

Report from the Senate Subcommittee on A Poverty-Free Campus

April 6, 2017

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Since the Wake Forest community has learned that members of this task force are seeking ways to guarantee that Wake Forest University becomes and remains a poverty-free space, numerous people have been coming forward privately with their own individual stories (many, but not all, related to the impending outsourcing of further custodial services to Budd). The cumulative effect of these individual, privately-given and nervously provided reports is to bring to the surface a set of anxieties among the least well-paid of our colleagues working on the Reynolda campus. These anxieties, which if grounded in actual managerial practice, are incompatible with the core values of the University – the ones regularly articulated by senior administrators as “pro humanitate” and pursued in the wider community in the Mayor’s Poverty Thought-Force.

In response, members of the task force met with appropriate administrative personnel who reported a very different story. The way they explain it, what is happening on campus is part of a rolling program that began in July 2015. It does involve the Budd Group taking over responsibility for certain custodial services because of Budd Group’s ability to staff more easily and reliably a set of positions in which the University had previously experienced rapid and regular staff turnover. But no existing staff are being forced to move to Budd Group. Hitherto, it has happened as vacancies have occurred, and now it is planned to be completed by July 1, 2017, in the context of an expansion of custodial positions (including more senior ones) that are only being advertised internally. The hope is that existing custodial staff will find new and better paying positions within these new posts, and will remain direct employees of the University with their benefits intact. The University has no desire to leave any of its staff less job secure or less well remunerated.

To that end, we are told, the University is in the process of renegotiating/has renegotiated its contact with the Budd Group, to ensure that all Budd employees working on the Reynolda Campus receive at least a living wage, with the University funding the extra costs involved until the contract expires in December 2018. The University has also pressed for the restoration of the bus route through the campus, so vital to staff moving between jobs, or between jobs and home. Moreover, all this has been explained to affected personnel on several occasions, but misunderstandings and rumors persist. The problem sometimes seems to be one of communication, not of policy

In the light of these two bodies of information, we suggest that the two understandings of what is now occurring could be harmonized by a set of initiatives based on the following three principles.

- 1. That from now on, the University automatically prepare and publicize a “social audit” (and not just a financial audit) of any major expenditure or policy change it proposes to adopt, to ensure an accurate mapping (and compensation for) any employee/category of employee adversely affected by those*

changes. The audit should have both a measurement of things commissioned, and of those called for but not commissioned; and should be transmitted to the entire faculty and staff by an annual report from the Chief Human Resources Officer, organized under the auspices of the University Senate as is now the practice with annual reports from the College President, the Provost and the Chief Financial Officer.

2. That the key principle in the “social audit” be the proportionality one. In other words, if some marginal gain accrues by giving more to someone who is already earning a lot at the cost of giving less or nothing at all to those who are earning a little, then we have to recognize that the cost to the under-privileged far outweigh the gains flowing to the already privileged. We are surrounded by too much privilege already. It is time to begin to correct the imbalance, and the University should be at the heart of that re-balancing. Wake Forest values demand nothing less.

3. That the long-term remuneration philosophy of the University be one of increasing income equality over time – a philosophy to be applied to all categories of staff – by programs of salary-restraint at the top, salary-indexing in the middle, and salary-enhancement at the bottom; and that the University publicize this philosophy as a key statement of how best to implement the values of “pro-humanitate” here in Winston-Salem.

TO THAT END, THE TASK FORCE HAS THE FOLLOWING SPECIFIC SUGGESTIONS FOR ACTION NOW.

1. That the University formally expand the employee categories for the well-being of which it takes full responsibility to include three categories of employees: faculty, directly-employed staff, and employees of sub-contracted firms. To reinforce this commitment, the university should create a new Office of Corporate Social Responsibility to ensure the wellbeing of all contract workers at Wake Forest University. The business world adopted corporate social responsibility decades ago. The world of academia has been joining this effort as evidenced by the growing number of top universities that have integrated social responsibility into their mission statements.¹ We believe this social responsibility must begin with workers on our campus.
2. That to reduce stress and improve very low morale among current staff fearful of job loss to subcontractors, the University grandfather in existing staff at their established level of remuneration and benefits to any new subcontracted appointments. We have been unable to obtain a clear answer from administration regarding remuneration for current WFU employees who will transition to Budd Group regarding their pay. While Budd has committed to the living wage of \$10.48 an hour for all contract employees, we have received no guarantees that employees who have worked for WFU for ten, fifteen or twenty years and are making \$13.50 an hour will not be reduced to \$10.48 an hour. John Shenette, the key administrator involved, writes that he “can only assume they will offer wage compensation based on skill set.”² Ultimately, Budd Group will set the wage scale for employees transitioning, not WFU. We believe that reducing the pay of long-time employees to \$10.48 constitutes social injustice and violates the spirit of Pro

¹ Brennan Weiss, “The Rise of Social Responsibility in Higher Education,” *University World News* 423 (August 12, 2016). Some schools include UC-Berkeley, UW-Madison, UCLA, Pepperdine, U of Florida, OSU, UVA, Cornell, GWU, Georgetown, Tufts, Emory, Tulane, UM-Ann Arbor, University of Washington, UT-Austin, UNC-CH, & Penn State.

² Email from John Shenette to Simone Caron and David Coates, April 5, 2017.

Humanitate. We also have received no guarantee that current employees will in fact be guaranteed a job as of July 1, 2017. Budd Group has held one Job Fair that a number of employees attended. According to Shenette, Budd Group will begin interviewing applicants “soon.” While he pledges to “work with every employee to make sure for a successful transition,” he cannot promise that all employees will retain a job on our campus either with Budd or as a direct employee of WFU.³

3. That the University publicly recognize and celebrate its moral and ethical duty to ensure that all people working at Wake Forest University – be they direct staff or contract workers – earn a living wage of no less than \$11.00 per hour. While we are grateful for the pledge of \$10.48 an hour by Budd Group and Aramark, Novant Health on March 1, 2017, instituted a living wage policy of \$11.00 for all its North Carolina employees, including those working in Forsyth County.⁴ Wake Forest Baptist Medical Center implemented the same policy for all employees on March 9, 2017, to take effect in paychecks issued on March 24.⁵ Given that the American Association of University Professors calls for the implementation of policies equally across all units of a university, the living wage must be equal on both the Hawthorne and Reynolda campuses. While we laud Provost Kersh’s efforts in his capacity as Chair of the Winston-Salem Poverty Thought Force to tackle the problems of poverty in Winston Salem, we find much of the resulting report on such problems in the city to be applicable to the low wages paid to people who work at the University. As his report states, Winston Salem in 2012 had the highest rate of urban food insecurity in the nation, and in 2017 remains in the top ten food insecure cities.⁶ The report states clearly that “Household income is directly associated with poverty,”⁷ and that such poverty disproportionately affects women and minorities⁸ – the very people who constitute the majority of workers on our campus not making a living wage. The report concludes that the best approach to solving poverty is to implement local solutions to address poverty “in a specific time and place.”⁹ We ask that the university adhere to this conclusion: the place is Wake Forest University, and the specific time is now. The current rates of remuneration for contract employees are incompatible with those implemented at the Hawthorne campus and with the core values of the University so often articulated by senior administrators as “pro humanitate.”
4. That the University make clear that all the people who work at Wake Forest University – be they direct staff or contract workers – have the right to draw on the Chaplain’s Emergency Fund and the resources available at Campus Kitchen. As Provost Kersh’s report concludes, lack of adequate food results from low incomes and in adverse physical and mental development.¹⁰ We have

³ Ibid.

⁴ Richard Craver, “Novant Debuts Living Wage of \$11 an Hour for N.C. Employees,” *Winston-Salem Journal*, March 1, 2017.

⁵ “Medical Center Implements ‘Living Wage’ Increase,” Memo to All Faculty and Staff from Lilia Baily and Darcie Lewis, March 9, 2017.

⁶ Rogan Kersh, Chair, “Winston-Salem Poverty Thought Force Final Report,” 2/13/2017, p. 2.

⁷ Ibid, p. 7.

⁸ Ibid, p. 13.

⁹ Ibid, p. 2.

¹⁰ Winston-Salem Poverty Thought Force Final Report,” 2/13/2017, p. 11.

learned that Aramark has instructed its employees not to utilize the Chaplain's Fund. These employees have not questioned this mandate for fear of retaliation, namely of losing their jobs.

5. That the Chaplain's Emergency Fund become a regular line-item in the University budget and be supplemented by a substantial grant to ensure that everyone in our community has adequate resources to sustain food, housing, childcare, transportation and health and wellness stability. From January 1, 2015, through May 31, 2016 (the only statistics available to us) 73 direct staff or contract employees received assistance from this Fund, for a total of \$15,000. The most common use of these funds was to pay for transportation, groceries, rent, and medical care/prescriptions.
6. That steps be taken to improve the situation of Graylyn employees and increase the living wage to \$11.00. We are grateful that Graylyn has implemented a policy, effective July 1, 2016, that now pays both full time and part-time workers a minimum wage of \$10.48, and that Graylyn has not changed its staffing model to decrease the number of workers due to the increased wages. At the conclusion of FY16, the average wage of Graylyn employees was ~\$13.50.¹¹ Not all employees benefit equally, however. Some employees are only scheduled one or two days per pay period, which leaves them unable to pay their basic living expenses but blocks their ability to apply for unemployment compensation. Some employees work on an on-call basis and report being encouraged to use PTO to increase their paychecks. This unpredictable system leaves employees in a difficult situation as they attempt to budget for their families. These workers are considered "full-time" and they purchase benefits at full-time rates, yet they often only receive between 1400 to 1560 hours per year rather than the 2080 hours per year considered full-time. One situation exemplifies a common occurrence: an employee worked eight hours one week and sixteen the following week for a total of 24 hours in a pay period, yet this person still had to pay full-time rates for family health insurance thereby depleting an already thin paycheck. Lastly, many of these employees work in banquet services. Despite the food insecurities they face in their personal life, they are not allowed to take leftover food home. To work in the midst of food abundance while facing hunger seems the ultimate hypocrisy of "Pro Humanitate."
7. That steps be taken to improve the situation of Aramark employees and to increase the living wage to \$11.00. We are heartened by the decision of Aramark to pay all full and part-time employees a minimum of \$10.48 per hour beginning July 1, 2017. The university is not subsidizing Aramark in order for the latter to achieve this living wage.¹² From our research, this living wage is not a national stance on the part of Aramark. As John Wise stated, "...we have a strong partnership with Aramark and we worked collaboratively to reach this goal."¹³ We are left to conclude that the University used arguments of Pro Humanitate to convince Aramark to provide a living wage to employees on our campus. We praise them for this effort. More needs to be done. The University must insist that Aramark cease and desist their efforts to build a wall between contract workers and the rest of the Wake Forest community. We have learned that Aramark rotates

¹¹ These statistics come from an email from John Wise to David Coates on March 31, 2017 and from an email Wise sent to Simone Caron on April 4, 2017. Wise also stated that "Employees who are in a tipped/service charge position have their wages tracked to ensure the overall compensation is higher than \$10.48." (3/31/17)

¹² Email from John Wise to David Coates and Simone Caron, March 31, 2017.

¹³ Ibid.

workers off campus if they become too friendly with faculty, staff or students. Such tactics destroy the sense of community both for these workers and for the rest of the campus. Aramark also lays off employees during the summer, leading to high stress levels caused by the fear of not being rehired in August. We have been told that Aramark often hires new employees at lower wages rather than bring back experienced laid off workers.

8. That the University offer financial management workshops as well as skill development opportunities to all employees, direct staff and contract workers alike.
9. That the University stop pressuring employees to contribute to the United Way and Arts Council campaigns. We have learned from many people that they feel undue pressure to contribute and believe they cannot ignore the “requests” that they perceive to be mandates. Such pressure is not unique to WFU: one in five employees across the country faces “too much pressure to donate money at workplace fundraisers.”¹⁴ Management guidelines reject as “unethical” any corporate sponsorship or endorsement of any charity, including what has been labeled the “United Way shakedown” in which employees are “openly coerced” to contribute. The constant reminders to “return the form” is coercive in its goal to “extract money” from employees.¹⁵
10. That the university acknowledge equally the death of all employees – direct staff as well as contract workers – on our campus. As we “Rethink Community” the university must reevaluate and reconsider who is a part of the “Wake Forest Family” and how Wake Forest systems create several classes of citizens who are not treated with comparable care or respect. There are members of our community who are systematically dehumanized even as they spend their working lives providing award-winning service to some of our nation’s wealthiest students. For example, the Office of Communications and External Relations (CER) refused to acknowledge publicly the tragic death of an Aramark employee on February 1, 2016, stating that the University could not speak on behalf of Aramark and its employees. The university’s silence on this matter and absence at the campus memorial service sent a clear message that there are several classes of citizen at Wake Forest, some who are worth the University’s acknowledgement and some who are not.
11. That the University begin as a matter of public policy to leverage its capacity as a major employer in the city to raise wage-levels generally in the wider community, by continuing to move category after category of employee away from simply a basic living wage – on the recognition that the current level of that wage is not in practice a viable living one.

¹⁴ Daniela Yu & Amy Adkins, “Workplace Fundraisers,” *Business Journal*, 6/24/2016.

¹⁵ “Inappropriate Corporate Sponsorship of Charities,” *Burleson Consulting*, 2016, http://www.dba-oracle.com/corporate_sponsorship_charities_inappropriate.htm