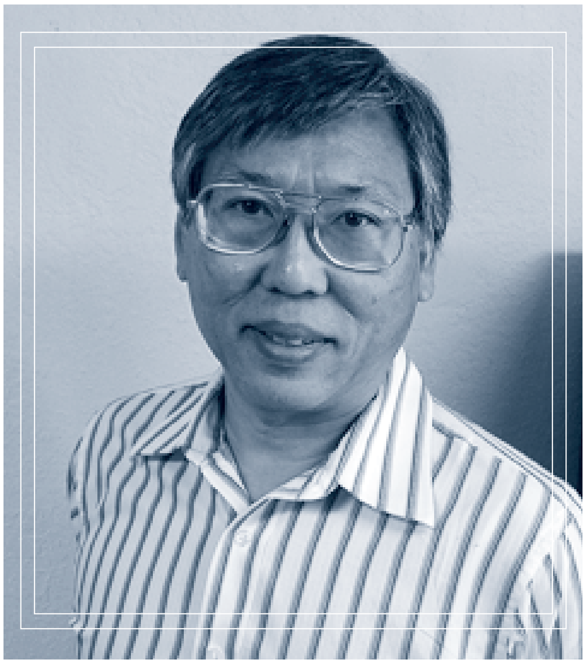
THE FOR PROFIT GRAVY TRAIN, COLLECTIVE BARGAINING RIGHTS, AND MERGER

By Dean Murakami



It is difficult to understand why California and the rest of the nation seem to be on this path to divest from public services. It seems that people do not appreciate the public services paid for by taxes that are used each day. Virtually anything you do, from turning on your lights or computer or TV, turning on the faucet for safe drinking water, buying food at a grocery store that has been inspected, eating in a restaurant that is routinely inspected for safety, driving on a street, stopping at a stoplight, flushing a toilet, buying over-the-counter medication that is safe, traveling by air, train, or public transit, and many others depends on public services and funding by our taxes. A good friend of mine commented that she couldn't understand how her parents can say that they are absolutely against taxes and the government and tell her seriously to, "keep that government out of my Medicare and Social Security!"

It seems that the public is much more willing to move public education into private businesses such as Kaplan University and the University of Phoenix, as if that will somehow save money. With the budget cuts to community colleges and California State University, and University of California, it seems that the for-profit higher education enterprise is booming with our transfer students. As a matter of fact, community college transfers to Phoenix University are coming close to the numbers that transfer to the University of California. In addition, about 85% of the income to for-profit colleges is from Pell Grants and Federal Student Loans. The for-profit colleges make up 9% of the college students in the U.S., yet they receive 21% of the Pell Grant and Federal student loan program funds. The very high cost and predatory nature of the for-profit colleges have targeted students of color and have saddled many with unimaginable debt. About 25% of those students incur over $40,000 in student loan debt. As a result, the loan default rate is very high for students from the for-profit colleges, so, in fact, the federal government (our taxes) is subsidizing most of the budget of for-profit colleges. In addition, for-profit colleges have recently targeted veterans and their G.I Bill. For example, in 2006, for-profit colleges received $66 million of G.I. Bill benefits from veterans enrolled in their courses. In 2010 the for-profit colleges have received $521 million in G.I Bill and other veteran benefits for education.

In addition, while the Sacramento Bee laments the compensation package of our chancellor, why don't they look at the compensation package for some of the CEOs at for-profit colleges. The president and CEO of Bridgepoint Education is Andrew Clark, which is based in San Diego and oversees Ashford University and University of the Rockies, which primarily offer online education. His total compensation is $20 million a year. In addition, Bridgepoint Education boasts a $216 million profit for their shareholders in which 86% of the income came from Federal funds. That's $216 million that went into shareholder pockets rather than in educating students. At ITT Educational Services, which is an online university, CEO Kevin Modany earned a total compensation of $7.6 million last year. Apollo, which is Phoenix University, co-CEO Charles Edelstein took in more than $11 million last year. The worst of all, according to SFGate.com, is CEO Robert Silberman of Strayer Education whose total compensation package was over $41.9 million last year! The primary source of all their profits and CEO pay (over 85% of it) is through Federal student loans and grants.

Just think about this. In 2000, the for-profit colleges took in $6 billion in federal student aid; in 2010 it has grown to $26.5 billion. Approximately 25% of those funds go to student recruitment/advertisement, more go to student counseling to get federal grants and loans, much of it is diverted to CEO pay and stockholders, and then to the actual education of the students. This is the future model of higher education it seems that some legislators believe we should emulate.

Wisconsin was a wake-up call that shows how vulnerable public employees are to losing their collective bargaining rights. Wisconsin Governor Walker and the Legislature voted to severely restrict collective bargaining for most public employees, and to

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eliminate it entirely for Wisconsin University professors. This is from one of the first states that voted to give collective bargaining rights to public employees in 1959. In addition, Wisconsin was the first state to provide worker's compensation (1911) and unemployment compensation (1932). With such a rich and progressive history in labor, the recent events in Wisconsin are a stark contrast, and the public outcry even among conservatives is understandable.

The Wisconsin troubles remind me of our own California history. California voted to allow education public employee collective bargaining in 1975. Senate Bill 160, called the Educational Employment Relations Act was introduced by Senator Al Rodda, and is sometimes referred to as the Rodda Act, allowed collective bargaining for California K-12 and community college unions. After Al Rodda left the Senate, he became a member of the Los Rios Board of Trustees. In addition, the person to sign the Educational Employment Relations Act into law was then-Governor Jerry Brown.

Even in these dark days of severe budget cuts, LRCFT has made every effort to work with the District in order to minimize the effect on students and faculty. Unfortunately, since the legislature could not get the tax extensions as an initiative on the June ballot, there will be further severe budget cuts for us to negotiate. To address these budget deficits requires a strong faculty voice in order to make the best decisions possible; those are our collective bargaining rights. The working relationship we have with the District developed because the LRCFT was granted those collective bargaining rights in 1975 and had our first contract in 1978. This is why I feel so strongly and passionately about collective bargaining rights and why I feel for the public employees of Wisconsin. It is unfortunate that there are some in the California legislature who are following Wisconsin Governor Walker's lead by introducing legislation and initiatives to limit our collective bargaining rights, reduce our strength as an organization, and attack our pensions. Right now we are fortunate to have Jerry Brown as governor, but that does not mean he will not cut our budgets or that he will do the bidding of labor unions….he has repeatedly stated he will not do a smoke and mirrors budget. I think that he is the closest we can have to a governor who will do what he thinks is best for the future of California and not to specific special interests….like he said, he's old and doesn't have to do anything for anyone except his wife.

Extreme budget deficits, attacks on our collective bargaining rights, attacks on our pensions, performance-based funding, and elimination of the 50% Law are some examples of why community college faculty require a strong voice in the state Capitol. Unfortunately, our voice is often fractionated because we are represented by different organizations. For example, in the California Federation of Teachers (CFT) we are represented by the Community College Council (CCC), which has about 30,000 members, where I am Northern Vice President. In the California Teachers Association (CTA) there is the Community College Association (CCA) with about 20,000 members. There is also the California Community College Independents (CCCI), an organization of local community college bargaining agents that are not affiliated with any statewide organization and which represents about 12,500 members. In addition, there is the Faculty Association for California Community Colleges (FACCC) which is not a union, but an association of community college professionals that has approximately 10,000 members who are at the same time members of their local union. I have been a long time FACCC member and I am currently the Vice President.

Over the past two years I have been part of a statewide task force that has looked into merging the two largest statewide community college faculty unions, the CCC and CCA, into one umbrella organization. All members (that includes you) would become members of the CFT and its parent organizations, the AFT & AFL-CIO (our current status), and would now include full membership with the CTA and its parent organization, the National Education Association (NEA). This new larger community college organization, called Community Colleges United (CCU), would become the largest higher education organization in the nation. The CCU would have the numbers to be the most forceful voice representing community colleges at the state capitol and in the community college system, such as at the State Chancellor's Office.

CCU would not be hampered by our lobbying staff working on K-12 issues, on K-12 budgets versus the community college budget, nor would we introduce conflicting CFT/CTA legislation. The dues to be members of both CFT and CTA would not change from what we are currently paying and you would receive full member benefits from the CFT, AFT, CTA, and NEA. You could attend all of the conferences/conventions and professional development opportunities those organizations offer. The only change would be to pay for the operation and staff of the CCU, whose dues would gradually increase over a 3-year period until it reaches $6/month for full time faculty and $3/month for part time faculty over 10 months. I believe that this is a very small cost in order to have such an effective organization in this time of crisis.

Whether the CCU will go forward requires approval of the CCC in September of 2011, and then a vote of CCC locals in December of 2011. In March 2012 it will require a 2/3 vote at the CFT convention. If it passes those hurdles the merger proposal will go to the AFT for final approval. The CCA will go through the same process in its organization. If all is approved, the CCU will begin operations in the fall 2012. Please let me know if you have any questions or comments on the important proposal.

Lastly, Dean Murakami supports Colette Harris-Mathews for FACCC Governor-at-Large. Please vote if you are a FACCC member…I did. ■