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## State System refuses talks over retiree buyouts

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Seeking to cut costs, the State System of Higher Education is offering its unions financial incentives for some members to retire, and all but one union has accepted.

Five labor unions at the 14 state universities have accepted the offer that pays those who qualify as much \$30,000 to leave this summer.

However, the leader of the faculty union has rejected the incentive. Steve Hicks, president of the Association of Pennsylvania State College and University Faculties, said he wants to pursue talks with system officials in hopes of finding a deal both can accept.

Ken Jarin, chairman of the state system's board of directors, said he had no interest in discussing the matter with the faculty union.

"We made our proposal and every other union agreed to it and APSCUF chose not to. We're disappointed by that," Jarin said after Thursday's meeting of the state system's board.

The system, which serves 117,000 students, faces serious financial challenges, including an anticipated spike in costs for pension systems and the eventual disappearance of federal stimulus money.

Kutztown University has already begun discussing faculty layoffs, and faculty anticipate other system universities will soon follow suit.

Hicks said the union, which represents 7,000 faculty and coaches, turned down the retirement incentive because it worries about the rising workload for the teachers who stay on.

"We recognized that not replacing faculty meant a change in the quality of what we do," Hicks said. "There are only so many students we can fit in a class ... only so many advisees we can meet one-on-one ... only so many committees we can serve on and serve the university community well."

He said the union thought it was worthwhile to pursue financial security for its members not eligible to retire, since no assurances were given about replacements or position transfers. So it sought a two-year extension to its contract, which expires June 30, 2011.

System officials showed no interest. They said the retirement incentive was a standalone offer.

System officials said the five unions that accepted the retirement incentive could produce several million dollars in savings if all 400 of their eligible employees took it.

Hicks said the savings that the system stood to derive from the faculty and coaches' union accepting the offer could amount to as much as \$35 million. He compared that to the \$4 million that he said it costs for every 1 percent increase in faculty salaries.

The union's contract extension offer sought 3 percent across-the-board increases, plus the 2.5 percent and 5 percent step increases for eligible faculty for 2011-12 and 2012-13.

"This was our initial offer; we understood there would be bargaining," Hicks said.

Hicks said the two sides have the rest of this month to negotiate and still leave a 60-day window for possible retirees to decide by the end of June.

"So, let's have that conversation and see if we can reach something of mutual benefit," Hicks said.

Jarin emphatically refused.

"We'll deal with the circumstances as we see them including whatever economic situation we're in at the time," he said.