

# University of California system plans pay cuts

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On June 17, University of California (UC) President Mark G. Yudof warned employees of the state's higher education system of looming pay cuts. The attack on the wages of the more than 170,000 faculty and staff that work for the UC system is in response to the multi-billion dollar budget shortfall faced by the California treasury.

In his announcement, Yudof explained, "the governor proposed a revised budget for the balance of fiscal year 2008-09 and for fiscal year 2009-10 which imposes significant new state funding reductions for UC." The higher education system, which serves 220,000 students across the state, faces an \$800 million budget deficit. It is addressing this shortfall through tuition increases (fees just went up 9.3 percent), service reductions, class size increases, course discontinuations, and now wage cuts.

The UC system is proposing an 8 percent reduction in salaries for employees earning \$46,000 a year or more (4 percent for workers earning less than \$46,000), a combination of unpaid holidays and furloughs totaling 21 days, or some variant of the two. The savings anticipated by the salary cuts will amount to \$194 million.

A week after Yudof's announcement, Chancellor Gene D. Block of the University of California, Los Angeles, called a town hall meeting. The rationale for the event was to allow public officials to hear workers' opinions about and proposals for resolving the budget crisis. However, the tone of the meeting was one of gratuitously flattering workers' contributions towards building an exemplary education institution, while at the same time insisting that workers shoulder the brunt of the crisis.

Associate Vice Chancellor for Campus Human Resources Lubbe Levin attempted to sell the wage cuts to the audience by insisting that workers are so professional and dedicated that they understand that shared sacrifice in the name of "equity" is needed. Furloughs represent a great opportunity for employees to take "quality time off, to have more time with their families and, if necessary, to

find other employment on a part-time basis," she claimed.

On the stage, a panel of three highly-paid executives working for the state discussed how an audience of 2,500 workers, many of whom earn less than \$46,000 a year, will have to live with the cuts.

Chancellor Block earned an annual base salary in 2008 of \$416,000, plus approximately another \$40,000 for an auto and relocation allowance. That represents a 240 percent increase from a base salary of \$173,333 in 2007. Vice Chancellor Steve Olsen brings home an annual \$288,300, while Associate Vice Chancellor Lubbe Levin enjoys \$200,000 yearly.

From the floor, workers commented on the difficulties the proposed reductions would create. An 8 percent cut meant eviction for some. Others complained about the unfair character of the cuts, with someone making \$47,000 losing substantially more than someone making \$45,000, even though the difference in salaries is minimal. Additionally, employees expressed concern over the risks posed by the furlough option to the retention of their healthcare, as some insurance coverage requires 50 percent employment time.

Some workers noted that the total savings produced by the proposed cuts would be \$700 million, far in excess of the \$194 million that the university leadership insisted had to be cut. The explanation provided by the panel for this discrepancy was simply that the excess half-billion dollars would be "redirected" to other sources.

Another audience member argued that the "savings generated from the salary [reductions wouldn't] help reduce budget cuts, [because] they're going to take money out of the economy, hurt recovery and defer collection of overhead when most needed."

"Where's the equitability?" one worker asked. The panel had no answer. Ultimately, they said, the President of UC Regents, a man who makes a yearly salary of close to \$900,000, would decide.

A worker commented that with 3,000 UC employees

earning more than \$200,000, it would be logical that the sacrifice should be asked of them. A Chancellor making \$300,000 “would not feel the pinch” of a 20 percent wage cut, he proposed.

Along these lines, another employee brought up the question of the six-digit bonuses being paid to this layer of public officials. No one on the panel denied the existence of these bonuses, with Levin arguing that they were “necessary compensation for productivity and efficiency.”

Some from the audience mockingly pointed out that while the UC system was protecting the salaries of the most highly paid, it was proposing to cut the salaries of those workers whom it had just lauded as the university’s pride and joy.

The following day, the WSWs interviewed some UC employees. The atmosphere was tense. Some of those approached displayed a distinct sense of fear: they felt that by speaking to reporters they could be losing their job. Richard, a patient escort at the Ronald Reagan Medical Center, spoke to us.

WSWS: Chancellor Block’s announcement is a massive attack on workers. What is your opinion?

R: I don’t think it’s fair. There are people over us who are making way more money than us and are making big bonuses. There’s a paper circulating that shows people making “high time” money. Why don’t they take money from them? Instead they take it from people who’ve been here 15-20 years and still they’re not making the money they should be making.

WSWS: Some of these executives are making salaries of \$400,000 yearly; they don’t work more than you do.

R: On the contrary. We’re the ones who are doing all the work, while they’re just walking around looking to see the work that we’re doing.

WSWS: It is clear from the discussion in Sacramento that the difference between Schwarzenegger’s tactics and the Democrats’ is only cosmetic. They agree on moving against workers.

R: Yes, they do. After a while, everybody will shut down, people won’t do the work they’re supposed to do. We’ll see another strike.

WSWS: What do you hear from the union?

R: They haven’t even come and talked to us. We wait for someone to come and give us some kind of information as to what’s going on. We don’t even know what’s really going on.

WSWS: With trillions of dollars being transferred from the workers to the rich through government programs such as TARP, what does justice mean in America today?

R: Justice! The situation is really bad. Everybody is losing everything they’ve worked hard for. People are losing their jobs, being laid off. We want to achieve more, but what we’re getting is cuts. We work hard every day doing what we’ve got to do, but it doesn’t look like they appreciate our work. Never a word of praise; we only hear about the bad things we do. On top of that, it’s hard to live when they raise [the price] of the parking [that has to be paid by employees]. The food in the cafeteria is expensive and with 30-minute breaks I’m forced to buy this expensive stuff right here.

Another employee, a patient transporter, Jamal, told us how the wage cut would affect his life dramatically with the price of gas and food being so high already. He argued that instead of chopping from the bottom, they should take from the rich. He further insisted that those making \$100,000 or more would not be as affected by the cuts, because losing 8 percent of their salaries would not be as devastating as it would be for someone making \$46,000.

Jamal too shared his frustrations about the way workers are treated in the workplace. “We do not get the credit for the job we do,” he insisted, further noting that an effort is made by the management to make them feel that they can be easily replaced by the unemployed. With such injustices intensifying, he argued, “riots could happen again.”



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