

Congress of the United States  
Washington, DC 20515

June 27, 2008

Mark Yudof  
President  
University of California  
1111 Franklin Street, 12<sup>th</sup> Floor  
Oakland, CA 94607-5200

Re: Fair Wages for Patient Care and Service Workers at the University of California

Dear President Yudof:

As Members of Congress who represent constituents who work at, receive health care from, and are educated at the ten universities and five medical centers that are a part of the University of California (UC) system, we warmly welcome you to our great state of California and to your new role as the President of the UC system. We are proud of the exemplary health care services, nationally-recognized educational opportunities, and cutting-edge research that UC provides. We look forward to working with you to ensure that UC remains a leader in the fields of health care, education, and research.

We know that the UC represents "our way forward," improving the quality of life everyday for every Californian economically, artistically, socially, scientifically, and in matters of health, education, public safety and in countless other ways. UC is a model university system in many ways. However, we are very concerned about the ongoing ten month labor dispute involving 20,000 UC health workers and service employees. On the front lines of the UC system are 20,000 patient care and service workers who do everything from assisting in surgery to cleaning campus dorms. Yet, UC medical centers are losing experienced patient care staff to nearby hospitals where pay is dramatically higher. Further, service workers are earning poverty wages as low as \$10 per hour. On average, other California hospitals and community colleges pay 25% more than does UC.

Wages this low leave many workers unable to meet basic needs and forced to seek additional employment. It is simply unacceptable that as many as 96% of all service workers at UC are eligible for some form of public assistance, including food stamps, WIC, public housing subsidies, and reduced lunch. Most important from the UC perspective, these low wages lead to high staff turnover, understaffing, and reliance on temporary workers, all of which can jeopardize quality of care and ultimately UC's world renowned reputation.

Low wages hurt not only the workers but the communities in which they live. A recent report from the Center for Labor and Community Research documents how UC's low wages negatively impact 55 cities and neighborhoods throughout California. Of the 55 communities surrounding UC's ten campuses and five medical centers, average income is 15 percent lower and poverty is

50 percent higher. Our constituents are suffering enough with high gas prices, skyrocketing food costs, and inflation. It is not enough to simply provide jobs—jobs must provide a secure economic future for workers and their families.

There is no clear reason why wages are so low. Our delegation has worked very hard to secure federal resources for UC, and we are concerned that these funds do not appear to benefit UC workers. Meanwhile, UC has posted record revenue. In 2007, UC had \$22.4 billion in net assets, an 18% increase since 2005. UC Medical Center posted profits of \$371 million in 2006, up from \$243 million in 2005. Moody's Investors Service has upgraded UC bond ratings, citing that it has a "health 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 25% of total revenues...and a sizeable balance sheet that remains highly liquid, with \$5.9 billion of unrestricted financial resources."


These financial successes are strong enough to support executive pay increases, including salaries nearing \$700,000 and bonuses approaching \$100,000. So, why are the workers, those who keep the classrooms clean and patients cared for, not receiving a livable wage commensurate with wages at other California hospitals and colleges? Why have UC workers been in negotiations since August 2007?

According to the state-appointed, independent fact finder Carol Vendrillo, these low wages are a matter of priorities and not a lack of resources. She noted that "UC has demonstrated the ability to increase compensation when it fits with certain priorities without any demonstrable link to a state funding sources...It is time for UC to take a broader view of its priorities by honoring the important contribution that service workers make to the UC community and compensating them with wages that are in line with the competitive market rate."

While we are well aware of the economic woes facing our state, we do not believe such challenges paralyze UC management's ability to reallocate resources so that patient care and service staff are justly compensated for their labor. Neither patient care and service staff, nor those serviced by them, should bear the brunt of this budget crisis. They did not cause it and diminishing their economic prospects will do nothing to help the state rebuild its economy.

We share with you a commitment to the future of UC, the state of California and all of its residents. Your new arrival at UC provides a fresh opportunity to work with your staff to address UC health and service worker wages and benefits in contract negotiations fairly and quickly. These workers deserve better. We look forward to hearing from you regarding the progress of negotiations.

Sincerely,



Linda T. Sánchez  
Member of Congress



Zoe Lofgren  
Member of Congress

Sam Farn

Loretta Sanchez

Michael McAnda

Grace S. Napolitano

Jane Ann

Hilda L. Solis

Lois Capps

Riane E. Watson

Wick Thompson

Pete Stark

~~no name~~

B. Bluff

Dick

Doris O. Matsui

Howard J. Berman

G. Miller

Bud Shuster

Lynn Wootsey

Marianne Waters

Luella Royal Allard

Ellen O'Rourke

Tom Amodeo

Bob Filner      Barbara Lee  
Kendra Richardson      Hon. A. Waxman  
Joseph R. ...