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University Professional
& Technical Employees,
Communications Workers of
America 9119 • AFL-CIO

(510) 704-UPTE
info@upte-cwa.org
www.upte.org

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Save UC from Yudof's mismanagement

Techs and researchers to strike on September 24, faculty and students plan walkout on same day

Outraged at President Mark Yudof's budget policies and concerned for the future of UC, organizing among a broad coalition of staff, faculty and students has proceeded quickly since the regents' mid-July meeting, at which hundreds demonstrated.

At that meeting, the regents ignored the many viable alterna-

tives put forth by a coalition of unions, faculty, and students, instead granting Yudof unprecedented "emergency powers" and approving his plan to furlough staff and faculty. Quietly, behind the scenes, the regents also approved raises for dozens of top executives.

Meanwhile, UC is withholding \$11.5 million in grant-funded

raises for the 8,500 researchers and techs who are not on state funds, monies that cannot legally be used to offset the state budget shortfall.

"Research staff are already paid 20% to 30% under market rates, and are the 'collateral damage' in Yudof's budget plan," said UPTE's president, Jelger Kalmijn.

A systemwide walkout, with widespread faculty participation, is planned for Thursday, September 24, the first day of classes at many campuses. UPTE-represented technical (TX) and research (RX) workers will hold a one-day unfair labor practice strike that day to pressure UC to bargain over furloughs, release the money in grants for raises, and improve health and safety.

After 18 months of bargaining, UC has withdrawn its wage proposals and unilaterally changed benefit and transportation costs. A strike will put pressure on UC to obey the law and bargain a contract.

sidestepping the bargaining process and instead negotiating directly with UPTE-represented employees on the furlough plan.

"At all campuses, Yudof and other managers have sent emails, letters and videos trying to convince UPTE's members to accept the austerity plan, or to ask them to participate in straw polls or discussions about furloughs," said Kalmijn.

"That is called 'direct dealing' and is a flagrant violation of labor law," Kalmijn said. "UPTE is the legal representative for all researchers and techs - UC can't simply bypass the collective bargaining process." The union has filed an unfair labor practice charge with the state's labor board over this behavior.

Neither can UC unilaterally implement holiday closures or furloughs for UPTE members with collective bargaining rights - which includes all workers in the TX and RX units as well as health care professionals (HX unit).

UC's direct dealing

UPTE members voted overwhelmingly in late July to approve a strike, to be called by union leadership at an appropriate time with reasonable notice.

UC has acted illegally by

Faculty, students to walk out systemwide

As of *Update* press time, hundreds of faculty members have pledged to walk out on the same day.

CONTINUED ON PAGE 2



Above and below: members of the UC Union Coalition protest Yudof's furlough plan at the July regents' meeting in San Francisco.

UPTE LOCALS

Berkeley/UCOP
(510) 848-UPTE

Davis:
(530) 759-0803

Irvine:
(949) 854-UPTE

LBNL:
(510) 665-7722

Livermore/SPSE:
(925) 449-4846

Los Alamos:
(505) 662-4679

Los Angeles:
(310) 443-5484

Merced:
(510) 848-UPTE

Riverside:
(951) 781-7922

San Diego:
(858) 458-0845

San Francisco:
(415) 753-UPTE

Santa Barbara:
(805) 685-3661

Santa Cruz:
(831) 429-UPTE

Ninety-six percent of voters among staff, faculty and students have "no confidence" in Yudof's leadership

Employees across the UC system turned out in record numbers to overwhelmingly reject the leadership of UC president Mark Yudof in an historic vote of "no confidence," held from August 26 to September 2.

Ninety-six percent of voters selected "no confidence" on their ballots. Even though the poll took place during the summer break when most faculty and students were away, some 10,000 voters, including faculty, custodians, nurses, techs, researchers, professionals and clericals formed long lines at polling places across the state in the historic and unprecedented vote.

"I voted 'no confidence' in Yudof because enough is enough," said Carolan Buckmaster, a staff research associate and UPTE's San Diego president.

"Our campus community knows that President Yudof's policies are misguided," she added.

"He chooses to implement tuition hikes and devastating cuts to teaching, research, patient care and other vital services, all the while propping up UC executives with lavish bonuses and pay raises."

A broad referendum

The UC Union Coalition, which includes UPTE-CWA and 6 other unions representing UC employees, organized the state-wide vote. It invited all staff and faculty, represented or not, to cast a ballot. On campuses where school was in session, students were encouraged to vote as well.

Yudof created the plan that will require most employees to take 4% to 10% cuts in pay, in the form of work furloughs, amounting to \$184 million in cost savings. At the same time, Yudof and the regents approved dozens of executive raises and created several new, highly paid

positions, and borrowed \$200 million for construction projects (see stories on page 3).

"We cannot stand by and watch our magnificent public university destroyed by bad management and privatization," said Phil Johnston, a computer resource specialist at UC Santa Cruz and

UPTE's local president there.

"With this vote, we're signaling to the regents that they'll have a fight on their hands from all sectors of the UC community if they continue on this irresponsible course that is gutting the university's core educational purpose," Johnston said.



Organizing for fairness

UPTE Irvine members sending a message this summer that they are ready, willing and able to engage in debate about alternative budget strategies that don't penalize the students, faculty and employees who are at the heart of UC's mission.

Six funding sources to cover the state shortfall that don't damage UC*

\$500 million, the decrease in UC's state funding

\$7.2 billion in unrestricted cash reserves

\$1.6 billion in fundraising, could be redirected to current needs

\$570 million in research funds added from federal stimulus

\$350 million in bonuses of those earning over \$200,000

\$230 million in medical center profits

\$200 million from a 25% pay cut to UC's top 3,000 executives

*while these funds have multiple uses, each could contribute to a solution to the state funding shortfall.

Union members march at the July regents' meeting in San Francisco



Susanne Paradis, photo

RX/TX strike and faculty/student walkout on September 24

CONTINUED FROM PAGE 1

(The statement can be found at ucfaculty-walkout.wordpress.com.)

Their demands include no furloughs or pay cuts for employees making less than \$40,000; full disclosure of the UC budget; and respect for the tradition of shared governance between faculty and UC administrators.

Faculty members are particularly angry that management ignored a decision by the systemwide Academic Council (made up of all the campuses' Academic Senates) to allow faculty to take their furloughs on instructional days.

"The administration seeks to evade public accountability for the manner in which it has managed the budget crisis," the authors of the faculty letter wrote. "The Office of the President has failed to arrive at a plan that would protect the interests of both students and workers. It wishes to disguise the harm this failure has done to the University's mission."

Furloughs on instructional days, faculty note, "pressure the state to cease defunding the UC system, and they pressure the Office of the President to confront the fact that its overall approach to budget reform is unsustainable and unjust."

The American Association of University Professors, representing faculty nationwide, has endorsed the walkout.

Teach-in by students at Berkeley

Student groups of several campuses are also organizing to oppose the cuts. At UC Berkeley, the Student Worker Action Team, which includes both students and employees, held a teach-in this summer and plans to support the September 24 walkout.

The UC Student Association passed a resolution in late August pledging to act in solidarity with UC unions, and noting the

many ways in which students are directly affected by Yudof's policies, including major cuts to enrollment, declines in student services, lack of student support staff, larger class sizes, and fewer course offerings.

UPTE has been working with students, faculty, and other unions to coordinate possible joint actions. "September 24 may be just the start of joint actions that will continue until these damaging policies end," said Kalmijn.

UC rejects "no layoff" pledge

Last month, UPTE's bargaining team responded to the university's furlough proposal with its own plan. While approximately 85 percent of UPTE-represented workers are paid from non-state funds such as federal and private grants, some departments on some campuses are dependent on the state budget.

Addressing this concern, UPTE's bargaining team proposed that if the university could show that a particular department had exhausted all other options and that implementing the furloughs would come with a guarantee of no layoffs in the department, then the union would negotiate furloughs for employees, if those employees made more than \$40,000 a year.

The proposal was flatly turned down by UC bargainers, who made it clear that management wanted a blank check to both furlough and lay off employees.

"This is very discouraging," said Kevin Rooney, UPTE's TX/RX chief negotiator. "Mark Yudof is telling UC unions it's 'furloughs or layoffs,' but it looks like what he means is 'furloughs and layoffs' – wherever and whenever they want. Why would we sign onto that?"

Opposition to cuts among administrative professionals

Employees without collective bargaining, such as UPTE's administrative professional (AP) members, unfortunately do not have the same contractual protections.

Still, APs have been quite active in opposing Yudof's plans. They have turned out in droves to vote on the "no confidence" motion that was presented for the consideration of all UC employees, union-represented or not. Many are meeting with co-workers about the issues and becoming involved in campus-based coalitions to save UC.

"Now is the time to organize to protect our future, and protect the UC that we have worked so hard to build over the years," said Joan Lichterman, an editor at UC Berkeley and UPTE's health and safety director.

Lichterman urged all APs to sign an UPTE "commitment card" in support of collective bargaining rights for administrative professionals. "Union protections will be needed even more as we head into the future," she says. The card is available on the web at www.upte.org/99/ap-card.html.

UC won't listen to alternatives

UPTE and its coalition allies continue to hold the position that furloughs and layoffs are unnecessary and detrimental to the educational and research missions of the university, and that viable alternatives exist to cover the state's budget shortfall.

"We will continue to work with other unions, students, faculty groups and legislators towards the one solution that does not harm the university: UC tapping into its vast array of resources to temporarily cover the decrease in state funds," said Lichterman.

For an outline of some of these possibilities, please see the sidebar at left.

Regents vote raises for execs, furloughs for staff

Execs still get raises as UC cuts staffing and pay was the front-page headline in the *San Francisco Chronicle* on August 7. As the regents voted for furloughs at their July meeting, behind the scenes they also quietly approved scores of executive pay increases and perks for top executives and administrators.

Several executives were appointed at salaries from 11% to 59% higher than their predecessors. The regents also voted to give “administrative stipends” ranging from \$24,000 to \$58,625 to several employees, without any extra duties, and added several new highly paid executive positions.

“These are outrageous actions, taken at the same time as UC has been pleading poverty, forcing staff and faculty to take furloughs, and hinting at more student fee increases,” said Wendi Felson, a clinical laboratory scientist at UCSF and health care professionals (HX) bargainer. “President Yudof keeps saying we all have to ‘share the pain,’ but it is obvious that many administrators will not be feeling the pinch,” she added.

“Despite the regents’ claim in January of a ‘freeze’ on executive pay increases, they’ve doled out bonuses and perks at each of their meetings in February, March, May and July,” added Felson. “And despite layoffs and hiring freezes at many campuses, they continue to hire and create positions for highly-paid administrators.”

The *Chronicle’s* article drew heavily on investigative work done by a team of UPTE members at UC Berkeley and UCLA. Minutes from the July 16 regents’ meeting show the total number of compensation increases, new hiring and perks to top administrators at over 40 in 2009 (see www.upte.org/excepayactionsJuly09.pdf).

Wake up call for Yudof

On July 16, amid widespread opposition, the regents voted to furlough state-funded faculty and staff. Yudof claimed a small 2.5% shortfall in funding from the state was “dire” and required “shared sacrifice” from UC employees and students, even though the university has over \$7 billion in unrestricted reserves that it could use as a rainy day fund to support the essential functions of education and research.

A week after the regents’ meeting, about 30 UC union activists, accompanied by reporters, took their protests to Yudof’s doorstep in the hills of Oakland, intending to deliver a “wake up call” about the need for belt-tightening in the executive ranks.

Yudof didn’t answer the door, but the protestors did get their message out widely in the press. A group of UC San Francisco union activists also visited the offices of UC officials with a similar message.

“If there really is a ‘financial crisis’ at UC, why do they have all this money for top administrators?” asked Tanya Smith, a Berkeley editor and UPTE’s local president there. “UC is sitting on billions in reserve funds and is expecting hundreds of millions

more from fundraising, the profit-making UC medical centers and the federal stimulus bill, but claims that it needs to cut employee pay and raise student fees to cover a small state budget shortfall of less than 3%.”

“It’s time for the regents to open the books,” she added. “We need to know if there really is a budget crisis at UC, or just a crisis of leadership.”

Meanwhile, a new analysis from publicly available UC data shows that, between 2006 and 2008, the gross amount paid to UC employees making over \$100,000 increased by over \$1 billion (see ucpay.globl.org/letters.php?id=2).

The analysis also shows that in UC president Mark Yudof’s furlough plan, it would take the pay cuts of more than 10,000 average lowest-paid “tier 1” workers just to offset the extra \$11.5 million for new executives making over \$100,000 at UCOP.

Want to put faces on some of those exorbitant executive pay figures? Check out a fun set of reprintable executive pay posters from an UPTE activist at UCSB: option4.ning.com/photo/photo/show?id=3622727:Photo:1012.

University borrows \$200 million for construction projects

Just two weeks after UC claimed it was forced by budget cuts to furlough “core” state-funded staff to save \$184 million in salary costs, university officials agreed to lend the state of California nearly \$200 million which will return the money to UC so it can continue with state-funded construction projects at eight of its ten campuses.

“This is surreal,” said Carolan Buckmaster, UPTE’s San Diego president and a staff research associate.

“UC’s highly-paid executives spent the last month trying to convince the public and its staff, students and faculty that it could not afford to pay for services that are central to its mission of teaching and research,” Buckmaster said. “Now, it finds funding for several massive real estate projects.”

According to the August 6 edition of the *San Francisco*

Chronicle, the agreement calls for UC to lend \$199.8 million to the state of California, which will then use the money to pay for voter-approved construction projects at UC campuses. The university will get 3.2% interest over 3 years. Nearly all of the projects to be funded are biomedical or scientific facilities.

“Clearly, new buildings are a higher priority than paying salaries for those of us who work in the buildings UC already has,” said Susan Orlofsky, an administrative professional at UCSD and an UPTE activist. “Who’s footing the bill for all this construction? Students, their families, hard-working faculty and staff, and the citizens of California,” she added.

“Teaching and research, not real estate development and profit-making ventures, are the reasons for UC’s existence under the Master Plan for Higher Education in California,” said Tanya Smith, an editor at UC Berkeley and UPTE’s local president there. “UC’s actions are inexcusable, but they are not surprising, given that a majority of the regents are developers, bankers and corporate CEOs.”

Refuting President Yudof’s Claims

Bob Samuels is a lecturer at UCLA, and president of the UC-AFT (one of the 7 unions working in coalition to oppose Yudof’s plans). He has been researching UC’s unrestricted reserve funds, so we asked him to share what he has discovered.

In a recent press conference in Santa Barbara, UC president Mark Yudof reiterated his claim that UC does not have access to unrestricted funds. President Yudof insisted that almost all of UC’s \$20 billion operating budget and its \$50 billion investment portfolio is legally restricted. Here is the evidence to disprove Yudof’s claim.

1) UC’s own audited financial statements declare that in 2008, \$13.7 billion out of a total of \$18 billion were listed under

the category of unrestricted funds (see socrates.berkeley.edu/~schwrtz/FinU17.html).

2) In July 2009, Moody’s gave the university a high bond rating because of the diversity of its assets and its large level of unrestricted funds (changinguniversities.blogspot.com/2009/07/ucs-high-bond-ratings.html). Furthermore, due to this high bond rating, the UC system was able to borrow and lend \$200 million to the state of California (see story at left).

3) UC must have extra cash at hand because it continues to find money to raise executive compensation (see story at left).

4) UC has \$4.6 billion in endowment funds and \$7.2 billion in its short-term investment funds: www.ucop.edu/treasurer/invinfo/COI_IAG_Perf_Summary_3-09.pdf. Much of the UC endowment fund is supposed to be dedicated to the educational mission, so this source of funding could be used to help make up for state reductions (changinguniversities.blogspot.com/2009/07/is-university-of-california-well.html).

5) A third of UC’s revenue stream comes from external grants, and the university usually charges an overhead rate of about 50% for each grant. While some of this money is earmarked for particular purposes, much of the money goes to shared university functions like facilities, administration, staff, libraries and utilities (www.lao.ca.gov/2004/uc_fac_facilty/062304_uc_fac_res.pdf). The UC system could raise general funds by simply increasing the overhead rate or by sharing funds in a more equitable way.

It is clear that most of UC’s money is unrestricted and can be used for any purpose the university wants. In fact, a legal fact-finding report found that the university has the money to pay its employees at a higher rate, but it just decides not to make this a priority (www.cueunion.org/bargaining/ffreport.php).

UC does not have a budget crisis; it has a crisis in priorities.

Joe Biegner, photo



A march of hundreds of employees, students and faculty through the streets around UCLA this summer, protesting the university’s proposed furloughs, layoffs and cutbacks.

Legislature reins in UC, CSU exec pay

California's Assembly and Senate both overwhelmingly approved legislation in early September to prohibit executive pay raises during bad budget years at the University of California and the California State University.

"The UC and CSU seem committed to going down the same egregious path as AIG and other Wall Street corporations by providing for their top executives and ignoring everyone else," according to the bill's author, Senator Leland Yee (D-San Francisco/San Mateo), who is also an alumnus of both UC and CSU.

"SB 86 will ensure that top execs are not living high on the hog while the students are suffering," said Yee in a press statement.

An earlier version of the bill was killed after lobbying by UC and CSU administrators. After a public outcry, legislators finally passed the revised measure.

In 2009 alone, the UC regents have already approved approximately \$9 million in executive compensation increases, about \$2 million of that at their last meeting in July. That is in addition to other forms of compensation including generous pension plans, travel allowances, housing, and access to low-interest loans.

UC president Mark Yudof receives \$828,000 in salary – more than twice that of the president of the United States.

Since 2002, top administrators at CSU have also received raises in excess of 23 percent.

"There is absolutely no justification for these bloated salaries," said Yee. "The UC and CSU administrations continuously violate the public trust by catering to the university's elite rather than serving the

students and workers they are appointed to represent. The public deserves better."

The bill now awaits the governor's signature or veto.

The real "death panels" Health insurers deny 22% of claims

Nearly a fourth of medical claims for insured patients, even when recommended by a patient's physician, are rejected by California's largest private insurers. That amounts to what the California Nurses Association/National Nurses Organizing Committee (CNA/NNOC) calls "very real death panels in practice daily in the nation's biggest state," according to data released in early September.

CNA/NNOC researchers looked at data reported by the insurers to the California Department of Managed Care. From 2002 through June 30, 2009, six of the largest insurers operating in California rejected 47.7 million claims for care – 22 percent of all claims.

"With all the dishonest claims made by some politicians about alleged 'death panels' in proposed national legislation, the reality for patients today is a daily, cold-hearted rejection of desperately needed medical care by the nation's biggest and wealthiest insurance companies simply because they don't want to pay for it," said Deborah Burger, an RN and CNA/NNOC's co-president.

For the first half of 2009, as the national debate over health care reform was escalating, the California rejection rates are even more striking: PacifiCare (39.6%), Cigna (32.7%), HealthNet (30%), Kaiser Permanente (28.3%), Blue Cross (27.9%) and Aetna (6.4%).



At right, UPTE Los Angeles activist Rita Kern speaks to a television reporter about employees' opposition to proposed furloughs.

Contributing to the debate, UPTE's AP members start weekly news service

As staff, faculty and students brainstorm about ways to defend the state's jewel of higher education, the University of California, a group of administrative professionals organizing for UPTE representation saw the need for a news service to help inform the dialogue, one that would be delivered to activists' email inboxes each week as they pondered their next moves.

So they started the *Monday Memo*, published at the start of each week, to help the UC community stay up-to-date with news and research on the budget issues, and the activities of those who are fighting to preserve the health of the university.

"It's a short, readable email with links to further reading that we hope will encourage discussion, coalition-building and action among the UC community," one of the committee members told the *Update*. "Many of us write and edit for a living, so we felt this was a contribution we could easily make to help provide context for the debate about strategy that is taking place across the state."

Anyone may subscribe the *Monday Memo*. Just send an email to <subscriptions_mondaymemo@upte-cwa.org>. Back issues are at <www.upte.org/publication-mm>. News tips, either anonymous or credited, are welcome at <mondaymemo@upte-cwa.org>.

Saving money by cutting care

"Every claim that is denied represents a real patient enduring pain and suffering. Every denial has real, sometimes fatal consequences," said Burger.

PacifiCare, for example, denied a special procedure for treatment of bone cancer for Nick Colombo, a 17-year-old teen from Placentia, California. After protests organized by Nick's family and friends, and health care activists, PacifiCare reversed its decision. But the delay resulted in critical time lost, and Nick ultimately died.

Cigna gained notoriety two years ago for denying a liver transplant to 17-year-old Nataline Sarkisyan of Northridge, Calif. and then reversing itself, tragically too late to save her life.

Rejection of care is a very lucrative business for the insurance giants. The top 18 insurance giants racked up \$15.9 billion in profits last year.

"The routine denial of care by private insurers is like the elephant in the room no one wants to talk about," Burger said. "The US remains the only country in the industrialized world where human lives are sacrificed for private profit, a national disgrace," she said.

Many health care reform activists support a single payer system to cover all Americans, a plan similar to what exists in

other nations.

A recent report by the Organization for Economic Co-operation and Development found that among 30 industrial nations, the US ranks dead last in life expectancy at birth for men, and 24th for women.

To keep up-to-date on the health care debate and make your voice heard, log onto the AFL-CIO's health care page at <www.aflcio.org/issues/healthcare>.

CWA safety and health conference

A key issue in this year's bargaining for UC researchers and techs is improving health and safety protections.

Join UPTE's national union, the Communications Workers of America, for a health and safety conference in San Diego in October, where experts will help you tackle the flu, ergonomics, toxic materials and other hazards workers face on the job.

The conference happens October 3-5 in San Diego. Seminars will cover record-keeping, leadership skills and what the Obama administration is doing to protect workers and overturn anti-worker rules from the Bush administration.

More information and registration details are at <cwa-union.org/issues/osh/2009conference.html>.

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Local 9119, AFL-CIO

PO Box 4443
Berkeley, CA 94704

(510) 704-UPTE
info@upte-cwa.org
www.upte.org