

APSCUF Update

Proudly representing the 6,000 faculty members and coaches
at the 14 PA State System of Higher Education universities

June 17, 2010

President's Message

Hello!

We are well into the first summer session at most campuses, and we've been very busy on the legislative side here in the state office. I wanted to update you on a few items, mainly legislative, but also on the retrenchment front (where there's been activity).

Rentrenchment

I have good news and not-so-good-news. On the good news front, a lot of the threat at Kutztown University has been abated. Thanks to the hard work of local APSCUF leadership, and especially the tireless networking of Paul Quinn, chapter president, what looked to be a multi-million dollar hit to KU programs – I think 8 were in peril at the high water mark – now only 3 programs are still under discussion. Paul reports that two of those might have solutions without retrenchment letters and the last is still in discussions with the provost. It looks like, instead of something like 35-40 faculty losing their jobs, we *might* lose a handful, if that. Paul, his M&D team, and the departments involved should be commended for their



Steve Hicks
President

tireless work to turn this horrific situation around.

The not-so-good: Shippensburg has formally announced they are retrenching. This is shocking on the face of it, as Ship has been looked on as a model of efficiency. However, after talking to Deb Jacobs, their chapter president, it seems clear that management is doing this as a broad cover for the CBA language in Art. 29, "The STATE SYSTEM/UNIVERSITIES shall meet and discuss with APSCUF or its designee regarding

any changes, including those involving curriculum and programs, which will lead to retrenchment" (my emphasis). You will notice that there's been no public announcement of this and it hasn't yet reached the papers (it's just a matter of time).

We are aware that other institutions are thinking about following a similar strategy, whether in real financial difficulty or not.

We now have four institutions that have formally declared they may make changes leading to retrenchment: Kutztown, Millersville, Mansfield, and Shippensburg (in chronological order of their public declarations). Even some managers seem aware that "retrenchment" is a stain on an institution that lasts more than the day it appears in the local paper – these days imagine how frequently a Google search for Kutztown University will generate the words "retrenchment" or "layoffs" or "program cuts." Even if in the end there are no job cuts, the burst of media about the suggestion of layoffs is enough to change the institution's image for some time. We are encouraging management to be very careful in playing this card.

(Continued on next page)

President's Message (Continued)

Low-enrolled programs

You may have seen news reports about the discussions on Monday about “collaborative programs” (as Friday’s press briefing at PASSHE tried to spin the low-enrolled program list). “The list” was provided to us Monday at state Meet & Discuss; we were supposed to see it earlier, but...and we didn’t know they were doing a press release about it on the Friday before we met.

There is good news in the list: the number and substance of programs put on moratorium or discontinued was far less than might have been feared from the *massive* list we started with in October. Many of the programs discontinued looked to be mainly place-holders – programs with no activity.

But we are concerned with others. PASSHE’s spinning this as an “opportunity for collaborative programs” is one concern, given we have yet to agree across the table on a collaborative program model.

Another concern is the substance of some of the programs that recur on the list, even if “saved” in this review – philosophy, French, German, physics, and theatre (forgive others who I don’t list). A university without substantive programs in these disciplines needs to ask about the quality of itself as an institution: I know the *Chronicle* article this spring said “you’re not a university without philosophy.”

We will continue to monitor this initiative, which is part of the system’s new “Workforce Plan,” with

the State M&D team already probing with questions and pursuing the system’s intentions and process in all this.

LEGISLATIVE: Budget

In the spring, APSCUF helped form a group known as CLEAR (see www.clearforpa.org), whose purpose is to make sure the state budget funds the public services Pennsylvanians need.

During our Lobby Day last month, some of our talking points to legislators reiterated the coalition’s position and talking points. We have continued to work hard to see a “revenue enhancement” package through the House.

Currently, the House has passed the Governor’s budget & Monday the Senate Appropriations Committee forwarded that plan to the full Senate with a negative recommendation.

Meanwhile, the House has legislation pending that generates more revenue – about \$300 million. This is HB 325, which would tax the Marcellus Shale, increase the tax on cigarettes, impose a tax (we are one of two who don’t already) on smokeless tobacco and cigars, and would eliminate a vendor fee loophole that saves large companies 1% on their sales tax collection.

As of this moment, despite the lobbying efforts of CLEAR and APSCUF members, the House has not voted on this bill. This morning’s blogs around the state have called the lack of a vote yesterday, as scheduled, an “implosion.” To-

day’s intelligence indicates it may be off the table.

Without further income, the next move is to cut state line items. We believe we have a baseline due to Federal maintenance of effort (MOE) rules attached to the stimulus money, but there’s still some room for cutting yet under that. Clearly, surviving 2010-11 with LESS state funding, but yet more students, seems ludicrous. But the current rhetoric is sounding a lot like last year’s: the Governor wants about \$29 billion of spending and the Senate R’s are talking more like \$27.5. That difference could reach us, so we’ll watch carefully.

Do not expect a budget agreement before July 1, unless there are miracles worked. It shouldn’t go on much past mid-July, but that’s after the Board of Governors determines tuition.

LEGISLATIVE: Pension Reform

Coupled in the last weeks with the budget/revenue enhancement legislation is legislation on pension reform. Yesterday the House passed a bill, initiated by Dwight Evans and Glen Grell (who sits on Ship’s Council), that flattens the much feared spike in SERS and PSERS while changing benefits for new employees.

The first big positive here is that this legislation preserves for future employees the SERS option – a full “defined benefit plan.” About 30% of the bargaining unit are SERS members.

(Continued on next page)

President's Message (Continued)

Also, as at Kutztown, as well as in other university publicly distributed budgets, there has been much concern over the need to pay more for SERS members in 2011-12 – up from the current 4% employer contribution to 23% in '11-'12 (acc to KU), then 29% in '12-'13. That multiplier of 6, then 7+ times is a cost of millions of dollars per year for the universities.

The bill passed by the House yesterday limits the employer contribution in 2010-11 to 5%, then in '11-'12 to 8%, to 11.5% for 2012-13 and so on. Obviously, this is a big positive of the legislation, too.

The downsides are two-fold: the legislation reduces benefits back to pre-Act 9 (2001) benefits, with a 2.0 multiplier, 10-year vesting period, a minimum age (without 35 years of service) of 65 (it's now 60

for SERS), and adds a new wrinkle – it takes out “Option 4,” which is the option that allows you at retirement to withdraw a lump sum.

The second downside is there's no agreement from the Senate, and they may change this bill to suit their agenda.

We are lobbying to see that this bill gets through the Senate, although the other unions, APSCUF Legislative Committee and Exec Council all are unhappy about the benefits changes; we all understand that loss of the defined benefit option is one alternative and we all see the great value in the flattening of the 23-29% spike.

We are still pursuing our TIAA conversion legislation; it is our #2 priority in terms of organization legislative agenda, after the budget. The House did not provide an op-

portunity to amend the Evans-Grell bill; we are talking with the Senate, where our legislation has resided for some years, about its becoming part of their package.

I say frequently, with much irony (as the Chinese intended), we live in interesting times. And I have only hit the highlights – the large issues that concern us all & concern us on the Hill. We keep working here on many other items. Enjoy your summer – if you don't have an assignment, rest up for a fall that looks to be full.

In solidarity,




APSCUF

ASSOCIATION OF PENNSYLVANIA
STATE COLLEGE & UNIVERSITY FACULTIES

Proud