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AFL-CIO

University Professional
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U.P.D.A.T.E



“We deserve to retire with dignity,” say UC employees in statewide demonstrations

UC employees and their supporters turned out in large numbers January 31 to demonstrate against management’s proposals for a two-tier retirement system.

Across the UC system, participants pointed to the university’s plans to reduce pension payouts to frontline employees by as much as \$1,000 a month, while maintaining

executive perks like UC president Mark Yudof’s additional \$230,000 in pension benefits each year that he was given after working only 5 years.

Three unions – UPTE-CWA, AFSCME and the California Nurses Association – “came together in a ‘perfect storm’ of strength and solidarity,” according to UCLA clinical social worker Peggy Stew-

art. The unions represent 44,000 employees systemwide and are pledging to defend the retirement system in which UC workers’ pensions are invested.

“Working Americans in the bottom 99% have seen their pensions dismantled by executives in the top 1%,” said UPTE member Paul Brooks, a UCB spectroscopist. “This campaign is not just about preserving our pension, but bringing back pensions to all Americans, not just the wealthy elite. Splitting the UC pension plan is their way to weaken and then dismantle it,” he added.

Union coalition mobilizes against takebacks

UPTE and AFSCME are currently in contract negotiations, and the CNA talks start soon. At many campuses, employees delivered petitions signed by hundreds of their coworkers to campus chancellors or medical center CEOs, demanding that UC back off on its two-tier plans.

The petition reads, in part: “We demand responsible management of our pension fund and retiree health benefits. If UC truly believes the pension fund requires

28.6% contributions, why don’t they contribute according to their own policy? Or are UC’s numbers only a scare tactic to coerce us to accept the second-class tier as inevitable? I support our union to keep us all on one plan for pension and retirement benefits.”

The regents have proposed changes to both major components of UC employees’ retirement: pensions and retiree health benefits. They want to introduce a new, inferior tier in each component by July 31 of this year.

“This would create second-class employees who do the same work but have to work much longer to achieve the same benefits,” said UPTE’s systemwide president, Jelger Kalmijn, a researcher at UCSD.

How UC wants to reduce your pension

See UPTE’s analysis, including the Union Coalition’s actuarial report at www.upte.org/benefits. You can also use the pension calculator there www.upte.org/pension-calc to find out how much you’d lose if UC’s plans go into effect.

Here are some of the elements of UC’s two-tier proposal.

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UPTE health care professional members Solange Levy, Maria Caces, Rosalie Bacani and others demonstrate at UCSF’s Mt. Zion Hospital on January 31.

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San Diego:

(858) 458-0845

San Francisco:

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UC union coalition actuaries find \$1 billion in pension savings

Working together, three unions representing University of California employees have hired an independent actuarial firm to review the university’s method and calculations for the pension fund and retiree health benefits.

UPTE-CWA, AFSCME and the California Nurses Association, asked the actuaries to analyze the UC Retirement Plan (UCRP), our defined benefit pension. They concluded that UCRP is “among the better funded plans in the country,” and identified three areas where UC has chosen unnecessarily conservative assumptions that

make the plan’s funding levels look worse than they actually are.

The actuarial report is available at [www.upte.org/benefits/Actuarial Briefing11-01-2012.pdf](http://www.upte.org/benefits/Actuarial%20Briefing11-01-2012.pdf). Here are some highlights.

- **Unnecessarily front-loading contributions.** The actuaries say UC’s methods to pay off the plan’s shortfall are “non-mainstream,” and pack most of the needed contributions into the first few years of the plan. This results in “front-loading” of employee contributions, which UC calculates in flat dollar rates rather than by the more accepted method of percentages.

UC’s faulty methods cost a whopping \$1 billion more in the next 4 years than is necessary. “That’s a lot of money out of our paychecks,” said Jelger Kalmijn, UPTE’s systemwide president and a UCSD researcher.

- **Wrong investment return rate.** UC assumes a return-on-investment rate of 7.5% when the majority of plans use 8%, and when UC has actuality made more than 9% on average over the last 20 years.

- **Pay raise assumptions are off.** UC falsely assumes that all employees get 5% raises every

year of our careers. While we all wish this were true, it is far off the mark and dramatically skews pension contribution rates over time.

The Union Coalition-hired actuaries are most disturbed that UC utilized these conservative methods to calculate a contribution of 28.5% of payroll, but then did not make the actual payment.

UC’s exaggerations are a bargaining tactic

“If UC truly believed that 28.5% is required to keep the pension fund stable, then why doesn’t

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UPTE-CWA, AFSCME and CNA leaders and bargainers getting ready to meet with UC reps over the pension proposals.



Organizing for fairness

"Twenty-eight – that is the number of days that will keep me from receiving full retirement benefits," UPTE member Samrrah Raouf (photo at right) told UC negotiators during testimony at the TX/RX bargaining table on the Davis campus last month. Those are the days she'd fall short of UC's proposed "rule of 50" in order to keep her full retirement benefits.

"I care about my job," she said, "I care about this university. Why do I feel that the university does not care about me?"

"Removing and reducing retirement benefits and claiming that everyone else is doing it – and therefore so shall we – is half way to winning the race to the bottom," added Raouf. "We need to turn around, 180 degrees and set an example, because we should and because we can."



Lydia Phillips, photo

Apply for CWA's Online Learning Scholarship

Empire State College, part of the State University of New York, now is accepting applications for the Morton Bahr Online Learning Scholarship for the 2013-2014 academic year.

The scholarship honors CWA President Emeritus Morton Bahr, who has been committed to lifelong learning. Bahr is an alumnus of Empire State College. Since its inception in 2001, the Bahr scholarship has helped 56 students continue their education through distance learning. Union workers, family members and/or domestic partners interested in working toward a degree at Empire State College are eligible.

For more information, visit www.esc.edu/distance-learning/cdl-prospective-students/bahr-scholarship. The deadline for applications is May 15.

Retiring with dignity and a fair pension

(continued from top of front page)

• **UC pays less and employees pay more.** On Tier 2 of the pension plan, UC wants to contribute 4% less while employees will contribute 0.5% more than Tier 1.

• **Minimum retirement age increases from 50 to 55.** If you are laid off or must leave UC employment for some other reason before you are 55, you could receive *no* pension or retiree health benefits. For example, an employee with 20 years of service who gets laid off at age 53 will have no UC retiree health benefits.

• **Maximum benefit at 65 instead of 60.** Because of a change in the "maximum age factor," if you retire at age 60 with the same number of years working at UC, you'd get 30% less in your pension. For example, an individual with a salary of \$50,000 and 30 years of service credit would get nearly \$1,000 less per month.

The "rule of 50"

The criteria that determine which tier an employee would fall into is complex. UC wants to reduce retiree health care benefits for all UC employees who have been working for the university fewer than 5 years by July 1, 2013, or whose years of service plus age equal less than 50.

This is called the "rule of 50." Those without the magic number of 50 would be forced on to Tier 2 benefits. For retiree health benefits, approximately half of *current* UC employees will be affected.

What's UC's motive?

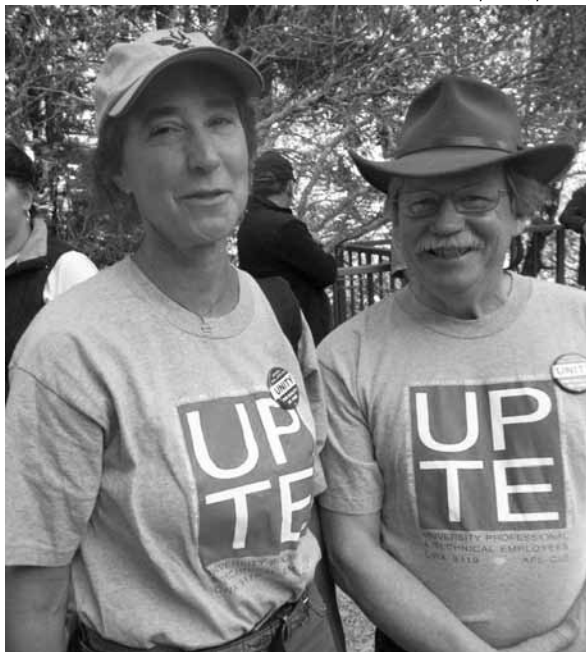
Two-tier plans hurt all employees because they shift employees' collective resources away from the original plan, undermining it. Why would UC push such a plan?

The financial situation of the pension plan is *not* UC's motive. "The real reason is that UC management believes that employee benefits are too generous," noted Kalmijn. "They do not believe that an employee who works at UC for 20 years and retires at age 60 should have a pension that is half of their

salary and on-going medical benefits."

"And that's not a vision that will sustain the university's historic role as the world's leading public higher education institution," adds Kalmijn. "We need to draw the line now, or UC will be changed forever."

Bill Spencer, photo



UCSC Arboretum workers Helen Englesberg and Steve McCabe demonstrate in support of a fair pension deal.

Actuaries find \$1 billion in pension savings

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it make this contribution?" said Kalmijn. "This is a violation of the regents' fiduciary responsibility for managing our pension fund," he added.

"It's clear that UC has exaggerated the contributions required for the pension fund to justify a second tier with lower benefits," said Wendi Felson, UPTE's chief bargainer.

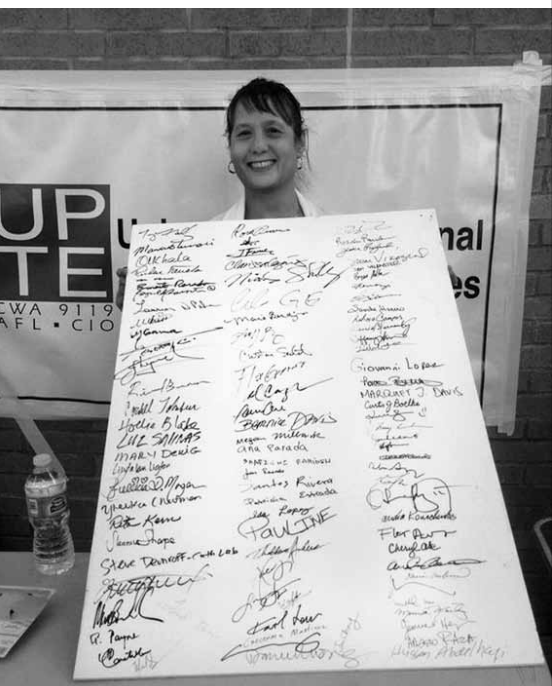
"UC's faulty assumptions require such a high contribution that we are meant to feel we have no choice but to accept UC's proposal," Felson said, adding "We are not buying it."

The Union Coalition has demanded to discuss the actuaries' findings with UC's financial executives, and on February 13, leaders from UPTE-CWA, CNA and AFSCME were on their way to tell UC Office of the President negotiators their common position: "no way on 2-tier."

"We should have a realistic assessment of what is required to stabilize our pension fund," said Felson. If UC's erroneous assumptions are changed, the required contributions would be lower.

UC wants to institute the two-tier system starting in July, 2013, forcing new employees onto the substandard plan. While UC won't require current employees to move to the second-tier of the pension plan, UC will raise the costs of the existing plan, forcing some to choose the inferior, cheaper alternative.

Peggy Stewart, a health care professional at UCLA, displays some of the petition signatures against two-tier pensions delivered to the chancellor.



Liliette Pacheco, photo

"We will not be divided," say UC Davis UPTE members of the proposals on the table for their pensions.



In wake of Sangji case, safety reforms spreading across UC

The only good that can come of the tragic death of Sheri Sangji at UCLA is that another incident like it never happens again. Sangji died in 2009, just 18 days after she was burned in what should have been a preventable lab fire. Based on Cal/OSHA findings, in December 2011 the Los Angeles County District Attorney filed felony charges against the UC regents and the professor who ran the lab, Patrick Harran, for state labor code violations. It was the first time in history that a US professor was charged in the workplace death of an employee.

UPTE health and safety activists had aggressively pushed for legal action against UC and the faculty member, who could



Dietitians gathered during a recent bargaining session at UC Davis to demand that management end the freeze on step increases and other wage increases for their group. Dietitians' wages are being held hostage by UC as it tries to get workers to accept regressive pension changes (see p. 1).

Harran are still pending.) As part of the settlement, the regents committed UC "to maintain a comprehensive laboratory safety program that is fully compliant" with California law governing employee health and safety.

Since then, UC Environment, Health and Safety (EH&S) directors developed a new "framework for minimum training requirements for laboratory safety across the system," according to Erike Young, EH&S Director at the Office of the President. Those requirements led to the development of a systemwide Laboratory Safety Fundamentals course, which "will provide a consistent foundation for all lab personnel." The development team included "laboratory safety professionals, safety training and education staff, and subject matter experts," Young said.

At UC's request, the course is being reviewed by the American Chemical Society's Division on Chemical Health and Safety, according to Young, and UC will develop "a formal process" for feedback from represented employees and faculty.

"All employees who work in a laboratory as defined by the policy will be required to complete the training," said Young, including "students, volunteers, and visiting researchers." Employees also are required to be "trained on the hazards that are unique to their work environment."

Several UC campuses are now testing a new tool developed by the UC Office of Risk Services, Young said, which "is

expected to be deployed in the spring." Risk Assessment Determination in Chemical Academic Laboratories (RADiCAL) will "help identify the specific training needs and to assist in the risk assessment process of a specific experiment."

Although the legal settlement pertained only to chemistry and biochemistry departments, ultimately this training will apply to all departments across the UC system, not just chemistry and biochemistry.

All UPTE members are encouraged to participate in developing and implementing the new health and safety procedures. We owe this effort to ourselves, to those who work around us, and to our families. — *Joan Lichterman, UPTE Health & Safety Director*

Part-time faculty take lead in organizing

At three California community college campuses where part-time faculty recently affiliated with UPTE-CWA, local members are taking out all the stops when it comes to asking their co-workers to join the union.

UPTE members at College of the Sequoias and Mt. San Jacinto Community College won the first- and second-place awards for organizing the highest number of new members in relation to their local's size.

Members at a third campus -- Butte Community College -- actually signed up even more members but did not win the award because their overall membership was already higher.

One-on-one organizing works

President Don Nikkel of College of Sequoias Adjunct Faculty Association (CO-SAFA) in Visalia praised his executive board members (Vanessa Buldo, Amy Dwelle, Celeste Solis, and Patrick Twiford) for their mobilization-by-walking-around efforts the past semester which produced the new memberships. He said the increasing numbers will help the local's bargaining committee as they sit down with management to renew their contract this spring.

"COSAFA members have been crucial to the college's expansion efforts in the nearby communities of Hanford and Tulare," said Nikkel. "Our plan is to have the college recognize the value of that contribution even during difficult fiscal times due to the state budget."

So many election wins: we did it!

Member-to-member education and advocacy beat corporate wealth this election. Unions and community activists working in coalition defeated right-wing efforts to stifle unions with **Proposition 32** and passed **Proposition 30** to support public education, including UC. Here are just a few of the other victories labor voters racked up:

- ◆ **Bill Quirk**, an UPTE-CWA retiree member from the Lawrence Livermore Lab was elected to the State Assembly from the 20th District (in between San Jose and Oakland).
- ◆ **A super-majority of Democrats was elected** in both houses of the California legislature.
- ◆ Several of the **most anti-worker incumbents in Congress** lost their seats (Brian Bilbray and Dan Lungren, both from California, to mention a few).
- ◆ San Diego elected a **Democratic mayor and City Council majority**.
- ◆ A partial repeal of three strikes legislation passed, limiting the law's application to those convicted of non-violent crimes.

With the defeat of the anti-union measure Proposition 32, now is a great time to take advantage of our right to contribute to worker-friendly political candidates. Why not take a moment to celebrate by giving a continuing contribution to COPE, UPTE's political action committee?

UPTE-CWA does not use dues money to support candidates. Instead, we encourage union members to sign up for voluntary payroll deduction to UPTE's COPE (Committee on Political Education).

You can do this by designating your desired contribution on the appropriate line on UPTE's membership form <www.upte.org/join> and giving it to your local UPTE representative.

We recommend a minimum contribution of \$5 per pay check -- that's the cost of just 1 to 2 lattes a month!



UPTE member Bill Quirk, a new member of the California Legislature, speaking at the last UPTE convention, with President Jelger Kalmijn in the background.



Vernel Primus, a lab assistant at UCSF, in the lead during a picket to support pension bargaining.

have prevented the accident, to force a more committed and universal focus on health and safety.

On July 27, 2012, the regents made an agreement with the district attorney in exchange for dropping the criminal charges against UC. (Charges against Professor

HX chief negotiator Wendi Felson, UPTE San Francisco bargaining team member Jason Rosenbury, and Berkeley UPTE bargainer Susan Rode taking a break from the action at UC Davis on January 31.



Diana Hampton, photo

Lisa Kermish, photo

Admin professionals push for pay raise

How would you like to make *less* than you did 5 years ago? What if how hard you worked and how well you performed made no difference?

And what if, at the same time, your bosses (the executives at UC) received massive raises – like UC’s president, Mark Yudof, who led the pack, earning about double what his predecessor made.

That’s the situation for UC’s 15,000 administrative professionals (APs), who work in a wide range of jobs, from programmers and admin specialists, to student academic advisors, library professionals and counselors. They do not yet have the protections of a union contract.

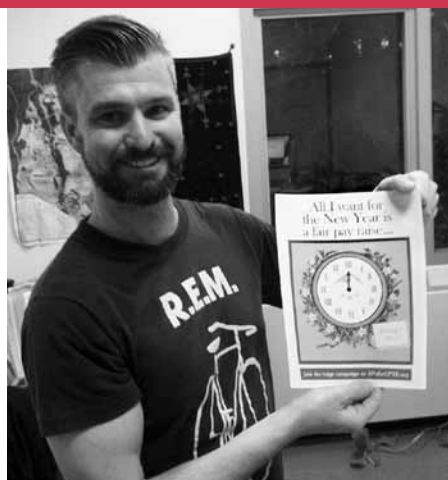
Here’s what the average AP lost over the last 5 years of UC employment:

AP WAGES OVER LAST 5 YEARS	
New pension contribution	-3.5%
Health benefits costs	-1.0%
Parking costs	-0.2%
Inflation (about 2% per year)	-10.0%
Pay raise (Oct. 2011)	+3.0%
OVERALL DECLINE IN PAY	-11.7%

While AP salaries were taking a hit, UPTE-represented employees got more than 15% in pay raises during this period.

Within the space of a week last November, 1,400 APs signed a petition to the regents, asking for a modest raise to keep pace with inflation. Many also posted UPTE flyers in their workplaces asking for a fair raise (see photo above). Lisa Kermish, UPTE’s vice president, presented the petitions at a regents’ meeting in November.

What’s the response been? “Not a peep,” said Kermish. “So we’re asking people to sign a petition to their chancellor, asking them to put pressure on the UC bureaucracy to do the right thing,” said Kermish.



UCSC administrative professional Scott Bates sends a message to the regents.

While the best guarantee of a pay raise is having a union contract that negotiates regular pay increases, there are other avenues, such as reclassifications, equity increases and administrative stipends. This spring, UPTE will hold special “Wage Workshops” for APs to learn about these options. Check www.APsforUPTE.org for details.

Go ahead: use social networks to organize

Speech on social networking sites is protected even if your boss doesn’t like it. That’s what the National Labor Relations Board (NLRB) ruled in January: bosses cannot take action against workers who post comments critical of their employer on Facebook and other social media.

As Facebook and Twitter are becoming “as central to workplace conversation as the company cafeteria,” legal decisions are forcing employees to quit limiting “what workers can say online,” according to Steven Greenhouse in the *New York Times*.

Employer bans against critical comments, the NLRB ruled, are illegal if they discourage workers from exercising their rights to organize. Workers who use social media to discuss working conditions are engaging in “concerted activity” and are therefore protected under labor law.

Growing executive “bloat” at UC, cost of executive pension perks documented

UC president Mark Yudof has announced that he will be stepping down this summer to return to teaching law. In his term as president, tuition at UC nearly doubled, and workers were required to pay into a retirement system UC is still trying to degrade, while executive pay continued to climb.

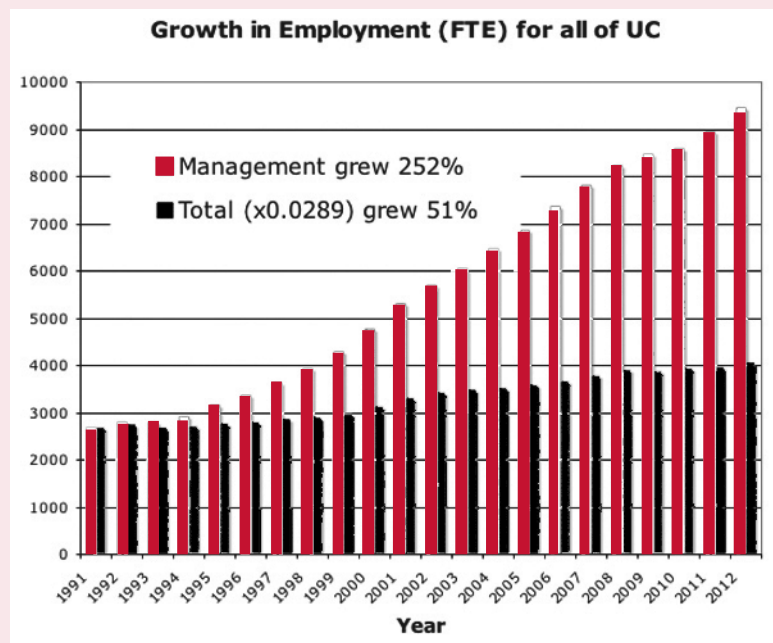
Covering the issue in the *San Francisco Chronicle*, Nanette Asimov noted that by leaving in August, Yudof has worked just 5 years, making him eligible for an extra \$230,000 a year in *addition* to his pension.

The UC Union Coalition found that UC’s top 140 executives will cost the system’s pension fund \$400 million. UC’s senior managers receive an additional 3% of pay contributed for retirement. UC’s executives get an additional 5% on top of the current pension plan.

“These same 140 executives get an additional \$1.5 million into a separate fund, which no other UC workers get,” the coalition reported. “These executives propose cutting the benefits of the pension plan for new hires so that a new hire will get \$1,000 less per month when they retire at 60 after working 20 years for UC, and they also want to put half of current employees on the new retiree benefits tier, which pushes back the age for the maximum benefit to 65.”

Meanwhile, the latest figures on UC management’s “super-sized growth,” covering 1991–2010, show “a new upward surge” according to Charles Schwartz, a professor emeritus of physics at UC Berkeley, who provides a systemwide chart and links to graphs for individual campuses at his website, universityprobe.org. Over the 21-year-period Schwartz analyzes, the number of employees classified in Senior Management Group and Management & Senior Professionals “grew by 252% . . . while total employee numbers grew by a mere 51%.”

“I have written about the repeated requests for UC’s top officials to either justify this apparent bloat or to get rid of it; and their inability to do either,” said Schwartz, adding that his “previous estimate was that, if the apparent excess is not justifiable, then UC is wasting something like \$1 billion per year.”



From www.universityprobe.org, 2/13/13.

Livermore lab case may win back retirees’ health coverage

A California appeals court has ruled in favor of four retired UC employees at the Lawrence Livermore National Laboratory who are suing UC for switching their health insurance to a private plan in 2008.

According to the *San Francisco Chronicle*, the retirees presented “evidence that the university had promised them lifetime health coverage and can try to prove that the shift to a lesser plan was a breach of contract.”

While the case is not a class-action suit, attorney Dov Grunschlag said the case may lead to reinstatement of all Livermore

retirees’ UC health coverage. He told the *Chronicle* that the ruling “reaffirms that California law will protect the right of people who worked for public entities for many years to continue receiving the health coverage that was promised to them once they retired.”

The plaintiffs retired from Livermore before UC’s 2007 transfer of lab management to a private/public partnership. UC then terminated the retirees’ health insurance, promising that they would receive equivalent coverage from the new management.

But the court agreed with the retirees that the new plan is both inferior and more expensive. The plaintiffs say they hope the case will mean that of all Livermore retirees’ will be put back on UC health coverage.

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