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## **ANNUAL REPORT ON STATE OF UNION**

2012 was a very tough year for HFCC faculty – among the very toughest I can recall, and it is increasingly evident to all that I can recall all too many. Unfortunately, the challenges we faced in 2012 were internal as well as external to the College. A report such as this must, of necessity, address last year’s litany of dispiriting events, but there is reason for hope – and it depends on whether we choose action or resignation.

At the January Board of Trustees’ meeting, the Administration reported a projected budget deficit of \$7.5 million for 2013-14 which, if unaddressed, will rise to over \$10 million by 2015-16. In response, Trustee Lane severely criticized the salaries of Local 1650 members, found fault with 1650’s faculty evaluation process, was appalled at the 9% graduation rate of a particular cohort of HFCC students yet recommended increasing class size, and pointed to HFCC’s high percentage of transfer students as clearly indicative of failure and not success.

### **Budget Deficits**

Regarding the College’s fiscal straits, for over four years, the Federation has been routinely stonewalled in its efforts to secure information regarding HFCC’s budget, fiscal situation, and bad debt. In Dr. Mee’s recent “Strategic Monologue,” the administration refused to entertain questions regarding the College’s finances. Instead, those in attendance were directed to blindly play yet another round of the “flip chart game,” which the administration views as tantamount to shared governance.

Over two years ago, the Federation first learned of excessive “bad debt” being incurred at the College. When the Federation brought this to the attention of certain Trustees, it was news to them, and Plante Moran was retained to assess

the matter – all of this over two years ago! Tuesday night, Plante Moran’s projections of unprecedented College deficits were made public.

Question: if Plante-Moran can now project three years of budget deficits, why could they not have done so one or two years ago? The Federation suspects that they did so. The Federation believes that it and the Trustees were deprived of accurate, “transparent” fiscal information. The Federation also believes that this was not due to an over burdened Vice-president/Controller – but rather administration intent and design.

HFCC’s budget deficit is the result of many causes – foremost, the disastrous disinvestment in education by the State of Michigan. The State once provided over 50% of HFCC’s revenues, tuition accounted for 30%, and local property tax 20%. Tuition now accounts for over 50%, the State less than 30%, and, due to declining property values, local support less than 20%.

Secondly, the College Administration and Trustees diverted over \$12 million in operational funds to brick and mortar projects, specifically the Science and Nursing buildings. Add to this approximately \$20 million in parking lot resurfacing costs (covered by an “infrastructure fee”) and \$10 million for the SME purchase (covered by a lease back). Some or all of these two revenue streams might have been used as operational revenue, and the operational funds diverted to the Science and Nursing Buildings might have remained in the operational budget – had the Administration and Trustees sought a voted capital improvement millage to cover them.

This had been the College’s practice regarding major construction projects for 40 years. Dearborn voters, who founded the College in 1938 during the Great Depression, have invariably supported HFCC funding proposals, the only exceptions being two which were commingled with K-12 capital improvement bond proposals. Whatever the speculation about the potential impact of the Great Recession on today’s Dearborn voters, at least they could have been asked to support the College’s construction needs, rather than automatically defaulting to the use of operational funds and sacrificing potential operational revenue streams.

Then there is the matter of student “bad debt,” which Plante Moran projects at over \$7 million in 2013-14, up from \$5 million last year, \$3 million the year before, and \$1.5 million before that. Despite this alarming trend, the administration has not reported on any steps taken over the last four years to address the problem. In fact, it has been very difficult to get any information on the dimension of the problem. To his credit, Trustee Schoolmaster has strongly focused on this matter and other measures to secure the College’s finances – and he did so without blaming HFCC faculty for HFCC’s ballooning deficit.

### **Morale and Shared Governance**

The College's severe, unprecedented fiscal problems only compound the severe morale problem – evident across all College employee groups – that has festered over the last four years. Strategic planning has been subverted by the President's unilateral revision of the plan developed and approved by the Strategic Planning Committee. Operational planning has become a time-consuming farce, since divisions and programs are not provided annual budgets with which to operate and upon which to consider revisions.

Shared governance has been undermined as committee chairs and members lose redirected time because their committees dared to assess and question administrative initiatives. In the case of the Retention Committee's redirected time, it is now clear that the Committee's inquiries regarding retention, federal loans, and student debt were striking too close to home.

Shared governance was undermined and budget savings were lost, when the recommendation of the Task Force on Student Advising was ignored because of the President's ire toward the Counseling Division.

Shared governance was undermined and funds misspent when a consulting firm was hired to resurrect a costly administrative reorganization plan – already assessed but not endorsed twelve months earlier by the College Senate. Shared governance and “transparency” are subverted when faculty still await an accounting of what redirected time has and what has not been cut – and still await an accounting of the “savings” have been generated by the cuts. This list of internal upheaval could go on and on.

### **Legislative Attacks**

It is our great misfortune that the chaos internal to the College has been coupled with right wing attacks from without. During 2012, Republicans again took advantage of their control of State government to attack public employee unions. After passing legislation, now enjoined by the Courts, to prohibit the use of payroll deduction to collect union dues/fees, the Legislature put so-called “Right-to-Work” legislation on the Governor's desk – legislation that he repeatedly indicated was divisive and not on his agenda. However, pressure and funding from the DeVos family and Koch brothers put it on Mr. Snyder's agenda – assuming it was not there from his first misrepresentation of himself as a “moderate nerd.”

I do not believe that “right-to-work” will affect Local 1650 and the HFCC contract in the near term. HFCC faculty know what the Union has done to secure their role in shared governance and their livelihoods. Our challenge will be educating new faculty in this regard. The near term threat to Local 1650 of “Right-to-Work”

though is its likelihood to erode further Union membership throughout Michigan – and, with it, the economic resources and political strength of public employees organized labor.

For like it or not, in last analysis, we are public employees, viewed by Republicans and some HFCC Trustees as an overpaid and underworked privileged class – as employees who have not sufficiently participated in the middle class race to the bottom.

Like it or not, elected politicians determine the fate of our professional lives and livelihoods – and the Republican track record in Michigan, Wisconsin, Ohio, and Indiana is very clear. Pensions have been taxed to fund huge corporate tax breaks – with no corporate commitment to create jobs. MPSERS pensions and health benefits have been cut, necessitated by decades of State underfunding and the Great Recession's impact on the MPSERS' investment portfolio. MPSERS' cost-saving measures enacted in 2011 have meant nothing to a Legislature and Governor committed to the American Legislative Exchange Council's (ALEC's) right wing political agenda. That agenda has also cut education funding to fund corporate tax breaks – and more such tax breaks are pending.

Out-of-state funding from corporations and wealthy individuals, unidentifiable due to the “Citizens United” decision, flooded the media during the Proposition 2 campaign to preserve collective bargaining – and funded a massive attack campaign depicting unions as protecting drunken and predatory teachers.

### **Hope and the Future**

This is admittedly a depressing and disheartening litany of events, which does not include those that befell us in 2011. Is there hope? There is reason to hope but only if we fight back – and I do mean fight. The far right attacks are designed to dispirit and then destroy. When dispirited, I am inspired by Local 1650's history. When I came to HFCC at the age of 22, many of my colleagues were World War II and Korean War veterans. Among them were a few founders of the Dearborn Federation of Teachers and many charter members of the HFCC Federation of Teachers. To secure their professional standing, they went on strike, walked picket lines, and confronted hostile members of the community and hostile legislators. They literally jeopardized their careers for a greater good – just as many had put themselves in harm's way in service to their country. They stood up to administrators, trustees, and legislators – at far greater risk than we do.

For me, my years with those colleagues were a formative experience. In the intervening years and in every crisis Local 1650 faced, I have found inspiration in HFCC's contingent of the “Greatest Generation,” who

established our collective bargaining rights, our contract, and a tradition of demanding respect and professional standing.

I also find inspiration in what I have seen at the last three HFCC Trustee meetings and in communiqués of a new generation of Local 1650 and HFCC leadership. I have seen younger HFCC faculty confront autocratic, marginalizing, demeaning, and vindictive behavior – and do so in a strong and thoroughly professional manner. I have seen a new generation of faculty leaders assume the responsibility of informing our misinformed Trustees about the erratic, demoralizing, and fiscally unsound initiatives that have plagued the College. In short, the commitment, courage, and leadership of HFCC’s younger faculty inspire, energize, and give reason to hope.

We face severe challenges at HFCC from without and within – challenges of a magnitude not faced since the Union’s founding. There is, though, great reason for hope. In the tradition of our College and in the tradition of our Union, younger faculty are rising to the challenge of securing HFCC’s future. HFCC faculty are addressing what jeopardizes our College from within. If we engage forcefully with the labor movement; if we form coalitions with students, social agencies, and community organizations; if we assert our interests and champion those of the students we serve in the political arena, we can prevail as well against threats from without. We have taken some hard blows. We need to rebuild the union movement and our College – and rebuild them we will.

John McDonald  
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