

## REPORT ON STATE OF THE FEDERATION

- 2010 Elections
- Federal Deficit
- Federal Stimulus
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- Shared Governance

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This Report on the State of the Federation will focus on two challenges facing HFCC faculty and the College: (1) the impact of the November 2010 elections on HFCC and (2) the increasingly negative attitude of College administrators toward HFCC faculty and shared governance.

### Elections Have Consequences

What follows is a description of the policies Republican office holders espouse – and how they will affect HFCC faculty. At issue here is not party affiliation – but the policies that Republican office holders are pursuing. If you supported Republican candidates in the last election, now is the time to visit them and dissuade them, if you are so inclined, from pursuing policies that will negatively impact your professional lives and livelihoods.

*“At issue here is not party affiliation — but the policies that Republican office holders are pursuing.”*

Elections have consequences. The 2010 elections produced a Republican Governor in Michigan and several other Midwestern states as well as Republican majorities in the Michigan House, Michigan Senate, and U.S. House of Representatives. The opinion of virtually every one of these Republican office holders is that public employees, including teachers and college faculty, are a “privileged class,” whose wages, benefits, and pensions are out of line with the economic realities facing private sector workers, taxpayers, and voters. Their mantra is that public sector wages, benefits, and pensions are unsustainable and must be “reformed.” Read reduced!

### Deficits and Stimulus Funds

At the State and federal levels, Republican legislators insist that budget deficits be closed exclusively by budget cuts. Increasing revenue is off the table. Republican

budget hawks blinked, however, when it came to extending tax breaks for the wealthiest of Americans and added \$700 billion to the federal deficit in doing so. All the while, they held hostage the extension of unemployment benefits to those hit hardest by the recession – because unemployment benefits were irresponsible and budget busting. The current crop of Republican lawmakers depict the return of the tax rates of the very wealthiest Americans to the levels of the Reagan Administration as “class warfare.” As Warren Buffet has observed, if class warfare is upon us, his class is winning.

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The Republican agenda is to cut government spending as the country’s “fragile” economy emerges slowly from the Great Recession. Most responsible economists, however, acknowledge that if business and consumers are not spending, the federal government must do so to jump start the economy. The time for budget cuts is when the economy has recovered. Moreover, the deficit will diminish as the economy rebounds, requiring less draconian cuts.

In 2008 in order to secure two Republican votes for its stimulus package, the Obama Administration settled for a package inadequate to the task and then directed one-third of it to tax cuts, the least stimulative use of federal funds.

Since Republicans have since rendered toxic the word stimulus, the Obama Administration has now resorted to accommodating a two year extension of tax breaks on incomes over \$250,000 in return for a one year extension of unemployment benefits for some unemployed and a reduction in payroll taxes as a possible stimulus to the economy.

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### **The “Beast” Is Starved**

What is the source of the nation’s \$1.4 trillion deficit? Much of it was inherited by the Obama Administration and results from the Bush Administration’s exorbitant tax cuts, which did not produce significant employment growth; unfunded Medicare enhancements in defiance of the “pay as you go” policies of the Clinton Administration; and two unfunded wars. Much of the deficit is also due to diminished tax revenues resulting from the Great Recession inherited by the Obama Administration. The inherited deficit weakened the federal government’s ability to respond to a calamitous economic downturn, a downturn brought on in large part by the deregulation policies of the Bush Administration, as played out in the banking and investment industries.

Despite all of this, Republicans prevailed in the 2011 elections for two reasons. First, the Obama Administration unaccountably and miserably failed to mount an aggressive case in defense of its policies. Second, in the Supreme Court “Citizens United” decision, the Republican majority opinion equated corporations with citizens. This freed corporations to make unlimited political contributions, and they did so to Republican candidates and their messaging.

### **Budget Cuts, the Middle Class, and HFCC**

So how does all of this impact HFCC faculty?

1. Michigan’s federal stimulus funds have run out. Those monies preserved K-12 and College faculty jobs and mitigated the assaults upon teacher wages, benefits, and pensions. Absent stimulus funds, hundreds of thousands municipal, state, school, college, and other public sector jobs would have been lost, adding to the to unemployment roles and further depressing consumer spending and the economy. Those stimulus funds are now exhausted. Major State budget cuts will come, and education funding will diminish.
 

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2. The State faces a \$1.8 billion deficit. Add to this another \$1.5 billion when the Republican proposal to eliminate the State Business Tax (SBT) is enacted. Add to this, Republican opposition to covering the SBT loss with a comparable revenue stream. Given all of this, HFCC’s State and local revenue, 40% of the College’s revenue stream, will continue to decline.
3. The State has already imposed a 3% employee surcharge for MPSERS health insurance coverage. Republican legislators have already proposed a 5% wage cut, three year wage freeze, and 20% health insurance premium co-payment for all public employees. Add to this Republican proposals to eliminate the Michigan income tax exemption for MPSERS pensions.
 

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4. Republican legislators are introducing so-called “Right-to-Work” legislation, intended to destroy the economic viability of unions – and the ability of unions to fight for middle class wages, benefits, and pensions for their members and indirectly for non-members.

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5. Republican calls to cut the federal budget will diminish Pell and Perkins Grant funding. Republicans also seek to reverse the recent Student Loan reforms, which redirected to Pell Grants the bank profits derived from administering federally guaranteed student loans. This will increase student loan costs and diminish student access, enrollments, and tuition revenue. Presently, HFCC students receive \$70 million in Pell Grants and federal student loans. HFCC receives \$1 million in Perkins funds.

Surging enrollments and tuition have kept this and other community colleges afloat. Diminish federal student aid, and you diminish student prospects, student access, tuition revenue, and college programs.

### **Contract Negotiations**

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Given these less than sanguine prospects, Local 1650 is preparing for a very difficult round of negotiations. The Federation is already soliciting membership input regarding needed contract changes. We are doing this to determine whether there are major issues that need to be addressed, aside from preserving wages, benefits, and pensions.

We are not seeking and will not pursue a “wish list.” We would all do well to refrain from blowing out of proportion relatively minor issues and out-of-pocket costs, when there is a “world of hurt” in our community and nation and when the basic provisions of our contract and MPSERS pensions are under assault. We should not give cause to those who already portray us as an isolated, insensitive, and “privileged” class.

### **Shared Governance**

***“HFCC’s reputation was achieved in a culture of mutual respect and collegiality, as codified in the College Constitution and implemented through shared governance.”***

There are, however, some very important matters internal to the College that must be addressed. There is a continuing need for HFCC faculty to be vigilant regarding shared governance and the way in which senior college administrators view and portray faculty. HFCC’s sterling reputation did not commence recently. It is longstanding. It is the product of generations of faculty, staff, administrators, and Trustees who devoted their careers and energies to serving the interests of our students and community. HFCC’s reputation was achieved in a culture of mutual respect and collegiality, as codified in the College Constitution and implemented through shared governance. This College, as with any successful organization, thrives on the basis of mutual respect and the productive relations deriving therefrom.

### Faculty – The Administration Perspective

In recent years, this mutual respect and these productive relationships have been undermined by senior administrators on several occasions. This was witnessed last year in the Strategic Planning Committee, where administrators questioned the “good faith” of faculty and called them “obstructionist.” It was expressed recently by administrators who described faculty as resistant to change. It was witnessed this year in a Senate Task Force, where faculty commitment to the best interests of students was called into question. It was clearly evident two years ago when the Administration published a letter asserting that an adjunct faculty union would not be in the best interests of our students, college, or community. It is witnessed in the several grievances the Federation has filed in the last two years, following a thirty year history of filing no grievances. It is evident too often in petty ways, one example being a senior administrator incensed, in the presence of those attending, about the seating arrangements of faculty spouses, at a non-college event, relative to the administrator’s seating arrangement.

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### Haste Versus Sound Policy

Moreover, a “culture of haste” has overtaken the College. Whether due to the multitude of initiatives however worthy, or finite fiscal and human resources, or the unclear delineation of priorities, or unreasonable and ever-changing time lines, or delays stemming from micro management, or simply indeciveness, many faculty, and I suspect many administrators, find themselves up against a challenging array of administrative initiatives, most often coupled with ever shortening and unrealistic deadlines.

The problems in all of this are not simply pressure and burnout. The problem is that a “culture of haste” too often thwarts or end runs shared governance, which is crucial to deliberation, sound decisions, employee buy-in, and meaningful change at the College.

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Shared governance and mutual regard built this College and its reputation, a reputation that has led and leads thousands of non-resident students to vote with their feet and their tuition dollars by coming to HFCC. The few missteps this College has made over the years have invariably resulted from decisions made in isolation and policies made in haste.

Local 1650 members face serious challenges yet again in 2011. Ours is an ongoing battle to secure not simply our wages, benefits, and pensions, as immediate and important as these things are. We must also maintain

*“We are indebted to organized labor for establishing the models of middle class wages, benefits, and pensions that we pursued in bargaining and continue to enjoy....”*

our professional standing and role in shared governance, because these are vital to the College’s ability to adapt to the changing needs of our students and community.

### HFCC and Private Sector Unions

More importantly, as educators and union members, we are part of something even larger than our college and our immediate community. The union movement brought educators into the middle class. We owe a great deal to organized labor and its support in securing our bargaining rights.

We are indebted to organized labor for establishing the models of middle class wages, benefits, and pensions that we pursued in bargaining and continue to enjoy, but which are rapidly disappearing in the private sector. HFCC faculty attained what we have through political action, through collective bargaining, and through the strength and support of private sector unions.

*“We have an obligation now to support private sector unions with our purchases and votes.”*

We have an obligation now to support private sector unions with our purchases and votes. In supporting private sector unions, the endangered bulwark of the middle class, we serve ourselves. We also serve the interests of the students who come to a community college seeking entry into an endangered middle class.

### The Common Good

*“There are roles for government and public funds to play in fostering the common good. The support of public education is one such role, and there are others.”*

In supporting the labor movement and elected officials who champion policies that directly or indirectly underpin public education, we support our students and the social fabric of our nation – a social fabric based upon advancing the nation’s common good. There are roles for government and public funds to play in fostering the common good. The support of public education is one such role, and there are others.

Higher education should not be viewed as a commodity available only to those who can afford it. It is in the nation’s economic interest to educate and prepare all of its citizens for the global economy. More importantly, it is in our democracy’s best interest to have a well educated citizenry.

Funding and securing the common good, are not tantamount to socialism, as some would contend. Fostering the common good is not in conflict with our economic system. Fostering the common good serves our nation – and is at the core of our profession.

John McDonald  
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