

# SCFA December 2010 Newsletter

this letter is being sent to all UCSC Senate Faculty, both active and retired

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[SCFA Website: www.ucscfa.org](http://www.ucscfa.org)

Dear Colleagues of the Senate,

This letter initiates a monthly newsletter from the SCFA! Please, note the contents and archive it for later reading if this is not the moment you feel inclined to peruse it. HOWEVER, NOTE THE CELEBRATION COCKTAIL PARTY WE WILL HAVE IN EARLY JANUARY!

Just in time for the holidays, we have good news! PERB (the Public Employees Relations Board) has declared that UC has failed to bargain in good faith over the furloughs. (SCFA bargained the issue in Fall 2009 and filed a ULP [unfair labor practice charge] early in 2010.) We now, as a faculty, need to decide what we want to ask for as restitution--and soon! The meeting between the SCFA and UC at PERB is in mid-January.

Consequently, we will have a CELEBRATION COCKTAIL PARTY on Friday January 7, 2011 5-7pm to socialize and discuss the matter, and to launch the SCFA into the new year! An E-vite invitation will be sent to all members of the SCFA.

Please read the charge and PERB's response at <http://ucscfa.org>.

This letter is being sent to all Senate faculty. If non-members would like to attend the Jan 7 party, please respond at [scfa.assist@gmail.com](mailto:scfa.assist@gmail.com), and we will be happy to include you; or we will be happy to receive your suggestions by email without having the pleasure of your attendance. The SCFA works on behalf of all Senate Faculty, regardless of whether they are members. (But we appreciate it if you join!)

Student debt is a matter of increasing interest to everyone. Please read the open letter from CUCFA President Meister to President Yudoff after tuition/fees were raised at the Regents' meeting--at [http://cucfa.org/news/2010\\_nov15.php](http://cucfa.org/news/2010_nov15.php). A video of his keynote speech on Student Debt presented at the November AAUP conference at Berkeley can be found at [http://cucfa.org/news/2010\\_nov6.php](http://cucfa.org/news/2010_nov6.php).

On other notes, please **see below** the speeches presented to the Regents at their Dec 13 2010 meeting by members of the BFA, working closely with CUCFA. And please read, **below**, the post "Unshared Governance" by Chris Newfield, Prof of Lit at UCSB.

Cordially,

Shelly Errington  
on behalf of the SCFA Executive Board

## Unfair Labor Practice

Know your target audience. Who are your most important customers, clients or prospects, and why? Know what is important to them and address their needs in your newsletter each month. Include a photo to make your newsletter even more appealing. Drive traffic to your website by entering teaser text for the article with a link to your website for readers to view the full text.

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## Pension Reform at the UC

by Dick Walker, Professor of Geography, UC Berkeley, Vice Chair, Berkeley Faculty Association



Presented to UC Regents, Dec. 13, 2010

Dick Walker speaking at October 7 rally at UC Berkeley

The Berkeley Faculty Association (BFA) is deeply concerned about the state of the University of California Retirement Plan (UCRP). The UCRP's Defined Benefit Plan is billions of dollars in arrears because contributions were suspended twenty years ago.

The failure to fund UCRP has several causes, the most fundamental of which is the permanent fiscal crisis of the state of California and the political failure to support our system of public higher education - including the pension fund. The University made things worse by halting contributions to the fund over the same 20-year period. The effects of these failures have been multiplied because other funding sources, such as federal agencies and private foundations, followed suit and suspended their contributions. Thus, the university's liability for its pension obligations, which it can neither morally nor legally walk away from, has snowballed out of control to become a threat to UC's future.

UC and its employees must resume contributions to avert disaster. The President's Task Force on Post Employment Benefits put forward three proposals for how to deal with the pension fund shortfall: Options A, B and C. President Yudof selected the best of these, Option C. Nonetheless, BFA still has severe reservations about the President's plan. We therefore urge the Regents to adopt an alternative plan, Process D, outlined below.

We object to the President's plan on three primary grounds. The first is that it fails to close UCRP's remaining unfunded liability. The university needs to raise \$4.5 billion to bridge the gap between the funds raised by increased contributions and the sum needed to fully fund UCRP prior to 2018. The plan fails because it addresses "Normal Cost", i.e., the amount set aside now to enable the fund to pay benefits in the future, but does not solve the problem of "Abnormal Cost", i.e., the deficit in the pension fund because of past failures to contribute. UC must ramp up its contribution more quickly to the proposed 20%, and more. The President's proposal to borrow from UC's Short-Term Investment Pool (STIP) and/or restructure debt using STIP appears inadequate to the job.

A shortfall of this sort paves the way for a continuing cycle of more contribution increases, more benefit cuts, lagging salaries, more student fee increases, more layoffs - and eventually the collapse of UCRP. It is simply not an option to let the funding gap carry over to an unnamed future in the hopes that something will be done to save us.

BFA's second objection to the President's Plan is that it shifts too much of the burden of restitution for UCRP onto faculty and staff. The plan requires the majority of UC employees to make higher contributions in return for greatly reduced benefits. The aim is to increase contributions to UCRP from the current 3.5% to 10% of salaries. On top of this, UC intends to raise the employee

contribution for health insurance from 11% to 30% of the premium (and no one knows how high insurance premiums will go). The result is that the ratio between UC's employer contribution and employees contribution is shrinking, from as much as 4 to 1 in the past to less than 2 to 1.

These increased contributions represent a substantial cut in take-home pay for most employees and a big hit to ordinary faculty - who will take it much harder than top executives and superstar professors earning \$200,000 to \$800,000 a year. This inequality will become more egregious with the two-tier plan. Be forewarned that the effect on faculty recruitment and retention will be severe, which will hurt the university. UC's excellent health and retirement benefits have, in the past, been a bulwark of the public university against the higher salaries and other assets of the private universities.

The third reason BFA objects to the President's Plan is because of its regressive impact. The flat-rate increase in contributions discriminates against low and mid-wage UCRP members. Moreover, it harms future employees (from 2013) by putting them in a "new tier" which requires lower contributions but offers reduced benefits. Current plan members may exercise a one-time choice to remain in the main tier or opt into the new tier; higher contributions in the main tier would pressure them to do the latter - a short-sighted decision that could harm their retirement incomes. The new tier plan saves even more money - and further reduce pensions - by pushing back by 10 years the age factors on which benefits are based. It creates a gross new inequality among UC employees.

Such two-tier systems have been foisted on many workers over the last thirty years, and the result is too many Americans with insufficient pensions to enjoy a normal retirement after a lifetime of work. It will not go down well with UC employees and certainly not with the majority of faculty who are not in business or medical schools, not making big consulting fees, nor among the superstars earning \$200-\$600,000. [Options A and B are even more regressive because they propose to save money by "integrating" UCRP benefits with Social Security, by subtracting each retiree's Social Security income from her UCRP pension and linking the age factor to salary scale. We reject this outright].

BFA urges the Regents to adopt an alternative strategy for restoring UCRP to financial health: Process D. Process D is not a financial blueprint but a means of developing one - because the crisis facing the university is not just financial but one of institutional viability. If the Regents and UCOP impose a bad solution on their employees, they are likely to run into a wall of dissent, internal division, and delay due to litigation; alienation of an ever more financially burdened public and student; and a crippling flight of faculty from a declining institution to private and public universities offering better deals.

What is needed at this point is an entirely new approach to developing a solution to the pension crisis: a professionally-facilitated process that brings together all the parties who have an urgent stake in resolution of the problem, including administration, faculty, staff and students. The aim must be to educate all parties about the depth of the crisis and the sacrifice that is demanded, and to create trust that the eventual Pension Plan worked out will be in the best interests of all in terms of fairness and future security.

We therefore call on the Regents to reject Options A, B, and C, and to initiate Process D to develop an effective and equitable plan for a financially sustainable UCRP. Our full reasoning is provided in a longer report, available on our website, [ucbfa.org](http://ucbfa.org).

## Wendy Brown on the UC Commission on the Future

**Speech to the Regents on the UC "Commission on the Future" Report**, December 13, 2010

Wendy Brown, Emanuel Heller Professor of Political Science, UC Berkeley  
Co-Chair, Berkeley Faculty Association, UC Berkeley

Historically, UC has offered the unparalleled combination of premier faculty, path-breaking research, top-ranked graduate programs, and sterling undergraduate education available to the top 8th of California high school students. All of these are now seriously threatened by the state fiscal crisis and the Commission on the Future is to be commended for thinking hard about how to secure faculty, research and graduate programs amidst these threats. What it proposes to throw under the bus, however, is undergraduate education-both its access by California students and its quality. This is particularly evident in the recommendations to develop pathways toward 3-year degrees and on-line courses, and in the move to increase out-of-state students at the very moment when in-state students are losing the educational access promised by the California Master Plan.

No matter how you dress up on-line courses, they are degraded forms of instruction for most subjects and courses. Every serious student and teacher knows this. Apart from the notoriously high drop-out and cheating rates, the internet is a medium through which it is nearly impossible to incite innovative thinking or teach complex theoretical concepts in any discipline. Oral skills vanish from an on-line curriculum...just as they are vanishing from our culture, and writing is also nearly impossible to teach, just as its caliber is deteriorating among high school graduates. Students' encounter with the sound and measure of important and difficult ideas is flattened into screen-scrolling and multi-tasking. In short, on-line ed can deliver information but it cannot build the critical skills, deep understanding, rich literacy and articulateness needed in the next generation of innovators, leaders, citizens.

Similarly, no matter how you sell a 3-year degree, it amounts to less education at the moment in history when more is desperately needed. Making extensive use of AP credits (high school courses taught by high school teachers, contoured to standardized tests), and summer classes (taught by grad students and instructors, not research faculty, and cramming semester-long courses into 5 weeks), this is a mode of accounting education by credits rather than development of the mind and student. Building pathways to 3-year degrees today will also exert tremendous pressure on the general UC curriculum tomorrow. If the 3-year degree is valued and prioritized as a cost-saving device for both parents and UC, reducing breadth and major requirements will inevitably follow suit. These fast-paced degrees will also discourage the taking of non-required courses and double majors, something particularly significant for students who combine arts and letters with pre-professional pursuits-pre-med, engineering, business....students who herald just what is needed in our future and what UC should be facilitating rather than foreclosing. Finally the 3-year degree path will place another wide notch in the ever-growing inequality among students in the new UC: poorer students will be compelled toward it while those with more means will be able to luxuriate in an education that will provide them with more advantages in every way-greater

knowledge and skills, more intellectual range, better access to graduate and professional schools.

So, just when what we badly need innovative, literate, articulate, broadly and deeply educated citizens, the Commission on the Future is pushing UC to churn out narrowly and technically trained workers. It is also turning its back on the promise of equal opportunity UC has long stood for and is giving up the project of a generating a public educated for democracy. Indeed, given a future of on-line ed, compressed requirements and lecturers increasingly substituted for research faculty in the classroom, would you want your children or grandchildren to go to UC rather than Swarthmore, Brown, Amherst or even Northwestern or Tufts? The answer used to be "yes" because UC was committed to providing the best undergraduate education in the world. Now, however, as the increase in Non-Resident students and ever rising tuition coupled with lowered quality makes clear, undergraduates are being reduced to UC's cash cows in support of other features of the university.

The brave and innovative thing to do at this moment of crisis would be to preserve undergraduate quality and access, along with research excellence, while trimming every other aspect of university operations, from expensive buildings and athletic facilities to optional student services to extraneous managers and staff. Let faculty take out their own trash, students run laps on dirt instead of corks tracks, associate vice chancellors fade away, administrators skip a salary increase or 2. Trim everything but access to and quality of education. Our students deserve no less and the future of democracy depends upon it.

## Unshared Governance

by Christopher Newfield, Professor of English at UC Santa Barbara  
His blog on UC issues can be found at  
<http://utotherescue.blogspot.com/>

Maintaining the faculty's voice in university governance is an active process that requires continuous diligence and effort. The primary embodiment of this voice is the Academic Senate, which functions through the extraordinary labor of individual faculty members and exerts significant influence over many administrative decisions. The Senate's influence, however, is much stronger over the curriculum, academic personnel advancement, and departmental matters than it is over other crucial areas, such as research policy, planning, institutional organization, and budgeting. How can faculty have a more direct impact on decisions in these critical areas?

Part of the answer involves strengthening the Academic Senate. The Senate itself re-established several important principles in a letter to President Mark Yudof ([http://www.universityof-california.edu/senate/reports/HP2MGY\\_consultation\\_030210.pdf](http://www.universityof-california.edu/senate/reports/HP2MGY_consultation_030210.pdf)) on March 2, 2010, which signaled serious concerns about the UC Office of the President's failure to involve the Senate in major decisions at the right time. The first principle is that "ideas that affect the core academic mission or the future of the University should be thoroughly vetted by the Academic Senate *before* being formally recommended as policy positions" to the Regents or anyone else. A system that does not include all of the parties in a deliberation process not only produces inferior decisions, but undermines its legitimacy with its own stakeholders. This same letter offered three other fundamental shared governance principles: consultation needs to be formal and systematic rather than individual and *ad hoc*; it needs to treat the Senate as representative, respecting the Senate's need to involve its members on the campuses; and, finally,

proposals need to be based on systematic evidence. These principles may seem obvious, but in practice they have been violated with regularity. The last of these principles is particularly sensitive: administrative decisions involving finance and budget are often based on information that is withheld from Senate agencies and from the faculty as a whole.

One symptom of this problem is that during academic year 2009-10, in the midst of UC's worst financial crisis in decades, the budget data provided to Senate members and to key Senate committees was at best incomplete. This meant that major budget cuts and reorganizations were taking place without consultation as defined above, and without the concrete information that would allow faculty to evaluate changes in a coherent way. An entire division's administrative staff could be reorganized without faculty (or staff) knowing the number of layoffs that would occur or the percentage of a division's base budget that would be recovered - to say nothing of participation in discussions about educational impacts.

The need for information to be provided to the faculty is no less urgent this year than last. For 2010-11, the UC President's Office (UCOP) asked the legislature for an additional \$913 million to recover from the previous year's massive cut. UC, in fact, received a \$200 million augmentation, plus a one-time \$100 million supplement in stimulus funds. In spite of continuing shortfalls in campus operating funds, UCOP has shown little interest in protecting campus operations through measures such as revisiting the traditions whereby some programs cross-subsidize others, refocusing on core teaching and research missions, and achieving deep procedural streamlining. UCOP continues to prioritize large-scale construction projects and the retention of large cash reserves, in part to maintain the university's bond rating in order to facilitate both loan repayment and further borrowing. Although these are in themselves perfectly reasonable goals, they are now in direct competition with urgent educational priorities. And yet faculty, whose job it is to set educational goals, have not been provided with the detailed information that would allow them to rank university objectives and participate fully in policy debates. Faculty need to be involved directly, as UC campuses are now facing years of state funding levels *below* that of 2006-07, or even of 2000-01 when the university had 30% fewer students.

Shared financial information is critical to making decisions that will be effective in part because faculty have participated enough in their creation to give them real support. But the Senate's position is limited by its status under Regental Standing Orders 105: compare its restricted roles as enumerated in 7 articles in 105.2 (<http://www.universityofcalifornia.edu/regents/bylaws/so1052.html>) to the extraordinary scope of the UC president's powers as defined in Standing Order 100.4 (42 articles). Under this set of rules, UC administrators may regard financial information as proprietary, with disclosure occurring piecemeal and at their discretion. Individual Senate members who strive to obtain information and make a principle of transparency may find themselves frozen out by the administration and by Senate leadership. Many faculty members assume that the University as an institution considers the faculty to be its heart and soul, and that therefore faculty input will always be taken seriously when making major institutional decisions. Many recent events, however, discredit this belief, including the imposition of furloughs over widespread faculty opposition, the dictation of when furloughs could be taken, and the reduction of post-retirement and other benefits during an already traumatic year for the university.

A number of gradual changes have shifted the balance of power at UC. One is the underfunding of the faculty salary scale, which has tacitly divided the faculty between the majority of hardworking "loyalists," who have seen their real salaries fall behind their peers, and "high flyers," who can keep their salaries at market rates by seeking matches for outside offers. Another is the ever-growing size of UC's administrative operations which, as a UCOP study has shown, has reduced instructional staff to 26% of the total. A third is the Yudof Administration's distinction between UC "businesses," which it declares to be successes, and academic departments, which it describes as needy. A fourth is the faculty's own failure to advocate as strongly for high-quality undergraduate instruction as for quality research, which has weakened our ties to our largest constituency, the students, parents, and alumni.

In the face of these obstacles, what can the faculty do to improve shared governance? The only solution that I see is fortunately what we do best, namely, research and teaching. Faculty members need to be better informed about planning, budgeting, and operational details, building on such efforts as UCPB's Futures Report (<http://www.universityofcalifornia.edu/senate/reports/AC.Futures.Rpt.0107.pdf>), this year's Choices Report (<http://www.universityofcalifornia.edu/senate/ucpb.choices.pdf>), and the budget web pages of the Office of the President, as well as others. The Faculty Association could play a key role in sponsoring studies and reports on pressing University issues, coordinating faculty efforts, and orchestrating work with the Academic Senate and the staff unions. Findings should be posted and debated: one example is the Council of UC Faculty Associations report on "Restoring Quality and Access" (<http://keepcaliforniaspromise.org/553/working-paper>) that showed that a return of fees and state funding to 2000-01 levels would cost the median state taxpayer a total of 32 dollars per year. The implications of such findings need much wider discussion.

UC needs a *culture* of shared governance that sustains student-faculty discussion, peer transmission of information, and open faculty-administration communication. The outcome would be pervasive awareness, accurate detail, continuous information updates, greater student (and hence public) knowledge, and better institutional decisions. The current structure rests on practices of information compartmentalization that are no longer adequate to address the sophisticated collaborative decisions that need to be made. Faculty withdrawal from everyday organizational knowledge is, as the last two years have shown, no longer a viable option for UC.