustments were made for helping the schools of medicine, UC admits they had \$200 million in revenue remaining.

UC seems to feel they need to invest in new buildings, seismic safety, programmatic and strategic needs, and equipment to retain their standing in a competitive healthcare market. And secondarily, UC feels it doesn't need to offer their staff (nurses, doctors, and other healthcare professionals) competitive compensation before investing in projects. Again UC is putting profits before patient care.

Unfortunately, what UC has forgotten is that it is through the efforts of our members and others that the Medical Centers continue operating at the highest level. UC continues to pay its top level managers very competitive wages as well as perks. They justify this by saying that if they don't offer competitive wages they will not be able to recruit the level of talent and expertise needed to run this organization. UPTE's answer to that is our members also deserve to be compensated for the exceptional jobs that are done on a daily basis that allows UC to remain a world class institution.

People who are not being paid market wages will leave to find better paying jobs elsewhere. What makes UC great will be gone, if we are not given competitive wages. UC continues to hire new employees while planning for furloughs, wage reductions, and temporary lay-offs. UC also suggested we blame the fiscal problem on the Governor. This is somewhat difficult to do when we know that all 5 Medical Centers are making money.

At a recent UCOP presentation for the UCUC union coalition Benefits meeting, Mark Esteban stated there will be across the board small premium increases for 2010 for most health care plans. Employees with Blue Cross will see significant increases. UC reported that they now have the numbers on how much they will be charged by each plan, but has not yet determined what portion employees will be expected to pay. Other changes could include generic drug use which

could lower plan costs. Lowering generic prescriptions to \$5.00 and encouraging members to use mail-order pharmacy.

UC intends to increase the healthcare premium costs paid by retirees over what active employees will pay. An additional 3% increase would be added to the current rate with more increases planned in the future. UPTe says NO, this is not necessary and sets a bad precedent. The reason our members have stayed at the University is for the benefits, with the goal of being able to retire with affordable healthcare and livable pension.

Since we began bargaining in May, here is what UC is offering: no Cost of Living increases, no step increases; withholding of market equities; asking us to contribute more for our pension; furloughs (wage reductions) or temporary lay-offs for many of our campus workers; more fees for parking; more for healthcare premiums and the list goes on. WHAT'S NEXT????? How much more can UC expect our members to take on without adequate financial compensation????

We had an excellent turn out from our UC Irvine members, including 3 Clinical Social Workers, 3 Clinical Laboratory Scientists, 2 Nuclear Medicine Techs, and 1 Medical Interpreter. They took time out from their lunch break to come over to the hotel we were meeting in to give heartfelt presentations regarding the ongoing need for market equity increases, which were not given to our Irvine members during the last round of bargaining 3 years ago. UC's answer is to again tell these hard working members to try again sometime next year with no guarantees or promises of any success.

Our next Bargaining session will be held on Oct 5th and 6th in Oakland at the Office of the President and the Labor Center in Berkeley. We welcome any and all interested members to come out to let UC know how fed up you are with their current plan of action e.g. furloughs/ salary reductions, temporary lay-offs, program closures, increased healthcare premiums, parking, pension re-direct, etc.

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