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ANNUAL REPORT ON STATE OF UNION

If there were ever proof that demonstrated how much elections matter, it was the 2010 election when Republicans took control of State government. HFCC faculty have paid a heavy price because of Republican control of State government in terms of compensation, health benefits, pensions, and full-time lines – and in the offing, there is still more price to be paid. Should Republicans retain complete control of State government in 2012, the dismantling of public institutions, public employee careers, secure retirements, and the Local 1650 contract will continue.

The Heavy Price of 2010

When Republicans campaigned in 2010, their mantra was “jobs, jobs, jobs.” When they took complete control of State government, their agenda was to reward corporate interests, dismantle public institutions, and destroy public sector unions. They are well on their way to achieving all of these goals.

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Since taking office, Republicans have:

1. Enacted a 3% surcharge for MPSERS retiree health care which, if found unconstitutional, will most likely convert to a 4% pension surcharge to maintain what is left of the MPSERS defined benefit pension system.
2. Subjected public and private pensions to the State Income Tax, in order to fund a \$1.8 billion corporate tax cut – with no guarantee from the corporate recipients of additional jobs.

3. Cut K-12 funding by \$1 billion, community college funding by 4%, and four year higher education funding by 15% – additional monies needed to fund the corporate tax break.
4. Imposed State limits – the health insurance “hard cap” – on locally negotiated health care coverage, with a hard cap of \$15,000 per year for all family health insurance coverages (not only hospital, medical, surgical, but prescription, dental, vision, hearing as well), \$11,500 for two person coverage, and \$5,500 for one person coverage.
5. Prohibited step advances and retroactive step compensation, if negotiation of a successor contract is prolonged.
6. Proposed a 5% wage cut and three year wage freeze for all public employees – on top of concessions which may already have been negotiated.
7. Introduced pending legislation to deny public sector unions payroll deduction for the collection of union dues.
8. Introduced so-called “right-to-work” legislation – applied to teacher unions only.
9. Introduced pending legislation to prohibit negotiation of redirected time for union officers.
10. Introduced pending legislation to deny education unions the use of rooms on campus or in school buildings.
11. Propose to eliminate the remnants of the MPSERS defined benefit system and retiree health coverage for new hires.
12. Propose to cut the Business Personal Property Tax revenue by at least \$800 million annually – with no offsetting revenue. On top of this \$800 million in lost State revenue, is the additional lost revenue to cities, community colleges, and counties.

Federal Threats

At the federal level, Republicans have shifted the legislative agenda from stimulating economic demand and job growth to cutting economic demand through deficit reduction, which should be addressed, but only after the economy and employment rates recover.

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The effect of the Republican federal agenda will be: (1) cuts to Pell Grants, federal student loans, and Perkins funding, all important to HFCC’s enrollment and programs; (2) further federal funding cuts to State and local governments, resulting in additional cuts in State education funding and increased public sector unemployment; and (3) further declines in local property values and local property tax revenue.

In addition, the federal government’s heavy handed and misguided intrusions into K-12 education are now moving to higher education – with calls for mechanistic performance based evaluation systems, funding tied to graduation or persistence rates, as well as emphasis on high stakes assessment models tied to funding and/or accreditation.

The Perfect Storm

Coupled with these external threats is the disheartening and divisive internal climate at the College, as evidenced in the Administration’s negative views toward shared governance and those faculty and divisions who dare to question administrative initiatives and policies. This College, which thrived for decades on collegiality, has become a place where advice is considered “push back” and disagreement is considered “disloyalty” – with a price to be paid for either. This is all the more problematic given HFCC’s current “culture of haste” and its “initiative du jour” climate.

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Intermixed with all of this is the way in which the Administration holds suspect every proposal and compromise the Federation offers. Since its founding in 1966, the motives of the Federation and its leadership had never been held suspect by College Administration. The sad and damaging change began when Local 1650 supported the adjunct faculty union in its organizing campaign and objected to the Administration’s anti-union campaign, which included a letter stating that a union would “not be in the “best interests of adjunct faculty, as well as the College, our community, and especially our students.”

“In the recent contract negotiations, the Federation could not secure administrative agreement to additional permanent full-time lines, despite over \$3 million contract concessions.”

How does all of this play out in contract negotiations? In the recent contract negotiations, the Federation could not secure administrative agreement to additional permanent full-time lines, despite over \$3 million in contract concessions. In the College’s current Strategic Planning deliberations, calls for specifically addressing the need for additional full-time faculty and front line personnel – both prominently noted in HFCC’s Strategic Planning Survey and the College’s Operational Plan – have met very strong resistance from the President’s administrators on the Committee.

Meanwhile, the College Administration’s priority is the pursuit of two top level administrative positions – a Provost and Comptroller. Salaries, benefits, secretarial staff, and office expenses for these positions would approach \$500,000. The College is also in the midst of hiring an administrator to supervise nine part-time advisors, while the English Division Associate Dean supervises 37 full-time and 112 adjunct faculty and oversees 464 course sections per semester. A similar case can be made for several other Associate Deans at the College as well.

The 2012-15 Contract

“Exposed to the State’s Republican sponsored health insurance hard cap, faculty would have had not true insurance protection, only a fixed number of dollars per year to cover claims costs.”

All of these external and internal forces presented unprecedented difficulties in negotiating an equitable 1650 contract.

Had the contract not been re-negotiated and ratified prior to September 15, HFCC faculty would have been exposed to the State’s Republican sponsored health insurance “hard cap.” In effect, faculty would have had no true insurance protection, only a fixed number of dollars per year to cover claims costs.

With a hard cap in place, if aggregate faculty claims experience were to exceed the aggregate hard cap limitation in any year, reimbursement would come out of the next year’s cap, and coverage would have to be reduced to avoid a repeat shortfall. Given the new three year contract preserving employer paid HMO coverage as a base, faculty remaining in traditional BC-BS coverage are paying \$7,650 for family hospital-medical-surgical coverage only, instead of \$15,629 for all insurance coverages in excess of the hard cap (two person coverage – \$4,800 instead of \$13,339; one person coverage – \$1,800 instead of \$5,249).

For faculty members with PPO coverage, it is \$3,360 instead of \$12,009 for family coverage (two person coverage – \$1,680 instead of \$10,443; one person coverage – \$480 instead of \$4,088). For HMO coverage, it is \$0 instead of \$7,151 for family coverage (two person coverage – \$0 instead of \$7,806; one person coverage – \$0, instead of \$3,226).

It should be noted that out-of-pocket insurance payments are made with pre tax dollars and are in place for three years – but then the full impact of hard cap will hit Local 1650 members.

Even with significant salary and insurance concessions on the table, the College Administration and certain Trustees were not satisfied. They called for class size increases and step freezes, insisted on eliminating longevity pay, and rejected longstanding agreements that had covered the Union President’s redirected time for decades. While class sizes and step advancement were maintained and longevity was not eliminated but rather grandfathered, the longstanding agreements regarding the Union President’s redirected time were lost, the result being the recent increase in union dues.

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Absent the agreement on the new contract, prolonged negotiations would have seen: (1) lost step advancement and no retroactive compensation for those on salary steps; (2) the imposition of hard cap insurance limits; and (3) very likely even greater contract losses because bargaining impasse permits the Administration and Board to impose the terms of its “last best offer.”

Clearly, the 1650 contract has taken some hits. Fortunately, it is a contract strong enough to take hits and still remain among the best in the country. What is truly disturbing is that comparable hits are being taken by our brothers and sisters earning far less in the Dearborn District and throughout the State. Disturbing as well is the continuing exploitation of adjunct faculty at HFCC and across the state and nation. Indicative of the College Administration’s mere lip service to adjunct faculty is the fact that it would not accept the Federation’s two offers over a three year period to redirect 1% of its salary reduction to adjunct faculty compensation. Rather than taking ownership of such an offer, the Administration saw it as a Federation attempt to “embarrass” the College.

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When it comes to full-time lines and equitable adjunct compensation, all one hears from the Administration is that these may not be “sustainable.” “Sustainability,” like the word “reform,” has been co-opted. Both now really mean “cuts.” Yet millions of dollars in brick and mortar projects, extensive high end landscaping, and top administrative posts at HFCC evidently are “sustainable.” Buildings to accommodate 5,000 additional students are “sustainable,” but full-time faculty, additional front line staff, and properly compensated adjunct faculty to serve these students are not!

Community Service

“The President of the Board of Trustees declared...that community service was the ‘deal maker’ for the Trustees.”

The feature of the contract that has consumed the most time and effort since ratification has been the Federation’s community service provision. This was to be expected, since the provision involves change and a new responsibility for faculty. It should be repeated, though, that the President of the Board of Trustees declared, following the Board’s ratification vote, that community service was the “deal maker” for the Trustees.

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The community service provision focuses on the five major communities supporting HFCC enrollment for two reasons. First, these communities prominently support HFCC and are vital to HFCC’s tuition revenue stream. Second, given eroding State and local support for higher education and the depiction of public employees by Republicans as a selfish privileged class, it is vital for the College and faculty to establish strong, positive relationships with local organizations, community leaders, and activists, who may have influence with our Trustees and other local officials.

With only 205 Local 1650 members, it is important to concentrate community outreach in order to maximize its impact. Quite frankly, even if the Federation had 800 members, the geographic scope of the community service might not be broader. Again, HFCC’s future and its viability are and will remain, in large part, dependent on Dearborn, Detroit, Dearborn Heights, and a handful of downriver communities.

Navigating the Perfect Storm

How will 1650 navigate and survive this perfect storm of internal and external assaults in 2012? First, it requires political action. Should Republicans retain control of the State House in 2012, public employees will see their unions, their contracts, their wages, their benefits, and their

pensions devastated even further.

Secondly, it will be done through community service and community action. Absent the right to strike, given a Board's ability to impose its terms upon bargaining impasse, and in light of Republican controlled State government, we need friends, partners, and coalitions in the community. We need ongoing community relationships to call upon for understanding and support, if we are to preserve our College, our contract, and our careers.

Third, we must hold HFCC's Trustees accountable. The need for full-time staffing, be it faculty or front line staff, is given scant attention by the Board, while the President's call for more top level administrators is under serious consideration. As conveyed by its negotiating team, the Board does not believe that the Local 1650 President contributes to the governance structure of the College. Moreover, in the view of some Trustees, all College service by the 1650 President is "tainted" by virtue of union office. In addition, the longstanding annual evaluation program for HFCC's full-time faculty is now being called into question by some Trustees for not being sufficiently "transparent," while the survey regarding the College President's performance was long overdue and reviewed behind closed doors, with no report to survey participants and College stakeholders.

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Fourth, our union, our contract, and our role in shared governance can not survive, in the absence of a strong private sector union movement. Public sector unions owe their very existence to the private sector union movement – particularly in metropolitan Detroit. Local 1650's wages, benefits, and pensions were achieved because the UAW and AFL-CIO paved the way and set the prevailing standards that we successfully pursued in negotiations. Moreover, the UAW and AFL-CIO always honored 1650 picket lines and provided strike headquarters for Local 1650. They have always endorsed HFCC millages – and work constantly to elect local, State, and federal public officials who support education funding. When our funding, bargaining rights, health care, and pensions are under attack in Lansing or in Washington, organized labor fights for us.

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Over the years, though, we failed to do one very easy thing to support the private sector labor movement, something that would have helped secure their jobs and, in turn, maintain the political power that comes from union membership numbers and geographic density. Public sector union members did not buy union-made cars and other union-made products commensurate with our numbers. In large part because of this, what has been visited upon the wages, benefits, and pensions of private sector unions is now befalling us!

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Our Local’s founders knew that individual faculty or individual local unions could not stand alone and prevail. Collective effort was needed then – and it is needed now – to confront the economic power of forces opposed to public education and union bargaining rights. The success of these forces in the 2010 election has been a frightening object lesson for all public employees, including HFCC faculty.

It is time, then, to purchase union made products because it is indirectly in our own and the College’s interest. It is time to take political action and make voting decisions that are directly in our own and the College’s interest. It is time to establish strong community relationships, which will serve both the community and the College. If we fail to take action, we shall succumb to a perfect storm concocted by ideologues and plutocrats, who have no problem aggressively advancing their interests, while demonizing us for pursuing ours. We must seize the initiative and the narrative. The bitter lesson of 2010 will prove a mere precursor, should we fail to do so.

John McDonald
January 23, 2012