“High Ideals, Low Pay”—how the University of California exploits its employees

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While salaries for University of California (UC) President Robert C. Dynes and campus administrators consistently rise, many UC service employees are struggling to survive. According to a report released last Tuesday by the National Economic Development and Law Center (NEDLC), UC devalues the contribution of those that clean and maintain its nine campuses and five medical facilities throughout California. In the report entitled “High Ideals, Low Pay: A Wage Analysis of UC Service Workers,” NEDLC demonstrates that the wages of most UC service workers don’t even provide for basic needs such as rent, food, child care, health care and transportation.

At an Oakland press conference organized to present the findings to the public, senior program specialist at NDELC, Tim Lorentz, stated, “The University is so intent in seeing itself as a premier academic institution, it loses sight that it needs to be responsible for the community.” But is UC really “losing sight” of its social responsibility or consciously exploiting a disorganized and disoriented labor force?

The report evaluates the wages of 7,300 service workers employed at each of the nine UC campuses and five medical centers in California. The term “service worker” incorporates a wide range of job classifications, including custodian, food server, cook, bus driver and groundskeeper. Custodian and food server positions make up almost half of the service workers on UC campuses.

The report’s analysis is informed by the Self-Sufficiency Standard Index (SSSI). The SSSI is a more accurate measure of poverty than the federal poverty threshold in that it takes into account the daily costs that working families must incur on a county by county basis. Moreover, the SSSI calculates the cost of living for 70 different family compositions of either one or two adults and varying numbers of children at varying ages. There is no exact data on how many workers are in each family category. However, the three family combinations focused on in the study were based on UC health benefit data. Notably, 51 percent of service workers have benefit plans tailored to families with children.

The measures were adjusted to October 2004 dollars and the index was used to assess the degree to which the income of UC service workers is sufficient to meet their families’ “bare bones” needs. The results revealed that 46 percent of UC service employees earn wages that do not meet the cost of basic needs (rent, food, child care health care, transportation and local taxes) in their particular counties, for a dual-income family of four where both adults earn salaries equivalent to those paid by UC. Thirty-five percent earn wages insufficient to even support one single, childless employee.

This figure reaches a high of 58 percent at UC San Diego, most likely due to the accessibility of a super-exploitable immigrant labor force. Ninety-three percent earn wages that would not meet the basic needs for a single adult raising one child, and that figure jumps to nearly 100 percent if the UC worker is the sole bread winner of a two adult family.

Average annual pay for senior custodians and food service workers—almost 50 percent of the sample—doesn’t meet the self-sufficiency standard at any of the nine campuses. When compared to similar occupational wages in the California State University system, various California community colleges and Kaiser medical centers, it was found that UC wages were lagging behind the labor market average by up to 26 percent. For all UC food service workers with one child, wages were low enough to meet income eligibility requirements for up to nine publicly funded welfare programs, such as the Women Infants and Children’s food voucher program (WIC), housing assistance, the Low Income Home Energy Assistance Program, various child care subsidies and the MediCal/Healthy Families program.

As the study points out in its conclusion, the fact that Californians can have career jobs and still fail to earn self-sufficiency wages goes beyond the UC system. This is borne out by the $10.1 billion paid annually by the state for programs to alleviate poverty among working families. UC is only one of many major employers in California that refuse to provide for the most basic needs of their workers.

However, considering that UC is one of the largest employers in the state, the low wages it pays represent a growing trend: workers’ survival now increasingly depends on welfare programs that were meant to be temporary, but instead have become a permanent requirement for survival. These programs and almost all social spending in California has been marked as the first target of the drastic budget cuts pushed by Governor Arnold Schwarzenegger and accepted by the Democrats of the California legislature. The occupation of Iraq and Afghanistan, the expensive apparatus of state repression embodied in the Department of Homeland Security and the looming twin deficits have drained federal funds and have created—and will continue to exacerbate—economic crises in states across the US. This study gives us a taste of the future conditions that face an ever-widening population of California workers.

In addition to the findings presented at Tuesday’s conference, service workers and UC community leaders shared their personal experiences and opinions about the news. UC Davis Medical Center food service worker Diamond Robertson, who has worked for the university for almost five years, said that she lives in a one-bedroom apartment with her sister and a three-month-old infant and that she still has to rely on public assistance to survive. She was quoted as saying, “All we are asking for is a one or two percent raise ... [the university's refusal] is like a big slap in the face." The data demonstrates that Robertson's experience is common amongst UC workers and gives the lie to cynical appeals for the working poor "to pull themselves up by their bootstraps."

According to Aimee Durfee—one of the principal authors of the study—the university recently gave away $2.4 million in bonuses alone to approximately 65 medical executives. "If the UC can find the money to pay top administrators increased salaries and bonuses, then they can find the money to pay workers a decent living wage," commented Claudia Medina, UC student association board member. Durfee said, "The bottom line is that the University has to care for the people who are doing the good work for them. At the press conference in Los Angeles, a UCLA food service worker said she has to collect cans just to meet rent. This really says something about the university."

Most UC service workers are represented by the American Federation of State County and Municipal Employees (AFSCME) Local 3299. The union has been meeting with UC officials since September to discuss the needed wage increase. However, it has only been able to protect the current wage from further cuts. The modest demands made by the union—of a 1 percent to 2 percent raise—were flatly rejected by UC at the most recent bargaining session. Instead of winning a wage increase that would meet the cost of workers' basic needs, the union leadership is now celebrating what it calls an "important victory": UC has agreed to freeze the health care insurance rates of most employees for one year.

In response to the report's findings, UC spokesperson, Noel VanNyhuis, commented, "The university is dependent on the state and cannot control the cost of living, only the workers' salaries." Contradicting the findings of the report, VanNyuis asserts that UC pays market competitive wages considering the resources they have. Further, he says that the salaries of service workers lag as do the salaries of many other categories of employees throughout the UC system.

Lorentz, of the NEDLC, says that the university's expressed desire for wage increases is disingenuous: "There is a lot they can do despite what happens to the state budget." In fact, only 19 percent of the UC budget is comprised of state appropriations, as compared to the 72 percent in state appropriations received by the California State University system, which pays service workers wages that are 15 percent higher than UC. So why then is the UC adopting such a policy?

One explanation may be the increasing corporatization of the University of California. In a foreword to the UC financial report for 2004, entitled "Keeping California Competitive," University President Robert Dynes gushes, "Businesses in California start with a distinct advantage. In their backyard resides the University of California." This statement is no mere boast. UC spent almost $3 billion in research largely guided by the needs of corporate California. By making donations or contracts with UC, corporations can insure that public research is oriented to the creation of core technologies to increase the profits of some of California's wealthiest corporations. Instead of having to pay competitive wages for researchers and facilities, already large businesses benefit from the very cheap—often free—labor provided by UC graduate students eager to earn their degrees.

In an online statement, the Office of Technology Transfer (OTT)—the corporate relations arm of the UC office of the president—advertises opportunities for such "collaborative" research projects. One message states, "In these arrangements, personnel, equipment, facilities, and research capabilities may be shared for mutual benefit. Collaborative research projects provide industry with an excellent means for leveraging research funding by capitalizing on the respective strengths of all the organizations involved in the research activity." In reference to its program of sponsored research, OTT says, "A company can realize great benefits from directly funding a University research project.... [It] enables the company to monitor the progress of the research and development. It also gives the company priority access to technologies that result from the research."

In one of the most extreme examples to date, the pharmaceutical company Novartis donated $25 million to UC Berkeley's Department of Plant and Microbial Biology. In return it was given two of five votes on a research committee as well as rights to license and sell products of that research. Public outcry prompted a series of show hearings in the California State Senate, but Novartis ultimately retained its two seats. The Novartis deal is instructive: the private sector gets rights to control the labor of some of the brightest youth in the country, sell the product of its research and use elaborate facilities built largely with student tuition and federal/state grants. The $25 million is a relatively small price to pay for such a return.

The science journal *Nature* says that more than one third of the world's biotechnology companies were founded by faculty of the University of California. This conflict of interest has a disastrous, secondary effect on research. "Recent publications in biomedical journals indicate that research sponsored by companies is biased in favor of reporting positive experimental results relating to company products," *Nature* says. In this deluge of private influence one can see the dangers of the foundations of science rotting away.

Not only service workers but students as well are being asked to tighten their belts in order to ensure the continued "excellence" of UC. Student tuition and fees have increased dramatically in the last year. System-wide, student fees for resident undergraduates have increased by 14 percent and fees for resident graduate students have been increased by 20 percent. For nonresident students, these fee increases are coupled with tuition increases of 20 percent. Those in professional schools have been subjected to a whopping 30 percent increase in student fees, averaging out to additional charges of about $4,500 more per semester! President Dynes justified these increases by noting the $350 million in cuts to state funding for the UC system. This is no justification at all given that in 2004 the UC system took in almost $4 billion in grants and private contracts alone and currently holds total net assets of almost $18 billion.

Doubtless, California businesses will greatly reduce their operating costs and thereby increase profit margins by making greater use of UC to develop technology. It seems that in order to "keep California competitive" UC has decided to further expand corporate access to University students and public facilities. Instead of requiring businesses to pay for the research and development they receive, UC asks low-wage workers and students to give more.