PASSHE seeks to address cost savings, students’ needs in final union talks

By Gary Dent, PASSHE Vice Chancellor for Human Resources and Labor Relations

In successfully reaching agreements with six of our seven labor unions over the last approximately 15 months, the Pennsylvania State System of Higher Education (PASSHE) sought both cost savings and the assurance that our students’ academic needs would be met into the future. Each of the unions recognized the enormous fiscal challenges facing the State System and partnered with us in achieving these goals.

We remain hopeful that we can secure that same level of cooperation with our final union, the Association of Pennsylvania State College and University Faculties (APSCUF), which represents our faculty. APSCUF’s most recent response was to ask its members to take a vote authorizing a strike.

As the person at PASSHE directly responsible for advising the Chancellor and Board of Governors on labor relations matters, I want to share publicly our goals in the unresolved negotiations with APSCUF.

Many of our students and their families have limited ability to absorb cost increases. As a result of overall declining state support over the past several years, students now provide almost three-fourths of the revenue necessary to operate the 14 PASSHE universities through tuition and fees. Any agreement with APSCUF must reflect that reality, as have the agreements reached with all of our other unions. In exchange for modest salary increases, each of those unions agreed to a variety of cost-saving measures, such as the elimination of shift differential and some overtime payments, reductions in sick leave and limits on the amount of annual leave employees can earn.
In explaining why his members were willing to accept some concessions, one PASSHE union leader said, “We weren’t happy about it, but, at the same time, our members were able to grasp what was occurring with the available funding. It was a balance we were willing to accept.”

Increases in healthcare costs for both active and retired employees, combined with rapidly rising pension costs, are placing unsustainable financial pressure on the universities. In this regard, PASSHE is no different from the federal or state governments, or most other organizations, all of which have identified increasing costs in these areas as urgent problems that must be addressed. We have no alternative. We must agree to new approaches before these costs overwhelm the System.

In our discussions with APSCUF, we have presented a number of proposals to redesign our healthcare plan, which would more closely align it with the plan offered by the Commonwealth to almost 80,000 state employees, including the Governor and his cabinet. This concept already has been agreed to by our other unions. The changes would result in lower premiums while ensuring that all PASSHE employees would receive benefits comparable to those received by other state employees.

The State System pays more than $15,000 annually for family coverage under the healthcare plan it administers for active employees, while the employer—either PASSHE or the state—pays $10,140 for coverage under the Commonwealth’s plan. The average employer cost for such coverage nationally is $11,429, according to the Kaiser Foundation, a leading source of healthcare information. It is obvious that we must address this disparity in cost.

We also have proposed to redesign our annuitant healthcare plan to essentially mirror the plan Pennsylvania State University began offering to its new employees two years ago. The change, which would begin to address a more than $1.4 billion outstanding financial obligation in this area, would apply only to employees hired after July 1, 2013.

We are committed to remaining competitive in our ability to recruit and retain both regular and temporary faculty. Part-time, temporary faculty at a PASSHE university receive a minimum of $5,600 for teaching a three-credit course, more than double the national average. Within the state, Penn State University pays its part-time faculty from $4,000 to $4,500 per course while Temple University pays between $3,939 and $4,689.

PASSHE has proposed freezing salaries of part-time, temporary faculty at the current rate, while continuing to pay full-time, temporary faculty the same as regular faculty. Full-time, temporary faculty have essentially the same out-of-classroom responsibilities as regular—tenured and tenure-track—faculty, including advising students, serving on departmental and university committees and conducting scholarly research. Part-time faculty do not have these additional responsibilities. In articles that have appeared in various newspapers across the state, several APSCUF local chapter presidents have cited these differences in workload responsibilities.

Our universities need to reflect the changing reality of distance education. They must be able to ensure students are able to receive the courses they need in order to meet their degree requirements and to graduate, in the manner that best serves them, including via distance education when appropriate.

In recognition of the dramatic growth in distance education, we have proposed ending the incentive payments faculty receive for developing such courses, as well as the additional stipend they receive for each student who enrolls in them. Those incentives were first offered
in 1999, when such courses were virtually non-existent at PASSHE universities. A plan to phase out the incentive payments was begun as part of the last APSCUF contract. Faculty do not receive additional payments or stipends for developing or offering traditional courses.

These issues all must be addressed in order to assure the long-term viability of the PASSHE universities and the continuation of the high-quality, affordable education they provide. To learn more about these negotiations and full details of PASSHE’s current proposal, go to www.passhe.edu.