



UC Board of Regents
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Oakland, CA 94607
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November 17, 2020

RE: University of California’s “Curtailment” Proposal

Dear UC Regents:

On behalf of the UC Union Coalition, this communication expresses our unanimous opposition to the UC Office of the President’s plan to impose a five-day “curtailment” on UC employees, a de facto furlough and pay cut. While we appreciate the challenges that the COVID-19 pandemic poses to the University, we believe the plan is deeply flawed and not compliant with UC policy, UC collective bargaining agreements or HEERA. Even if it were unlawfully imposed, it would do little to achieve significant savings while decreasing employee morale, fostering inequities across campuses, and disproportionately impacting low wage workers, and women—particularly women of color who need both time off and income, on which they rely, to support their children and their learning. This plan goes in the opposite direction.

UC faculty and staff have already struggled and sacrificed to keep the University running during the pandemic. We call on the University to consider other alternatives at its disposal to address COVID-19 related costs, including putting to work unrestricted reserves and endowment funds to fill potential budget shortfalls.

A handful of our objections to the so-called “curtailment” plan¹ are summarized below:

First, University officials have not reached out to UC represented staff to meet and confer on the cut to compensation and work hours, or even to consult with us to understand how the “curtailment” plan would impact more than 80,000 UC employees across the system. Fortunately, we are grateful to the Academic Senate, and all of its committees, for analyzing the proposal and rejecting it unanimously. We have attached a copy of the 118 pages of responses from Senate Faculty Committees from all ten UC campuses.²

Second, the UC claims the “curtailment” program would save the University of California approximately \$132 million during the 2020-21 Fiscal Year. However, as the Academic Senate has noted, UC officials have acknowledged that the proposal would likely save the University somewhere in the range of \$40 and \$130 million. The higher figure would be realized only if it were applied to all UC locations, including UC

¹ <https://ucnet.universityofcalifornia.edu/news/2020/10/consultation-continues-on-possible-systemwide-curtailment-program.html>

² https://senate.universityofcalifornia.edu/_files/reports/mg-md-campus-curtailment-proposal.pdf

Medical Centers. As the State of California is approaching one million coronavirus cases,³ the lower estimate is more plausible.

It is quite possible the plan would not even realize \$40 million in savings. Projections do not factor in the costs of implementing such a program, nor the need for over-time that may be required to cover employees compelled to take time off—an outcome Chair Pérez noted in past implementations of similar policies during a recent Regent meeting. Moreover, the University would still need to bargain such a proposal with its represented staff.

Third, while the plan is described as progressive in its implementation,⁴ the net result is simply a pay cut. Many employees have already maxed out their leave balances as they grapple with child care issues, remote teaching, illness and/or taking care of sick family members. This is a particular hardship not only for low-wage workers with less resources to adapt to these challenges, but also women, and particularly women of color, who have already borne the brunt of this pandemic. Their children's education is also suffering. Additionally, graduate student workers would be disproportionately impacted since many of them do not accrue vacation days or other time off sufficient to cover "curtailment."

What is being mis-labeled as "curtailment" translates into de facto furloughs and pay cuts for staff. Quite apart from the duty to bargain, the President is not authorized to implement furloughs without a Regental declaration of "Extreme Financial Emergency" per Standing Order 100. UC Office of the President has no standing authority to implement de facto furloughs by sidestepping Regental review, feedback, and a final vote on the proposal itself.

Fourth, the plan could exacerbate financial inequality across the system. Some campuses will simply use savings generated from this program to further increase their endowments and long-term reserves. The UC enterprise is not monolithic in how it has experienced COVID-19 related impacts and each campus has different levels of resources available to deal with them.

In fact, Chancellors Gillman and Khosla have suggested that their campuses are likely to end Fiscal Year 2019-20 with surpluses. At the last Regent meeting, Chancellor Khosla admitted that UC San Diego campus has for years put millions in excess campus reserves into Funds Functioning as Endowments (FFE's), unrestricted reserves invested in the UC Office of the President's General Endowment Pool (GEP).

We take this opportunity to raise once again the Coalition's call for the University of California to employ various resources at its disposal to navigate the pandemic and minimize the impact on UC faculty and staff. The University has billions in excess capital reserves, including \$5 billion in unrestricted endowments invested in FFE's through GEP. The University could also implement an Extraordinary Payout on its endowment assets, similar to what it did in 2011. In fact, a one-time Extraordinary Payout of a mere two (2) percent could generate \$188 million.⁵

The University could also take advantage of newly-passed State of California budget language that allows it to use approximately \$100 million annually over the next two years in savings associated with the refunding, restructuring, defeasing or retiring of state debt to mitigate the impact of the pandemic on UC stakeholders.

³ <https://www.latimes.com/california/story/2020-11-11/coronavirus-surge-california-near-1-million-cases>

⁴ The number of "curtailment days" (i.e. furlough days) that can be taken using days left in an employee's leave bank is determined by their pay band. Employees in the lowest payband could, in theory, use leave for all the five days. Employees in the higher payband would need to take those days as unpaid.

⁵ https://actionnetwork.org/user_files/user_files/000/047/089/original/FINAL_CLEAN_2020.5.19__UC_CAN_AVOID_AUSTERITY.pdf

We call on you to advocate on behalf of smart and impactful alternatives. UC needs to envision more than narrow technocratic solutions to this global public health and fiscal crisis. Addressing COVID-related costs requires imagining more equitable and capacious strategies that minimize the impact on both UC faculty and staff so that we can continue to take care of our patients, our students, and our families.

Sincerely,

Kathryn Lybarger, President
AFSCME Local 3299

Pete Castelli, UC/Public Sector Director
California Nurses Association/National Nurses United

Mark Kelly, MD, UCLA, Regional Vice President
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cc: UC President Drake
UC Chancellors
UC Medical Center CEO's