20,000 UC PATIENT CARE & SERVICE WORKERS

Standing Up for Quality Care & California's Communities

Equal pay for equal work to ensure the University of California retains its best patient care and service staff while positively contributing to California's communities.

THE PROBLEM: Dramatically Lower Pay for the Same Work

On the front lines of the University of California's 5-hospital/10-campus system are 20,000 patient care and service workers who do everything from assisting in surgery to cleaning campus dorms. They take great pride in contributing to UC and are concerned that its world-renowned reputation may be at risk. Medical centers are bleeding experienced patient care staff to other hospitals where pay is dramatically higher, and service workers make poverty wages as low as \$10 per hour. Other CA hospitals and community colleges pay average of 25% more than UC.

PUBLIC IMPACT: Lowered Patient Care & Impoverished Families

At UC hospitals, higher-skilled patient care workers report that lack of competitive pay is leading to high-turnover, understaffing, and over-reliance on temps. They are concerned that this is compromising patient care and increasing the risk of complications. For service staff at the campuses and hospitals, wages are low enough for workers to qualify for public assistance. Many live in poverty and are forced to work two jobs, taking time away from their families and communities.

THE SOLUTION: Equal Pay for Equal Work

To ensure the University retains its most experienced patient care staff and does not force service workers to work two jobs to support their families, UC Executives can and should raise wages to have parity with other hospitals and California Community Colleges. Workers have been negotiating for equal pay for equal work since August, 2007.

UC CAN: Strong Finances & Public Mission Support Equal Pay

CA State-appointed neutral Factfinder Carol Vendrillo, who independently evaluated the viability of a service workers' labor agreement, indicated this is a matter of priorities, not resources. UC executives can fulfill the University's strong public mission by financially prioritizing retention of patient care staff and ensuring that service workers' families can positively contribute to the State's economy. UC medical centers posted profits of \$371 million in 2006. UC Executive pay continues to rise with salaries topping \$646K, bonuses as high as \$83K, and total compensation of up to \$924,642. And State funds comprise only 8.6% of the funding for these workers.

Patient Care & Service Staff Hold a Range of Positions that Keep UC Running Smoothly

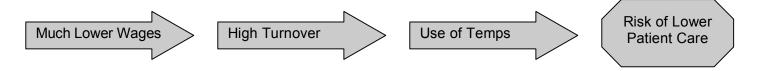
The 20,000 workers include Licensed Vocational Nurses, Medical Techs & Assistants, Respiratory Therapists, and Hospital/Campus Custodians. Having experienced workers who know UC's layout and procedures is critical to:

- Stop infections & prevent post-surgical complications by sterilizing surgical and other medical equipment; providing proper wound care; disinfecting patient rooms, ORs and other clinical areas; and proper bathing and turning of patients to decrease bed sores
- Safely assist in surgeries & perform high level medical tech service including the operation of heart and lung machines; conducting CT scans, X-Rays, MRIs, mammograms, and ultrasounds; providing respiratory therapy, drawing blood samples, and processing lab results
- Properly fill prescriptions as well as mix IV solutions and stock pharmaceutical cabinets
- Effectively clean & disinfect hospitals, dorms, offices, and labs; dispose of biohazards; recycle
- Maintain buildings/grounds & other service at hospitals and campuses such as janitorial, groundskeeping, cafeteria service, and bus service

<u>Dramatically Lower Wages at May Translate to Lowered Patient Care at UC Hospitals</u>

UC patient care staff earn significantly lower wages than their peers at other hospitals like Kaiser where wages are about 25% higher. Workers report this contributes to high turnover and over-reliance on temps, negatively impacting patient care.

- 1 in 4 have less than two years of experience in patient care jobs at UC.
- In a survey of UC patient care workers statewide, 88% reported that non-competitive wages cause **recruitment and retention problems, understaffing, over-reliance on temps, and high turnover, and they say this is hurting the quality of care** that UC patients receive and possibly contributing to higher complications rates.
- Some UC jobs have turnover rates exceeding 20%. Industry research suggests a link between high rates of turnover and quality of care, including longer stays. Patients at hospitals with turnover rates greater than 12% spent one more day at the hospital on average than at hospitals with lower employee turnover.



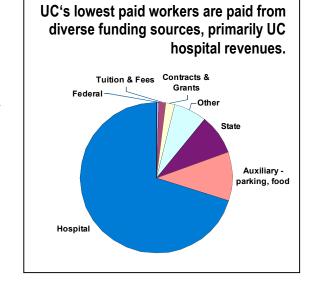
Dramatically Lower Wages Leads to Poverty & Negative Impacts on Families

UC's service staff who clean/disinfect/maintain the hospitals and campuses and provide security & cafeteria services are also paid much less than their peers in California hospitals and community colleges where wages are about 25% higher. Thousands are paid as little as \$10 per hour which is not a sustainable wage according to the CA Budget Project. Wages are too low to meet basic needs, and many workers are forced to work two jobs. They are also eligible for food stamps, Section 8 housing, and subsidized child care, creating a potential burden for CA taxpayers. Increasing wages would not only help lift workers out of poverty, but could positively impact CA and the areas workers live as workers contribute more to their local economy.

UC's Executives Can Afford to Ensure the University Fulfills its Public Mission

UC has a strong public mission committed to "improving the quality of life everyday for every Californian...economically, artistically, socially, scientifically, and in matters of health, education, [and] public safety." By compensating medical & service staff with equal pay for equal work, UC executives can help fulfill UC's mission, ensuring both high quality patient care and that workers earn enough to positively contribute to CA's economy.

- According to CA State-appointed neutral Factfinder Carol Vendrillo, who independently evaluated the viability of a service workers' labor agreement, this is a matter of priorities, rather than resources. "U.C. has demonstrated the ability to increase compensation when it fits with certain priorities without any demonstrable link to a state funding source...It is time for UC to take a broader view of its priorities by honoring the important contribution that service workers make to the U.C. community and compensating them with wages that are in line with the competitive market rate."
- In 2007, UC had \$22.4 billion in net assets (assets minus liabilities), up 18% from 2005.
- UC Medical Center profited \$371 million in 2006, up from \$243 million in 2005.
- UC Executive pay continues to rise with salaries topping \$646K and bonuses as high as \$83K.



• Moody's Investors Service upgraded UC bond ratings, citing that it has a "healthy and consistent operating performance, with operating cash flow in excess of \$2 billion driven by a highly diversified revenue stream with no single revenue source exceeding 26% of total revenues...and a sizeable balance sheet that remains highly liquid, with \$5.9 billion of unrestricted financial resources"