

MSP MEMBERSHIP MEETING

December 11, 2020

AGENDA

- Welcome and ground rules
- Spring semester plans
- Budget update
- Administration proposal for pay cuts
- Alternatives and budgetary choices
- Five options to consider
- MSP draft proposal
- Next steps

GROUND RULES

- This meeting is for MSP members only.
- Please do not record or photograph the meeting in any way.
- Please stay on mute so that everyone can hear.
- Please type questions or comments into the Chat box – be patient.
- This PowerPoint will be posted on the MSP website: umassmsp.org
- If you have questions about your individual situation, please email them directly to msp@umass.edu. All queries to the union are confidential.
- Everything is stressful and hard right now. We are all doing our best, for our students, our research, our loved ones. We all want UMass to be the best it possibly can be.

SPRING SEMESTER PLANS

- On-campus housing was offered to first-year students and then to all students.
- Goal was a maximum of 8,700 students on campus; about 5,500 said yes, almost all in single rooms; expecting 5,000 to show up.
- Some faculty stepped up to offer in-person classes to on-campus students.
- Spring calendar: period of responsibility February 1 to May 21 (no spring break)
- Childcare funds will become available in January or February.
- Workload adjustments will continue for the spring semester – the APWS system will be available next week. Any fully online course is eligible as long as you did not previously get a workload adjustment or compensation for converting that course. **MUST** submit your request between 12/15 – 1/8/2021.

UMASS BUDGET UPDATE: ADMINISTRATION FACTS

- Good news – after much advocacy, the Massachusetts legislature level-funded the university.
 - State took \$1.3 billion from reserves. State retains a reserve fund of \$2.2 billion for FY2022
 - Two major projections were wrong: the \$37 million cut in state funding and the \$10 million projected drop in enrollment
- Bad news – because of fewer students on campus in the spring the campus deficit is projected at \$11.1 million:
 - \$4.8 million was projected deficit at the end of the fall semester
 - \$6.3 million new projected deficit for the spring semester

WHAT DO YOU SEE?



ADMINISTRATION PROPOSAL

- The \$4.8 million deficit from this semester is not a problem.
- The \$6.3 million deficit from next semester is a problem.
- Therefore, they propose pay cuts to make up the \$6.3 million (which could be \$4.5 million salaries + \$1.8 million fringe benefits)

WHO: Faculty (including chairs/heads and associate deans) and librarians

HOW MUCH: Six percent of our salary for the remainder of FY21 – one-time cut

WHEN: Starting as soon as possible, implemented for February paycheck

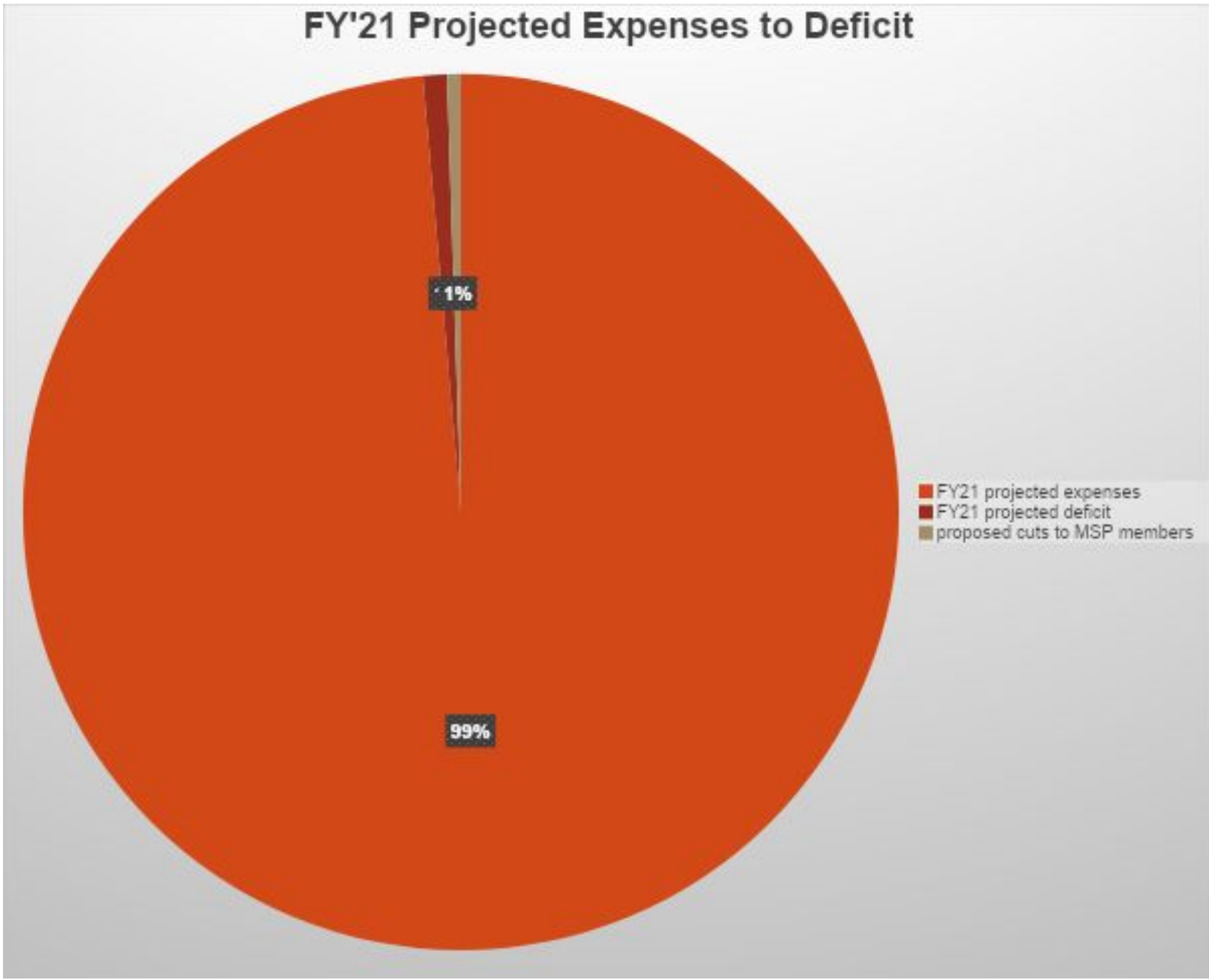
HOW: To be negotiated; could be a progressive “tax” with higher rates by income

WHY: Long-term interests of the university are at stake

CAN THEY DO THAT?

- Because we have a union, the administration cannot implement pay cuts unless the MSP agrees. The union is the exclusive bargaining representative.
 - We have a one-year contract that expires on June 30, 2021 with zero pay raise. When that expires, any changes would have to be negotiated.
 - The administration can cut the pay of non-union faculty (chairs and administrators) if those individuals do not have employment contracts of their own.
- This would be the first time in UMass history that the MSP has agreed to pay cuts.
- Staff unions agreed to furloughs because they were threatened with layoffs.
- Staff would not be helped if MSP accepts pay cuts. USA/PSU/MSP agreed to solidarity campaign – we all committed to no more imposed furloughs or cuts.

How big is the projected deficit?



WHAT IS THE ALTERNATIVE?

I. STIMULUS FUNDS

- Every university in the U.S. is waiting for Congress to act. Both the Democratic and Republican bills provide almost the same:
 - \$82 billion for education
 - \$160 billion for states and cities

2. LIFT the UMass Board of Trustees' Balanced Budget Requirement

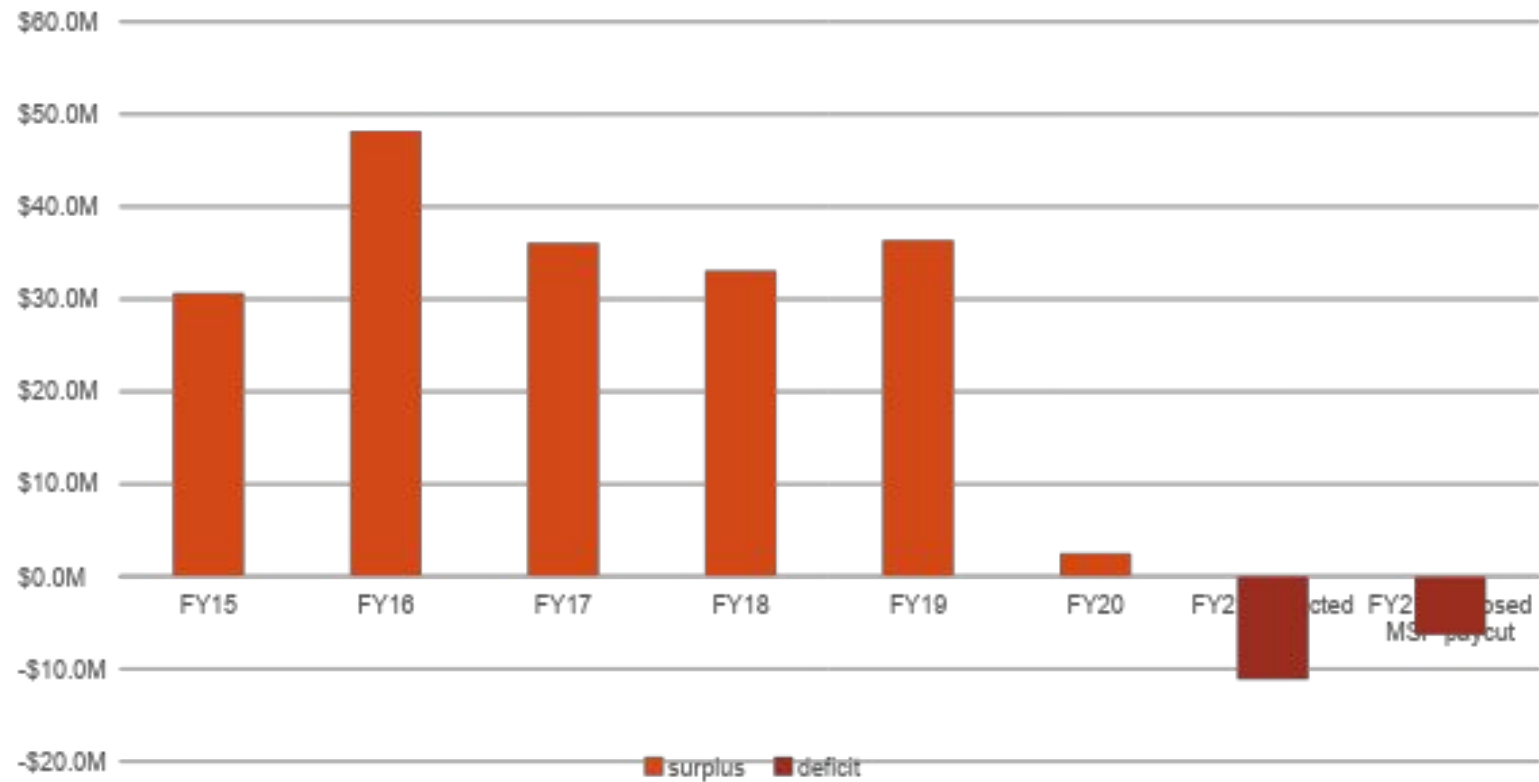
3. QUASI-ENDOWMENT FUNDS

- More than \$150 million of UMA funds held by UMass President's office
- System could authorize use of \$6.3 million from that fund

WHEN CAN WE USE RESERVE FUNDS?



PREVIOUS YEARS HAVE SHOWN HEALTHY SURPLUSES



FROM THE ADMINISTRATION'S PERSPECTIVE

Campus reserves; “Healthy available reserves are necessary to maintain sufficient cash on hand which enables us to manage spending and to maintain a strong financial position when reviewed by ratings agencies and other stakeholders.”

Quasi-endowment funds: “Withdrawal of these funds is governed by the Board of Trustees and would result in decreased operating funds for the future. “

“Q. Why was there a base cut when this is a one-time problem?

A. The way to make sure we deliver on the reductions we promised is to pull the funding back. When revenue flow returns to normal levels, we will strategically reallocate those funds.”

WE'VE DONE A LOT...

- MSP members have gone above and beyond to make sure our students' needs were met during this pandemic. Enrollment numbers are stronger than expected.
- Research has continued, publications and grant submissions are up.
- We did not call to shut down the campus; we supported EH&S and mandatory testing; faculty are teaching first-year classes and essential labs/studios face-to-face.
- We gave up holidays and agreed to work in the summer.
- We gave up merit pay and raises for this year.
- We postponed pay equity raises for two years.
- We gave up professional development funds and other departmental funds in 12.5% cut.
- We contributed generously to support furloughed staff through solidarity and dept. funds.
- We took on extra work because of staff furloughs and VSIPs and unfilled positions.
- We accepted 2 percent raises and no merit for the last three years, even as the university was amassing surpluses of tens of millions of dollars

WHAT NOW?

- Hard choices – we do not expect to reach consensus on one plan
- Consequences of agreeing to what the administration proposed:
 - Significant pain for some MSP members who cannot afford cuts
 - Disparate impact on those who are most vulnerable because of COVID-19
 - Academic-year grant salary would be included in the pay cuts
 - Negative impact on pensions for those who are close to retirement
- Long-term impact on retention and recruitment
 - Staff morale is terrible post-furlough; the same will happen to faculty morale
 - Departments may lose faculty; the goodwill from COVID plans will evaporate
- If we reject this proposal, there are at least five options we could pursue...

OPTION ONE: JUST SAY NO

- We have a union contract; pay cuts cannot be implemented without our agreement.
- Staff unions accepted furloughs because they were threatened with layoffs, and told that their work had disappeared.
- Our work has not disappeared, it has intensified.
- We asked to negotiate together with the staff around furloughs and the administration refused. Now we have committed to a solidarity plan: no cuts, no furloughs, no layoffs for anyone
- We call on the administration to use reserve/quasi-endowment funds
- We call on the President's office to allow the campus to carry forward a deficit that is less than one percent of the budget.

OPTION TWO: NEGOTIATE RETRENCHMENT

- Article 22 of the MSP contract allows for retrenchment in situations of “financial exigency.”
- Retrenchment is defined as the “involuntary reduction or abrogation of a contract” – e.g., a pay cut
- If it is necessary to abrogate our existing contract, there is a process in place that the parties have negotiated already.
- Article 22 allows us to receive all relevant data and consider alternative plans to meet the budgetary gap.

OPTION THREE: TAX THE RICH

- Take the required funds from non-union administrators. They do not have a contract and their pay can be unilaterally reduced.
- Our campus has about 50 non-union administrators who earn more than \$225,000 per year.
- Capping the salaries of non-union personnel at \$225,000 for this year would result in the necessary savings (\$4.5 million plus fringe)

OPTION FOUR: TRIGGERS

- We believe that funds are likely to come to UMass from federal stimulus packages, in the short term and beyond.
- No pay cuts should happen until February 20; by then we are likely to know what stimulus will pass at the federal or state level.
- We could agree to a progressive plan with the stipulation that it can be implemented **ONLY** if stimulus funds do not arrive.

OPTION FIVE: FURLOUGHS

- Staff furloughs included two things:
 - Time off without any work responsibilities
 - The right to collect unemployment insurance
- Faculty and librarians should not be harmed **more** than staff.
- Faculty and librarians have given up vacations, accepted summer work, and picked up staff work during their furloughs.
- Furloughs have costs. The university would have to provide time off during our period of responsibility, before May 21.

POSSIBLE ELEMENTS OF A PROPOSAL

- Slow down. No reopening the current contract until February 20 when we know more about stimulus funds. If the campus receives \$6 million in stimulus funds, there would be no cuts and no need to reopen.
- After February 20, only if stimulus funds total less than \$6 million, begin with voluntary measures; administration will ask faculty and librarians to contribute time (courses, course releases, furloughs for 12-month positions) or money.
- After voluntary measures, if financial exigency exists, we will go back to the table to bargain. Use the retrenchment language in the contract (Article 22), which would allow MSP to negotiate a progressive response that protects our lower-paid members and protects staff and students.
- MSP cannot set a precedent of abrogating our contract because of budgetary uncertainty or strategic priorities.

OUR MESSAGE

- We are deeply committed to UMass and want the university to be strong in the short-term and long-term. We are willing to do our part if necessary, but we are not willing to inflict unnecessary pain on faculty or staff.
- Do not rush to inflict more cuts. The first rounds were disastrous and divisive. Think through the consequences and other possible avenues to accomplish our collective goals.
- Use the collective bargaining process and existing contractual provisions.
- We need everyone's help to push the President's Office and Board of Trustees to free up the reserves/quasi-endowment funds. Preventing use of existing surplus during a pandemic is unconscionable.

QUESTIONS?

Email MSP@umass.edu