



NEWS Bulletin

Contracting out campus services will hurt everyone at UT (Lessons from the A&M experience)

Recently, UT President Bill Powers released a plan put together by 13 business executives and chaired by Steve Rohleder, an executive at the Bermuda-based company Accenture. Rohleder's company is infamous for having botched a massive \$890 million contract with the state of Texas to privatize its Human Services eligibility system and lay off 2,000 workers.

The plan that the "Committee on Business Productivity" released is a blueprint for privatizing many campus services at UT including housing, parking, food services, custodial services, maintenance, and groundskeeping. It states that what the university charges for parking and student meal plans is far below market levels and should be raised 115% and 50%, respectively. The plan also proposes combining every IT, finance, and HR department at UT and ramping up corporate control of academic research at the university.

UT administrators and the panel of business leaders (many of whom work for companies standing to profit from these proposals) claim these measures would save UT \$490 million over 5 years. But what would these measures mean for the staff, students, faculty, and our community? Last year in College Station, Texas A&M administrators privatized many campus services despite widespread opposition among students, staff, faculty, and the community. The report from the 13 corporate executives specifically cites privatization at Texas A&M as a good example of what they'd like to do at UT.

What happened at Texas A&M?

In February of 2012, Texas A&M Chancellor John Sharp announced plans to contract out the university's custodial, landscaping, building maintenance, and dining services departments. The move would lay-off 1,647 university employees. Despite vocal opposition, Sharp announced that the contract had been awarded to Compass Group, USA (a British-based company). Throughout the process, Sharp and other administration officials repeatedly told staff in the targeted departments that they would be guaranteed jobs with Compass for 2 years and that their pay and benefits would be similar to what they received working for A&M.

In a last ditch effort, staff in the targeted departments organized to slow down the privatization effort. They circulated a petition, as did A&M students, and delivered it to the Board of

Regents, but the privatizers moved quickly and on August 2nd, the 1,647 workers in the four departments were laid off. They were then forced to re-apply with Compass for the same jobs they'd had for years with the university. Only workers who were less than two years from retirement through TRS were allowed to stay on with A&M.

Of those that re-applied with Compass, only about 600 were hired. Of those who were hired, many have already been terminated (after training their replacements). Those that did find work with Compass saw their benefits reduced and were no longer a part of the TRS pension system. Many of those employees who lost their pension benefits had been working for A&M for more than a decade.

In addition, the entire A&M and College Station community has suffered since Compass took over. When students returned to classes in the fall of 2012, they found that the cost of their meal plans had gone up. The local economy has also suffered since Compass took over. Instead of relying on local vendors for food, goods, and services, the contractor imports what they need from outside the state.

What's the lesson for us at UT?

The cost of privatization is clear. Any savings the university gets out of these proposals will be on the backs of faculty, staff, students and the entire Austin community. Workers will either lose their jobs entirely or their pension and health care benefits will be slashed. Fees will go up for students. And local businesses will suffer as profits are sent overseas instead of staying in the community. The administration's plan for the future of this university has already played out at A&M and had severe consequences for everyone there.

WHAT TO DO NOW:

1. Join the union! We can organize to stop this attack on our jobs, benefits, and entire university community. The more of us in the union, the more powerful our voices will be.
2. Contact your Austin area legislators and ask them to oppose this plan. You can find their phone numbers on the UT page of the TSEU website www.cwa-tseu.org.