



MEDIA ADVISORY

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Jelger Kalmijn, (619) 370-3753 cell, president@upte-cwa.org
Tanya Smith, (510) 325-6381 cell, tanyagays@yahoo
Carolann Buckmaster, (858) 775-7498, carolan@upte-cwa.org

UNIVERSITY
PROFESSIONAL
AND TECHNICAL
EMPLOYEES

CWA Local 9119
AFL-CIO

■
Representing
employees at the
University of
California

■
2510 Channing Way
Suite 11
Berkeley, CA
94704

PH. (510) 704-8783
FX. (510) 704-8065
info@upte-cwa.org

■
www.upte.org

While furloughing employees to save \$184 million, UC lends the state nearly \$200 million in order to continue its campus construction projects

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

“This is surreal,” said Jelger Kalmijn, president of UPTE-CWA Local 9119, which represents 12,000 researchers, techs and health care professionals at the university. “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. Now, it finds funding for several massive real estate projects.”

According to the *San Francisco Chronicle*, the agreement calls for the university 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.

On July 16, amid widespread opposition, the UC regents voted to furlough state-funded faculty and staff, resulting in a pay cut of 4 to 10 percent. UC President Mark Yudof told employees in a July 10 letter that the furloughs would produce “\$184 million in General Fund savings which equals roughly on quarter of our State funding deficit. Student fee increases will bring \$200 million in savings....”

Yudof claims a small 2.5% shortfall in funding from the state is “dire” and requires “shared sacrifice” from UC employees and students, even though the university has over \$7 billion in short term reserves that it could use as a rainy day fund to support the essential functions of education and research.

“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, president of UPTE’s Berkeley local. “UC’s actions are inexcusable, coming at the same time it is planning to cut the pay of its dedicated staff and faculty. But they are not surprising, given that a majority of the regents are developers, bankers and corporate CEOs.”

At UC Berkeley alone, over \$760 million is scheduled to be spent on construction and renovation from 2007-2011, and over \$18 million of that is from UC’s very healthy cash reserves.” (<http://www.ucop.edu/budget/nonstate/08095YrNSCP/berkeley.pdf>).

“The public should be outraged that UC is prioritizing buildings over people,” adds Carolann Buckmaster, UPTE’s San Diego president. “Who’s footing the bill for all this construction? Students, their families, hard-working faculty and staff, and the citizens of California.”

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