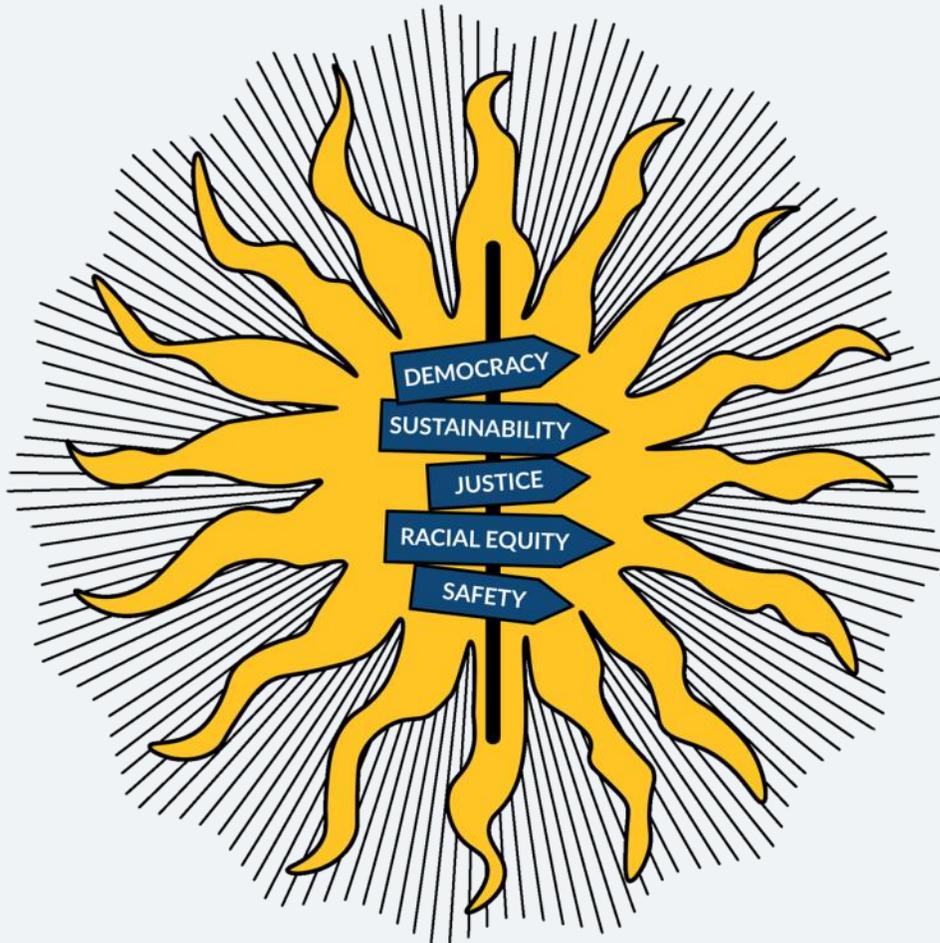


ANOTHER UNC IS POSSIBLE

A Social Justice Approach to the Human,
Financial, and Climate Crises of The University
of North Carolina System



Updated in June 2021

PREFACE

Another UNC is Possible is a campaign initiated by the Workers of UNC, a coalition of campus workers, graduate student-workers, and faculty in the UNC System. The Covid-19 pandemic exacerbated longstanding problems within the UNC System, including racial and economic injustices. To respond ethically to the dual public health and economic crises, state and university leaders must address the underlying systemic problem: the business model of higher education and chronic underfunding of our university system. And they must address the crisis that threatens human existence—the climate crisis.

The current crises increase the urgency of both restoring robust public funding to higher education and using university endowments in a socially responsible manner. University resources can and should be used to support the wellbeing of students, workers, and neighbors, while divesting from fossil fuels and other investments that do not reflect the values of our community.

We envision “Another UNC” that embraces democracy, justice, racial equity, sustainability, and safety. Together, we can make this vision a reality. Another UNC is possible and necessary.



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For an up to date list of endorsements, please
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EXECUTIVE SUMMARY

The for-profit model imposed on the UNC System since 2010 has entrenched long standing racial, class, and regional inequities. The Covid-19 crisis aggravated this situation to the breaking point. All stakeholders at UNC—students and their families, faculty, staff, graduate and campus workers, and the citizens of North Carolina—are affected. We call on our leaders to resist the all-too-predictable response to managing fiscal difficulties—program reductions, layoffs, furloughs, and salary cuts. Such measures would further erode a vital public good that has already been undermined by misguided policies. The UNC System should use the resources available to ensure and enhance the security, income, and opportunities of all UNC employees and, in so doing, improve the educational experience and affordability for students at every UNC campus.

UNC campuses are a central element of local economies throughout the state and, properly funded, can serve as the engine of future prosperity in North Carolina. Moreover, our students deserve a future without onerous debt. Above all, those who lead, work, and study at UNC System campuses must contribute to the effort to save our species by rapidly decreasing the UNC System’s support for and use of fossil fuels that cause greenhouse gas emissions and an increasingly unlivable planet.

ANOTHER UNC IS POSSIBLE. And it is time for legislators, campus stakeholders at every UNC System school, and the people of North Carolina to join forces and create that new reality.

Alternative to Austerity in the UNC System

Reverse the 2013 tax changes to restore \$700 million annually to the UNC System.



Withdraw emergency funds from the state Rainy Day Fund to help campuses meet operational expenses.

Divest UNC endowments from fossil fuels to help finance the post-pandemic transition.



Withdraw additional funds from the two largest endowments, UNC Chapel Hill and NC State University.

In 2013 the North Carolina General Assembly (NCGA) raised sales taxes and increased average income taxes for the bottom 80 percent of taxpayers, while cutting the corporate income tax and the income taxes of the top 1 percent of taxpayers. The state has lost more than \$12 billion since these tax changes went into effect. The largest public service in the state, the UNC System, has had to bear the brunt of these cuts. Since 2013, the UNC Board of Governors (BOG) has imposed \$680 million in budget cuts on UNC campuses. Salaries and wages of employees have gone down in real terms, with the spectacular exception of administrators. The BOG has increased tuition and fees since 2010 by 87 percent, while forcing campus administrations to develop for-profit revenue models dependent on income from the provision of services to students and communities.

We propose a four-point plan to address the immediate financial concerns of the UNC System and facilitate a more equitable transition toward a post-pandemic North Carolina. These points form an integrated whole. The time for the NCGA and the BOG to act on all four steps is NOW.

We call on the NC General Assembly to take the following actions:

- 1) **Roll back the 2013 tax changes.** According to the North Carolina Budget and Tax Center, rescinding the 2013 tax changes would restore about \$2 billion annually. The state devotes one-third of its budget to funding the UNC System. In line with this, the state should appropriate about \$700 million of this restored tax revenue to the UNC System, thus increasing the state's support of per-UNC student from \$14,024 to \$16,933 annually, an increase of almost 21 percent.

This \$700 million annual increase would be enough to create a more economically and racially just UNC System by:

- a) Reducing tuition and fees for 72 percent of undergraduate students by almost 35 percent, while shifting proportionately more new resources to where they are most needed, our HBCUs and Promise School campuses;
- b) Increasing need-based undergraduate scholarships and graduate fellowships by \$70 million in order to increase the affordability of UNC campuses for our most economically disadvantaged and/or most racially marginalized students;
- c) Increasing the long-depressed wages, salaries, and benefits of university workers and staff, graduate student-workers, contingent faculty, and full-time tenure-track faculty by allocating 45.2 percent, or \$317 million of the additional \$700 million across all 15 campuses. This could also make whole the losses suffered by UNC workers during the pandemic from layoffs, wage furloughs, and program cuts, while insulating the University from the austerity cuts now being proposed by the BOG and UNC administrators.

Finally, ten percent of the \$700 million could be used to jump-start a capital campaign to convert all energy use by UNC campuses from fossil fuels like coal and natural gas to renewable energy.

The remainder of the \$2 billion in restored annual revenues should go to other pressing needs of the people of North Carolina, including K-12 education, the expansion of Medicaid, and increasing the budget of the Community College System.

- 2) **Withdraw funds from the Rainy Day Fund.** The NC government has a \$1.2 billion Rainy Day Fund. According to state law, up to 7.5 percent of the current \$6 billion plus state budget can be withdrawn from the Rainy Day Fund during an emergency. We call on the NCGA to take the equivalent of 7.5 percent of the state budget from the Rainy Day Fund, and allocate one-third of that amount (approximately \$150 million) to UNC System campuses. All campuses of the UNC System except those with large endowments, UNC Chapel Hill and NC State University, should have access to this emergency funding. The least well-endowed campuses, particularly Promise Schools and HBCUs, should be given first priority to meet their operational expenses.

The BOG, too, must act. The UNC System's \$6.7 billion endowment is the property of the people of North Carolina. Where endowment funds are designated for specific functions, they could still be reallocated to meet current needs. *A University where serious cuts in staff and programs are threatened faces fundamental challenges to maintaining the integrity of its research and teaching missions.* Thus, the imperative to meet teaching and research missions while protecting workers and students through emergency bridge funding from huge endowments is overriding.

We therefore also urge the BOG take the following actions:

- 3) **Divest the UNC System endowments from fossil fuels.** \$293 million or 4.5 percent of the assets of the UNC Investment Fund balance of \$6.7 billion are allocated in energy and natural resources, particularly fossil fuels. The campuses with the largest share of fossil fuel holdings should divest from these holdings immediately and use the proceeds from UNC-owned holdings to finance the post-pandemic transition. Holdings owned by non-UNC organizations within the UNC Investment Fund and invested in trust in fossil-fuels should be divested so as to bring these organizations into compliance with their non-profit legal charters. For campuses holding endowments of under \$100 million, fossil fuel holdings should be sold and the funds reinvested in green energy holdings.
- 4) **Withdraw additional funds from the two campuses with the largest endowments.** UNC Chapel Hill and NC State University have large endowments of \$3.5 billion and \$1.4 billion, respectively. In addition to their fossil fuel holdings, the accumulated endowments of these two schools should provide bridge funding between the current situation and the new appropriation of \$700 million that we call on the NCGA to make by revoking the 2013 tax cuts.

For instance, the (at least) \$150 million that the UNC Chapel Hill endowment holds in fossil fuels plus an additional withdrawal of \$200 million for bridge funding should be immediately withdrawn for this purpose. Similarly, the BOG should immediately divest the \$63 million held in fossil fuels from the NC State University endowment. Considering optimistic and pessimistic scenarios, it would only take between two to five years for the UNC Chapel Hill and NC State University endowments to recover the entire \$350 million and \$63 million, respectively.

ANOTHER UNC IS POSSIBLE AND NECESSARY.

THE HUMAN, FINANCIAL, AND ENVIRONMENTAL CRISES OF THE UNIVERSITY OF NORTH CAROLINA

The University of North Carolina System is in a deep financial crisis. The crisis has resulted not only from the Covid-19 pandemic, but also from the profit-oriented business model implemented on UNC System campuses. This for-profit model has seriously weakened the capacity of the University system to offer a high-quality education to our state's university students in line with North Carolina's constitutional mandate that "the benefits of the University [system], as far as practicable, be extended...free of expense for tuition."¹ Moreover, the UNC crisis is overshadowed by the worldwide crisis of accelerating climate change due to fossil fuel emissions.

We hold the UNC Board of Governors (BOG), the immediate past and current Presidents of the UNC System, and campus chancellors and provosts responsible for insisting on opening our UNC System campuses to thousands of students during a pandemic and for putting the financial bottom line of the University above the health and lives of the public.

As a result of premature campus openings in 2020 and 2021 thousands of UNC students and workers (faculty, staff, graduate workers, and campus workers) became infected with Covid-19 and transmitted it to thousands of other community residents and family members. According to the New York Times, 21,292 Covid-19 cases were recorded on UNC campuses between the beginning of the epidemic and May 26, 2021, a total of 7.4 percent of UNC's combined 288,000 students and employees—about 1 infection for every 14 of us.² Worse yet, an estimated 42,000 to 64,000 *additional* UNC students, employees, and family members came down with Covid-19 from infections directly contracted from the 21,292 recorded cases.³

The BOG and campus administrators have much to answer for in terms of the immense suffering and economic losses by UNC students and employees that ensued. Many suffered gravely from the virus. Students lost progress toward their degrees. Family members were infected and unable to work, or worse yet continued to work and infected others. At least one student died.⁴ Furloughs were also common on some campuses over the last year, often starting with the lowest-paid frontline employees who worked throughout the pandemic to keep the community safe. In fact, the University is still facing converging human, financial, and environmental crises.

Fortunately, the BOG and UNC campus administrators realized by December 2020 that they had to make some public health concessions. During the Spring 2021 semester safety precautions on some campuses improved, including continued online instruction and increased Covid-19 testing capacity. We acknowledge and appreciate these actions. But many students and workers on other campuses did not enjoy the same protections.

From the beginning of the pandemic, the business model of the BOG and campus administrators insisted that every campus generate profit or suffer the consequences. This meant that:

- Students continued to pay inflated tuition and fees, board for campus dormitories and off-campus UNC endowment-owned housing, dining services, parking, and sports events—even when many of these services went unused.
- Sports teams risked major Covid-19 outbreaks to play for television revenues.
- Patients at UNC hospitals continued to pay inflated bills for services that many could not afford.

Now, with the pandemic subsiding, we look forward hopefully but warily to the Fall 2021 semester. However, we now face additional threats from the UNC elites' business model. This is their threat to hold us hostage by continuing and deepening budget cuts, layoffs and furloughs, and eliminating research and teaching programs that have been essential to the UNC System's accomplishments.

The BOG's business model is characterized by a mindless commitment to endless fossil-fueled growth and refusal to come to terms with the greatest crisis facing humanity on planet Earth, climate change.

In addition, the BOG's business model is characterized by a mindless commitment to endless fossil-fueled growth and refusal to come to terms with climate change, the greatest crisis facing not only UNC's workers and students but humanity on planet Earth. Up to now, UNC leaders have adamantly refused to divest the \$293 million in fossil fuel holdings held by the UNC system's \$6.7 billion endowment, a strategy dictated by their model of profits at any cost.⁵ Worse yet, the UNC Endowment's capital managers so-called "Strategic Investment Policy" will push them to **add more** fossil fuel holdings—in the year 2021!—because the current allocation (4.5 percent) falls below their "strategic target" of 6 percent.⁶ On the UNC Chapel Hill campus, administrators have created obstacles and delays to doing even the minimum of converting the campus's energy supply from coal to renewable energy. Other campuses show similar reliance on fossil fuel facilities despite numerous calls to replace them with sustainable alternatives. This intransigence of the UNC elite must stop for the planet to remain inhabitable.

Under these circumstances, we no longer have faith in the capacity of our UNC System leaders to lead us successfully out of the current converging financial, public health and environmental crises—all of which are at least partly of their own creation. Those of us who work for and study in the University of North Carolina System have been moved to come together to transcend the dead-end of this conservative business model, and to seek to transform UNC toward another university that provides a better future for the people of North Carolina.

Background to the current crisis

The current crisis has been long in the making. In 2010, conservatives won control over both chambers of the NC General Assembly (NCGA). They maintained this supermajority and ensured victory for Republican Pat McCrory as governor in 2013 through gerrymandered electoral districts, subsequently ruled unconstitutional by the North Carolina courts.⁷ Having achieved this trifecta of power, the conservative supermajority restructured the state budget to transfer money from most Tar Heels to a few wealthy families and corporations. Through tax changes enacted in 2013, conservative legislators increased average income taxes for the bottom 80 percent of taxpayers, while cutting taxes for the top 1 percent by an average of \$940,000. They left open tax loopholes for the wealthy and increased sales taxes, which most heavily impact low-income residents.

According to a report by the North Carolina Budget and Tax Center, the conservative overhauling of the tax structure in 2013 eliminated the state’s Earned Income Tax Credit, harming the poorest citizens, while reducing the corporate income tax rate from 6.9 percent in 2012 to 3 percent by 2017—effectively providing their corporate donors with a 57 percent tax cut.⁸ (It is surely no coincidence that corporate political donations flow overwhelmingly to the Republican party.) Because of these 2013 tax changes, over the past six years, the people of our state have lost an astounding \$12 billion (Alexandra Sirota, director of the Budget and Tax Center, personal communication, July 27, 2020). This is wealth that properly belongs to the people of North Carolina. A substantial proportion of it should be spent on behalf of the largest public service of the state, the UNC System campuses.

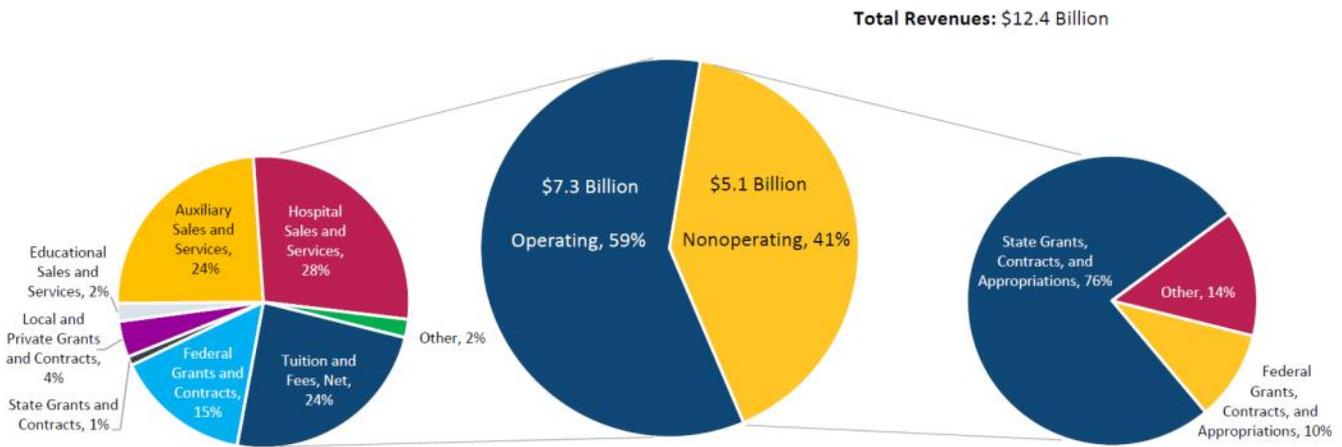
As a result of the profit-driven model, an increasing number of young North Carolinians cannot afford an education at a UNC university, or must go into debt to do so.

Since 2010, the conservative majority of the NCGA and its selected majority on the UNC Board of Governors (BOG) have veered away from treating the UNC System as a precious public good and have instead pushed the system toward a for-profit business model. After the 2013 conservative tax reform, the BOG imposed \$680 million in “management flexibility” budget cuts on UNC campuses.⁹ Salaries and wages of all workers have gone down in real terms since then, with the exception of administrative positions and salaries.¹⁰ Instead of making it possible for students from poor families, particularly families of color and with immigrant status, to benefit from the constitutionally guaranteed benefits of a university education, the BOG has increased tuition and fees since 2010 by 87 percent.¹¹

Budget cuts have forced campus administrations to develop revenue models dependent primarily on rents of campus dormitories, hospitals, food services, “revenue-generating” sports, and a wide range of investment strategies implemented through the university endowment funds (see Figure 1).

At least two major consequences have resulted from this increasingly profit-driven model. First, the fossil fuel stocks held in the UNC endowment add to its bottom line while encouraging greenhouse gas emissions that make Earth a less livable home for humans and the species we depend on to survive. Second, as a result of this profit-driven model, an increasing number of young North Carolinians cannot afford an education at a UNC university, or must go into debt to do so. This increasing debt has become an unbearable burden for many UNC students and graduates.

Figure 1. UNC System Revenue, 2020. Student tuition and fees amounted to \$1.75 billion in revenue. “Auxiliary sales and services” provided another \$1.75 billion, including revenue from student dormitory fees, meal plans, and parking.



Source: University of North Carolina, *Consolidated Financial Report. The University of North Carolina System.*¹²

UNC System and campus administrators now make the absurd proposition that institutions of higher education must continue to operate like businesses in the economic aftermath of a global pandemic. They insist that if universities cannot “pay for themselves” by generating revenue from their student-consumers during a public health crisis, then workers must suffer the consequences. Hence, the BOG and campus administrators have threatened the 47,000 employees of UNC campuses with serious austerity budget cuts through firings, furloughs, and program eliminations.¹³

We refuse to passively accede to the demands by the UNC BOG and reject their attempt to define our reality. Instead, we say that **ANOTHER UNC IS POSSIBLE.**

WHY ANOTHER UNC IS POSSIBLE

Austerity cuts are not inevitable

UNC System and campus administrators justify their threatened austerity measures by arguing that budget reductions are necessary due to the financial losses of the UNC System. This argument is profoundly flawed. There is nothing inevitable about the particular course of action that UNC leaders now claim is required and natural. They demand the budget of austerity, but the imposed austerity is artificial and unnecessary.

Another UNC System is possible not only because vast numbers of people can imagine a more just and sustainable way of dealing with this financial and public health crisis, but also because our economic reality demands it. The UNC administration's determination to drive the UNC System as a profit-generating business has proven catastrophic to public health, to UNC's financial situation, and to the prospects of a new fossil-fuel free, green economy.

University workers drive economic prosperity

The 47,000 employees of the UNC System are not a burden to the state. We are major contributors to the state's prosperity through our work as researchers, teachers, inventors, entrepreneurs, consumers, and community leaders. The value of our intellectual property collectively amounts to billions of dollars. And yet, through their threatened cuts, the UNC BOG and administrative officials would effectively disassemble the UNC System that generations of Tar Heel researchers, innovators, and teachers have worked to create. We, the workers of UNC, created the UNC System and its successes, not politicians or the economic elite.

The UNC System and university employees drive economic prosperity in the state. Public institutions provide greater economic stability and protection against recession compared to areas dependent on private investment.¹⁴ The cities and towns in which UNC campuses are situated offer wonderful examples of this stability. What would Charlotte, Asheville, Greenville, Boone, Greensboro, Chapel Hill, Raleigh, and Winston-Salem be without their University campuses and employees? Even during the pandemic, the workers of UNC campuses at all levels continued to support the teaching, research, and service missions of UNC, and yes, directly and indirectly create jobs. And as the pandemic subsides, we will once again become the engine of economic prosperity for North Carolina, so long as the UNC BOG doesn't run us into the ground.

Why do those in power seek to kill the "golden goose"? Do they really believe that imposing 25 percent or even 50 percent cuts to our jobs and incomes, furloughing us, and eliminating nationally prominent programs will solve the problems that their previous austerity policies helped to create? Continuing to shift costs onto those who can least afford it clearly is not the answer. Rather, the wealthiest corporations and individuals among us must begin to pay their fair share.

The 1% can afford it; No one else can

The top “1%” of the state’s population, the economic upper-class of North Carolina, can easily afford to “sacrifice” for the common good. This “sacrifice” would entail returning the state’s long-term capacity to sustain its public education system, something that never should have been taken from the people of North Carolina by the 2013 regressive tax changes. As we have already shown, the 1 percent owe the people of NC \$12 billion from the past six years. This bill is long overdue. Asking the people of NC to bear additional burdens is an insult at a time when 12.9 percent of the NC labor force is out of work or underemployed.¹⁵ Over 1 million people in the state have contracted Covid-19, resulting in more than 13,000 deaths.¹⁶ Fourteen percent of NC households, many of them children, don’t have enough food to eat on a daily basis, between 300,000-410,000 households in North Carolina faced eviction as of November 2020, and the state eviction moratorium is ending on June 30.¹⁷ Large numbers must choose between paying for food, rent, or medicine. Many are in debt due to spiraling medical costs and student loans.

The 47,000 employees of the UNC System are not a burden. We are major contributors to the state’s prosperity through our work as researchers, teachers, inventors, entrepreneurs, consumers, and community leaders.

Many of us working for the UNC System, particularly housekeepers, clerical staff, physical plant workers, workers for subcontractors (e.g. food services), graduate student-workers, and contingent faculty are among those most seriously affected by substandard wages, insufficient sick leave, and lack of benefits like pensions and parking.¹⁸ A large proportion of those affected have been women, many of them Black and Brown women, whose rates of infection and deaths due to Covid-19 have been three times that of the majority population.¹⁹

These large and small tragedies are happening not just because of the pandemic, but because of the huge inequalities generated by the last 40 years of conservative misrule, both nationally and at the state level. The United States has the highest degree of income inequality after taxes and transfers in the developed world; the US has a regressive personal income and corporate tax structure which particularly favors the wealthiest 1 percent.²⁰ In early 2020, the wealthiest 1 percent of the US population owned 31.2 percent of the wealth, while the bottom 50 percent owned only 1.4 percent.²¹ The wealthiest 20 Americans possess as much wealth as the bottom half of US households combined.²² A June 2021 report by *ProPublica* found that the richest handful of Americans (e.g., Jeff Bezos, Warren Buffett, Elon Musk and Michael Bloomberg) paid taxes at lower rates than almost all UNC workers, and for some years, they paid absolutely no taxes at all. This is

due to the unfavorable tax treatment that the vast majority, people who work for wages and salaries, receive compared to the ultrarich.²³

These obscene inequalities have arisen from a sordid history of deindustrialization, financial speculation, union-busting, and fraud. The so-called 2007-2008 “subprime” crisis led more than 10 million homeowners to be foreclosed on between 2006-2014 to hustlers in investment banks and hedge funds. Only one fraudster went to prison because of it.²⁴ Our unemployment statistics are suspiciously low, since large numbers of people who are unable to work full-time are excluded from the statistics because they are employed only seasonally (like contingent faculty), part-time, or have given up looking when they find themselves un-hirable because of long gaps in employment. New jobs pay less than ever before and provide few or no benefits. Meanwhile, the government safety net grows increasingly frayed. In North Carolina, the same conservatives who took power through illegal electoral gerrymandering in 2012 have also refused to cover the poorer half of the population with Medicaid coverage and slashed unemployment benefits to among the lowest in the nation.

The economic situation of most NC residents has been difficult for decades. Now, with the economic aftermath of the Covid-19 pandemic, it has become desperate. Thousands of Tar Heels are out of work, underemployed, or don't know where their next rent payment or meal will come from. Thousands will face evictions as soon as the eviction moratorium ends on June 30. Under these circumstances, how can residents or their college-age youth be expected to prop up the UNC System through tuition and fees, housing, dining, and other “business” ventures that administrators have designed to siphon money from students and the community? And why should the 47,000 employees in the UNC System bear the costs of the last four decades of neoliberal austerity?

But the wealthiest 1 percent of the population can bear these costs. This is not a secret. “Trickle down” economics has been successful only for those already wealthy or making large incomes; everyone else loses and most of us know it. As the *ProPublica* (2021) report reveals, the ultrawealthy don't pay proportionately anything like the income taxes of the 99 percent, and in some years many of the ultrawealthy pay no income taxes at all.

To be blunt, when it comes to the tax payments that subsidize our government services, the vast majority of Americans are being screwed. Like the ultrarich elsewhere, a very few extraordinarily wealthy families in North Carolina and their corporations have taken advantage of the extreme tax breaks created by the 2013 regressive tax changes. Yet the wealth and their corporations profit extraordinarily from the public services that the North Carolina government provides, including the UNC System which provides a highly educated and trained labor force and hi-tech innovations. The real “takers” are not the 99 percent of the population that owns only a small percentage of the country's wealth, but the plutocrats and corporate owners who make up the 1 percent.

WHERE DO WE GO FROM HERE?

Rescinding the sweeping 2013 Republican tax changes that favor the wealthiest families and corporations would restore billions of dollars to the public treasury where it can work on behalf of the education and health of North Carolina residents.²⁵ Wealth and income inequality are now so advanced in the US that broaching this subject is no longer political taboo. In September 2020, New Jersey governor Philip Murphy, a former Goldman Sachs banker, asked his state’s assembly to adopt a “millionaires’ tax” because of the Covid-19 crisis, explaining that “now is the time to ensure the wealthiest among us are also called to sacrifice.”²⁶ Governor Murphy knows that no one else but the upper-class of his state has the money needed to deal with the crisis. If this is true for a rich state like New Jersey, then it is also true for the much poorer state of North Carolina.

As a UNC System cross-campus coalition composed by members of the AAUP, UE150 NC Public Workers Union, and unaffiliated partners, we demand that the most wealthy individuals and corporations in North Carolina step up and do their part financially to ensure the future vitality and viability of the University of North Carolina System. Our overarching objectives are as follows:

OVERARCHING OBJECTIVES

- ☞ **Make whole UNC workers, students, and programs for their financial losses during 2020-2021.** This may include reinstating those laid off with back pay, paying wages for furloughed leaves, paying for unpaid leaves due to worker illness and caring for family members during the pandemic, and extending funding for graduate workers.
- ☞ **Ensure economic justice for UNC workers:**
 - Enhance the benefits and increase the wages of lowest-paid campus workers to the “living wage” levels of the cities and towns in which UNC campuses are located.²⁷
 - Increase clerical staff salaries and benefits to levels competitive with the private sector.
 - Raise graduate student-worker stipends and provide annual cost-of-living increases.
 - Increase the salaries of contract faculty to at least \$15,000 per course, with guaranteed healthcare and retirement benefits.²⁸
- ☞ **Make higher-education in North Carolina free of charge to our students,** to the extent possible, in order to bring the UNC System into accord with the NC Constitutional mandate that “public institutions of higher education, as far as practicable, be extended to the people of the State free of expense.”²⁹
- ☞ **Provide more generous scholarships and fellowships** to low-income students and students who are Black, Indigenous, and people of color in the UNC System.
- ☞ **Equitably allocate resources across the UNC System** by prioritizing HBCUs and Promise Schools.
- ☞ **Implement a capital campaign** for the conversion of UNC System campuses to 100% renewable energy sources, beginning with the complete divestment of fossil fuels from the UNC System’s endowment.

The bottom line: Progressive funding for the UNC system

To meet these objectives, we call on the North Carolina General Assembly (NCGA) to implement the following measures:

- A. *Rescind the 2013 regressive tax changes implemented by the conservative majority of the NCGA and appropriate no less than \$700 million in new state revenues for the UNC System.***
- B. *Devote the remaining \$1.3 billion to K-12 education and Medicaid expansion, given that public elementary and secondary education and medical care to the poorest North Carolinians were also major casualties of the 2013 tax giveaways to the wealthy and corporations by the conservative majority of the NCGA. We stand in solidarity with labor unions and advocacy organizations whose members work in K-12 education and healthcare and seek to regain this state funding to replenish these vital public services.***



UNC PROGRESSIVE FUNDING PLAN

- Rescind the 2013 tax changes and appropriate \$700 million for the UNC system.
- Devote the remaining \$1.3 billion to K-12 education and Medicaid expansion.

The NCGA should immediately rescind the 2013 tax change laws which have generated an upward flow of wealth to the 1 percent in the state, and use the new revenues (approximately \$2 billion annually) on behalf of the people of North Carolina.³⁰

Two billion dollars is not an arbitrary figure. According to the Budget and Tax Center report of 2016 regarding NCGA tax changes by the conservative majority,

[T]he further reduction in PIT (Personal Income Tax) and CIT (Corporate Income Tax) would reduce revenue by an additional \$677 million for the fiscal year that starts July 1, 2016, with the cost growing in subsequent years. This further reduction in revenue available for public investment builds onto the nearly \$1.4 billion in annual revenue loss from income tax cuts since 2013. These are dollars that otherwise would be available for public schools, making higher education more affordable, healthcare services for the elderly and poor, and helping ensure that economic growth extends to rural and distressed communities across the state.³¹

Since the largest service provided by the state of North Carolina is education, and because the UNC System typically receives about one third of the state's general revenues, no less than \$700 million of this additional revenue should be used to support UNC System campuses, beginning in 2021 and continuing indefinitely thereafter. This additional \$700 million in annual appropriations is needed to protect our UNC System's infrastructure and human capital from further economic decimation due to the pandemic and to meet our other Overarching Objectives (stated above).

What could \$700 million do for UNC students, workers, and the environment?

An additional \$700 million funding per year to the UNC System from reversing the 2013 tax breaks would make a major contribution to the people of North Carolina by enabling the state to increase per-student support by almost 21 percent annually, from an average of \$14,024 to \$16,933. How an additional \$700 million might be allocated to meet the many needs of NC residents and workers is not for us to decide. **All state funds allocated to the UNC System should be subject to democratic decision-making that includes an assembly of all constituents of the UNC System**—its workers, students and their families, the BOG, and indirectly the NCGA.

To show how the \$700 million could improve the wellbeing of the people of North Carolina, we develop a hypothetical budget allocating the funding across the UNC System (Table 1).

	Amount
Reduce undergraduate student tuition and fees	\$243 million
Increase need-based undergraduate scholarships and graduate fellowships	\$70 million
Increase wages, salaries, and benefits of UNC employees	\$317 million
Launch a capital campaign to convert UNC campuses to renewable energy	\$70 million
Total:	\$700 million

Reduce the cost of tuition and fees by almost 35 percent for the vast majority of students enrolled in UNC campuses with \$243 million from the new \$700 million.

The \$700 million increase in appropriations to the NC System should be partly used to enforce North Carolina’s constitutional requirement that higher education for residents be made as “free of expense” as possible. The NCGA should make this a reality by immediately decreasing the tuition and fees for all in-state students, directing the greatest relief to the students at the least endowed schools. According to our scenario, in 2021 and beyond, allocating \$243 million would make it possible to **reduce the tuition and fees for approximately 72 percent of all students enrolled in the UNC System by 34.8 percent.**³² We propose that the remaining 28 percent of students, those at the two most highly endowed universities (UNC Chapel Hill and North Carolina State University), have their tuition and fees reduced by 10 percent through withdrawals from their endowments’ divested fossil fuel holdings (discussed below).

Increase need-based undergraduate scholarships and graduate fellowships by allocating an additional \$70 million annually, or 10 percent of the new \$700 million.

Current per-student funding within the UNC System discriminates against students attending our HBCUs (Fayetteville State University, North Carolina A&T State University, North Carolina Central University, and Winston-Salem State University) and Promise Schools (Elizabeth City State University, UNC Pembroke, and Western Carolina University). Compared to per-student funding at UNC Chapel Hill (\$23,655) and NCSU (\$16,870), the per-student funding for the 32,000 students in the four HBCUs ranges from \$10,679 to \$14,195. Per-student funding for the 21,637 students at the three Promise Schools ranges from \$12,866 to \$13,844, once long overdue “stabilization funds” for Elizabeth City State University are subtracted out.

We propose that \$70 million annually be allocated to need-based scholarships and fellowships, with a priority on increasing the affordability of UNC campuses for our economically disadvantaged Black, Indigenous, and Latinx students. Large numbers of students of color attend our HBCUs and Promise Schools. Students on these campuses must receive first priority. The second priority should be to increase per-student state funding to the six other UNC campuses (Appalachian State University, UNC Asheville, UNC Charlotte, UNC Greensboro, UNC Wilmington, and East Carolina University), which also suffer lower funding levels compared to the top tiered UNC Chapel Hill and NC State University. In future years, the percentage of the additional \$700 million should remain at 10 percent or higher to ensure that the poorest and most vulnerable of North Carolina’s youths receive the most affordable university education possible given the state’s resources.

We propose that the best way to both reduce tuition and fees and increase need-based scholarships is by appropriating an average of \$15,890 per student for all campuses in the UNC System, with the exception of UNC Chapel Hill and NC State University. An across-the-board increase to all campuses would provide special relief to the historically underfunded HBCUs and Promise Schools. Over time, the additional \$700 million in funding to the UNC System allocated in this way will allow HBCUs and Promise Schools to increase their enrollments as well as scholarships for poor students. This additional funding level per student will not only allow HBCU and Promise School students in our state to enter UNC System universities at lower cost, but also provide more scholarship funding to the poorest UNC students in the state so that they can afford a university education without incurring proportionately large amounts of debt.

Increase the wages, salaries and benefits of university workers and staff, graduate student-workers, contingent faculty, and full-time tenure-track faculty (in non-administrative positions only), by allocating 45.2 percent, or \$316.6 million, of the \$700 million across all 15 campuses.

UNC workers across the board—whether physical campus service workers, administrative staff, graduate workers, contingent faculty, and even non-administrator full-time tenure-track faculty—have been underpaid for years. This has not only lowered the living standards and injured the

morale of our workers, but also undermined our capacity to innovate and maintain our stature as one of the great public university systems in the country. An increased investment in our 47,000 workers is an investment in a higher quality education for our 239,000 university students, and in our capacity to continue to be the source of intellectual excellence, innovation, and value creation.

Large numbers of our instructional staff across UNC campuses are precariously employed and paid near poverty wages, reducing their capacity to instruct students and carry out research. Within the UNC System, as is true for universities across the US, graduate students engage in a large proportion of the teaching, alongside the research that leads to their degrees. Their “stipends” are not gifts, but salaries exchanged for labor. Graduate workers’ wage-stipends currently pay for only nine months of teaching, leaving most without a source of income during the summer months. Wage-stipends should therefore be increased immediately by one third (e.g., from a typical \$16,500 per nine-month “year” to \$22,000 per year) so that graduate workers can devote themselves full-time to research and teaching without working multiple jobs. As appropriate for all wage workers, cost of living increases should be made to graduate wage-stipends going forward.

Another group of instructors throughout the UNC system receiving poverty-level salaries are contingent faculty paid on a per-course basis. The current level of per-course pay provides insufficient income even for faculty teaching four or more courses per year. Until this is rectified, we propose increasing contingent faculty payment to an average of \$15,000 per-course. Contingent faculty should also receive healthcare insurance and parking spaces as new benefits. Over the next 5-10 years, the new funding should be used to “regularize” these faculty positions by converting them to tenured, long-term positions.

We also recognize the highly unequal distribution of incomes among the workers of the UNC System and across the UNC campuses. These inequalities have been reinforced by racial and gender inequities, reflecting the inequalities of our larger society. Thus, special attention is necessary to redress those who have been left behind among our workers.

An increased investment in our workers is an investment in a higher quality education for our 239,000 university students and in our capacity to continue to be the source of intellectual excellence, innovation, and value creation.

Create a new \$35 million fund (out of the \$316.6 million devoted to pay increases) to enhance the benefits and raise the wages of our lowest-paid UNC workers up to the “living wage” appropriate to the city or town in which their campus is located.

Five percent of the additional \$700 million new appropriation (yielding \$35 million) should be devoted to enhancing workers’ pay and benefits throughout the UNC System campuses. Highest priority should be given to increasing paid sick leave per diem rates and increasing the number of allowable paid leave days for workers affected by Covid-19. These are our UNC on-campus physical workers (e.g. housekeepers, maintenance staff), our lower-level clerical staff, and our contingent faculty paid on a per-course basis. For this purpose, a committee on each campus should be established, based on the campus’s proportion of total per-student state funding, to administer the new fund, with decisions made based on equal representation by that campus’s recognized staff organization (one-vote), representatives of the AAUP/UE 150 coalition (one-vote), and the Human Relations department (one-vote). Priority in the allocation from this fund should go to the lowest-paid workers on each campus.

We hasten to add that it makes sense to allocate more funding to those who are least paid because their additional incomes will be used for increased consumption that will patronize local businesses and increase economic prosperity throughout the local community.

Launch a capital campaign to convert all UNC campuses to 100% renewable energy within the next 10 years and promote renewable energy use by all UNC workers and students using \$70 million annually, or 10 percent of the new \$700 million.

As we have indicated, the crises afflicting the UNC System are not only human and financial, but also environmental as climate change threatens to overwhelm our world. In addition to large fossil fuel holdings in university endowments, most UNC campuses remain reliant on fossil fuels for energy supplies. These facilities must be made carbon-free in order to eliminate their emissions of CO₂, as well as hazardous particulates.

In one egregious case, the UNC Chapel Hill coal-based co-generation plant emits not only CO₂, but also toxic nitrogen oxide, sulphur dioxide, and other hazardous particulates into the air breathed by campus workers and students. These emissions also disproportionately impact neighborhoods with larger populations of racial minority residents (especially Latinx and Asian).³³ While the precise levels of harm from this coal-based plant are controversial, why, given the climate crisis, is the plant operating at all? When asked why this plant remains online, UNC officials tell us they cannot afford to transition to renewable energy sources. Although the long-term funding required to undertake the transformation of all fossil-fuel facilities on UNC System campuses as well as elsewhere in the state remains the responsibility of state and federal governments, the \$70 million proposed here help UNC administrators stop fiddling while the planet burns.

Building the post-pandemic transition while going green

We call on the UNC Board of Governors (BOG) to disburse funds from the UNC endowments to support the UNC System during the time of transition until the called-for funding changes from rescinding the 2013 tax law take effect. We expect endowment withdrawals in 2021 and as long as our current funding crisis lasts to be used to ameliorate the three crises facing the UNC System.

The University of North Carolina is a wealthy university system. The consolidated endowments of the UNC System (known as UNCIF) amounted to more than \$6.7 billion in 2020.³⁴ Even with the general economic downturn affecting the rest of us, the endowment has returned a 2.3 percent profit during the pandemic due to massive public bailouts of corporations (the late 2019 federal relief acts), combined with the de facto subsidies to Wall Street and the stock market from the Federal Reserve Bank's quantitative easing strategies.³⁵ The quantitative easing stimulus is an ongoing taxpayer gift to the 1 percent and corporations, guaranteeing them almost free capital needed to write off financial speculative losses and pump up stock returns. As of June 2021, the Dow Jones Industrial Average stock market 1-year return was a remarkable 37.21 percent increase, despite this last year being economically disastrous for the rest of us.³⁶

Since early in the Covid-19 crisis, wealthy universities across the country have been called on to use their endowment resources to protect students and workers.³⁷ These calls have often been characterized as non-viable given legal restrictions on endowment spending. Despite those limitations, the experiences of various universities show that endowment funds can in fact be used to finance budget shortfalls.³⁸ This is true even for universities with endowments lower than those of the UNC System, such as The University of Delaware, which withdrew \$100 million from its \$1.6 billion endowment.³⁹ While we reject the University of Delaware's staff cuts, we acknowledge its willingness to use endowment funds to deal with the crisis and demand universities of the UNC System do the same.

The UNC System endowment is the property of the people of North Carolina. It does not belong to investment managers, the BOG, or UNC administrators.⁴⁰ It exists to meet the needs of the University, its students, and the people who carry out its mission of teaching, research, and service.



PANDEMIC BRIDGE FUNDING PLAN

- Divest and withdraw \$293 million in fossil fuel investments from the UNC System endowments.
- For campuses with less than \$100 million endowments, reinvest in green energy.
- Withdraw additional funds from the two largest campus endowments (UNC and NCSU).
- Allocate \$150 million from the State's Rainy Day Fund to the UNC System.
- Make budget cuts only from the top for administrators earning six figure salaries.

The endowment has a special tax exempt status, allowing it to avoid paying a single cent of taxes on its billions of dollars in gains. It has only received this tax-exempt status because it is held in trust to be used for the higher education of the people of North Carolina.

Withdrawing endowment funds has its legal limitations, however their current administration also has deep flaws and inequities. This includes the refusal to divest from fossil fuel holdings while our planet undergoes ecological destruction and the people of North Carolina endure increasingly intense hurricanes and floods because of climate change. Fossil fuel investments must change for two reasons. **Not only has divesting fossil fuels and reinvesting in green energy become a major ethical imperative in the current moment, but it is also economically responsible as green energy yields greater returns.**⁴¹

A major funding source to facilitate the transition to a post-pandemic North Carolina are the fossil fuel holdings of the UNC System consolidated endowment, which amount currently (mid 2021) to approximately 4.5 percent of its total portfolio.⁴²

To fund the post-pandemic transition, we call on the UNC BOG and the endowments' capital managers to immediately do the following:

A. Divest the approximately \$293 million the UNC System endowment currently holds in fossil-fuel holdings, or 4.5 percent of the total \$6.7 billion accumulated.

Divesting \$293 million in fossil fuel holdings from the consolidated UNC System endowment is imperative to mitigate the runaway greenhouse gas emissions currently contributing to climate change and an increasingly unlivable planet. Given the clear consensus of the scientific community that humans are causing climate change through fossil fuel emissions, failure to divest will mean leaving an unforgivable legacy for future generations. And if it makes any difference, fossil fuel investments are becoming “stranded assets” entering into long-term permanent decline in market value because of broader societal shifts toward a green energy economy.

We are deeply concerned that the managers of the UNC System endowment appear to be going precisely in the **opposite** direction from what rationality in favor of human survival would dictate. The UNC Endowment capital managers' “Strategic Investment Policy” pushes them to invest *more* in fossil fuel because the endowments' current allocation of fossil fuel holdings (4.5 percent) falls below their “strategic target” of 6 percent.⁴³ For these managers, is it as though the years of reports from the Intergovernmental Panel on Climate Change on the connection between fossil fuels and anthropogenic climate change never existed.

The majority of this \$293 million in Endowment fossil fuel holdings is held directly by the University as public funds, while a minority of this amount is owned by nonprofit organizations whose investments are managed by the UNC System endowment. (We don't know the exact amounts owned by nonprofits within the fossil fuels portfolio of the UNC system endowment precisely because of the secretiveness of Endowment capital managers.)

Table 2. UNC System endowments: Size and fossil fuel holdings to be divested. Amounts in USD millions.

Campus	Endowment	Fossil energy holdings at 4.5% to be divested	Fossil fuel holdings at 4.5% to be divested & withdrawn
UNC Chapel Hill	\$3,642	\$163.9	\$163.9
NC State University	\$1,400	\$63.0	\$63.0
UNC Greensboro	\$310	\$14.0	\$14.0
UNC Charlotte	\$220	\$9.9	\$9.9
East Carolina University	\$210	\$9.5	\$9.5
Appalachian State University	\$125	\$5.6	\$5.6
UNC Wilmington	\$105	\$4.7	\$4.7
UNC System Office	\$80	\$3.6	\$0.0
Western Carolina University	\$90	\$4.1	\$0.0
NC A & T University	\$75	\$3.4	\$0.0
UNC School of the Arts	\$75	\$3.4	\$0.0
UNC Asheville	\$50	\$2.3	\$0.0
NC Central University	\$40	\$1.8	\$0.0
Winston-Salem State University	\$35	\$1.6	\$0.0
UNC Pembroke	\$25	\$1.1	\$0.0
Fayetteville State University	\$20	\$0.9	\$0.0
Elizabeth City State University	\$15	\$0.7	\$0.0
Total to divest/divest and withdraw:		\$293	\$271

Note: Data from *2020 UNCIF Annual Report* and *2020 UNC System Consolidated Financial Report*.⁴⁴

The majority of the fossil fuel holdings in the UNC endowments held directly by the University should be divested immediately. In the case of UNC campuses with endowments of \$100 million or more, these divestment withdrawals should be used for bridging funding for campuses to recover from the financial losses of the pandemic and to meet the overriding objectives we propose here. For campuses with endowments of less than \$100 million, we call on University money managers to withdraw their modest fossil fuel holdings and reinvest them in green energy, so as not to deplete these smaller endowments.

Even though part of the UNC system endowments are managed by the UNC system endowment money managers on behalf of non-UNC nonprofit organizations, this is no excuse not to divest these holdings. While the disposition of these divestments are not for public use, non-profit

organizations registered as 501C(3)'s have legal charters that must be consistent with public purposes, the foremost of which is the survival of the human species. For these organizations to continue to profit from such fossil fuel holdings contravenes their charters. Under these circumstances, the names of any nonprofit organizations with fossil fuel holdings in the UNC endowments that refuse to divest and continue to profit from planetary destruction should be made public as an incentive to bring their charters into compliance with the imperative for human survival. We urge them to divest their fossil fuel holdings from the UNC System endowment and reinvest them in green energy holdings.

B. Withdraw additional funds from the endowments of the two largest endowments, UNC Chapel Hill and North Carolina State University, to provide bridge funding to the post-pandemic era and to meet our Overarching Objectives above.

The endowments of two campuses, UNC Chapel Hill and NC State University, are by far the largest of the system, with \$3.64 billion and \$1.4 billion respectively in their holdings. These enormous accumulated endowments, favored as they have been for generations by tax-exempt status, should be used to provide bridge funding between the current situation and the new appropriations that we call for starting in 2021-2022. **We therefore propose that the UNC Chapel Hill endowment withdraw \$350 million and the NC State University endowment withdraw \$63 million to provide bridge funding to meet the needs of the post-pandemic era.**

“We can’t afford it!” endowment managers and BOG members will exclaim. Let’s examine this claim more closely, taking UNC Chapel Hill as an example, to see if it holds up to scrutiny. The Chancellor of UNC Chapel Hill has indicated that we can expect 3 percent cuts in personnel and 15 percent cuts in operating expenses over the next two years.⁴⁵ The \$164 million that the UNC Chapel Hill Endowment now holds in fossil fuels and natural resources investments would go a long way towards covering these costs. Let us assume that at least \$150 million of these fossil-fuel holdings are directly owned by the University and not funds held in trust from non-UNC non-profit organizations, and could therefore be spent on pressing post-pandemic UNC expenses related to the campus’s financial crisis. In addition, the Chancellor would be the first to point out that approximately \$200 million from the UNC Chapel Hill endowment is already earmarked for various worthy campus expenditures, including faculty salaries. To account for these earmarked expenditures, we will include another \$200 million withdrawals in our calculations, bringing total proposed withdrawals to \$350 million in 2021-2022 (Table 3).

How long would it take the UNC Chapel Hill endowment to recover this amount in full if it were used to bridge UNC Chapel Hill’s 2021-2022 budget? Not long at all, due to “the miracle of compound interest.”

Because the future is unknown, we project both optimistic (high-return) and pessimistic (low-return) scenarios for the Chapel Hill endowment. Using the 2020-2021 rate of return of 2.3 percent as a pessimistic scenario, by late 2026 or early 2027 all withdrawals would be recovered; using the 10-year historic rate of return of the endowment of 8.67 percent, all withdrawals would be recovered by

mid 2024. Given all the fiscal supports by the US Treasury of the stock market, a recovery period closer to the optimistic scenario is far more likely.

Table 3. UNC-Chapel Hill endowment: Withdrawals and projected annual growth. If \$350 were withdrawn in 2021-2022 to cover current shortfalls, the full amount would be recovered within 2 to 5 years.

Year	Current endowment (millions)	Projected endowment (millions)	
		Optimistic scenario, 8.7% annual return	Pessimistic scenario, 2.3% annual return
2021 (Current)	\$3,642		
2021 (Less \$150 million in fossil fuel divestment)	\$3,492		
2021 (Less additional \$200 million to meet financial shortfall)	\$3,292		
2022		\$3,577	\$3,368
2023		\$3,888	\$3,445
2024			\$3,524
2025			\$3,605
2026			\$3,688

Notes: Data from *2020 Chapel Hill Foundation Investment Fund Annual Report*.⁴⁶

First bottom line: Within two to five years, (i.e., some time between early 2023 and the end of 2026, but probably closer to 2023) all withdrawal funds would be recovered.

Second bottom line: Divesting all fossil fuel holdings from the UNC Chapel Hill and other UNC Campus endowments is going to happen. And given the ethical and political imperatives for divestment, it is going to happen very soon, whether the UNC BOG, UNC administrators, or endowment money managers like it or not. They would be well advised to prepare for the inevitable by doing the right thing now.

To reiterate, the endowments on these two campuses should be used on a short-term basis to make up for funding shortfalls during this period of crisis. What constitutes an emergency for which endowment withdrawals are appropriate if not the current situation? The Covid-19 pandemic has caused 60,000-80,000 infections on UNC campuses and hundreds of millions of dollars in lost revenue to the UNC System. Drawing on the disproportionate wealth of endowments of UNC

Chapel Hill and NC State University will allow these campuses to forgo bridge funding from other sources such as the state’s Rainy Day Fund (see below).

C. Equitably allocate \$150,120,000 from the State’s Rainy Day Fund (RDF) to UNC System campuses to meet financial emergencies.

It’s raining hard. Why aren’t we using the Rainy Day Fund? The state of North Carolina government has a \$1.2 billion “Rainy Day Fund” (RDF)? According to state law, up to 7.5 percent of the current \$6 billion plus North Carolina General Fund can be withdrawn from the RDF for use on a “Rainy Day.”⁴⁷ This would amount to \$450 million. We realize that the needs of the people of North Carolina are many, yet it is fair that about one third of this Rainy Day fund be allocated to the UNC System, since the state government expands about one third of its funding for public higher education through the UNC System. Proportionally this would amount to \$150 million.

We call on the NCGA to immediately withdraw the 7.5 percent of the General Fund legally available and allocate one third, amounting to approximately \$150,120,000, to the UNC System campuses to meet their emergency financial needs due to the pandemic. Other than UNC Chapel Hill and NCSU, all campuses of the UNC System should have access to this emergency funding. Consistent with principles of solidarity, this amount should be allocated unevenly to give the least well-endowed campuses of the UNC System (its Promise Schools and HBCUs) first priority. We have to protect the financial base of the least well-endowed campuses first.

If, despite our demands, the UNC BOG and UNC campus chancellors and provosts continue to insist upon inflicting budget cuts upon us, we demand that they start and end at the top.

We call for the remaining \$300 million to be withdrawn from the RDF and used to meet the immediate emergency needs of K-12 public education in North Carolina.

D. Still determined to cut? All cuts should start with top UNC Administrators and Money Managers.

On UNC System campuses, administrators with huge six-figure salaries and titles such as “Associate Provost,” “Associate Vice Chancellor,” “Assistant Dean of ...,” “Associate Senior Dean of...”, etc. have proliferated. According to the public salary database, approximately 1,650 employees in the UNC System make salaries of \$200,000 or more.⁴⁸ This administrative bloat has occurred as UNC campuses increasingly conform to a for-profit business model. Under such a model campuses are expected to provide their undergraduate students with various

administrative “services,” a dynamic which sees students mainly as “customers” not as learners of knowledge and skills needed to participate in our democratic society. Many of these offices and administrators provide marginal value relative to the core functions of teaching and research at our universities, while using a disproportionately high percentage of our campuses’ payrolls.

If, despite our demands, the UNC BOG and UNC campus chancellors and provosts continue to insist upon inflicting budget cuts upon us, we demand that they start and end at the top. Expending large salaries on high-level administrators leads to the proliferation of these positions, many of whose tasks are unclear and who must never justify what they do to the rest of us. On the UNC Chapel Hill campus for example, there are 12 vice-provosts, 28 vice-chancellors, 127 deans, and 811 directors or associate directors of various programs and institutes. Many of these officials have vague or indecipherable job descriptions, but this does not prevent the university from assigning them enormous salaries.⁴⁹ Many of these positions could be eliminated with little to no disruption of campus operations. For those who remain, temporary salary cuts of 50 percent should be imposed before a single graduate student, faculty member, or other campus worker is laid off as part of the contingency austerity cuts imposed on each campus by the BOG.

At a time of imposed austerity, we believe that the huge salaries and bonuses of the staff of the UNC Management Company which manages the UNC System consolidated endowments should be targeted for substantial (50 percent plus) cuts. The nine top-paid managers out of a total staff of 25 had salaries and commissions in the depressed year 2020 that ranged between \$352,000 and \$1,300,000.⁵⁰ These compensation levels are astounding, especially in a year of massive unemployment and income losses due to the pandemic. While it is questionable whether they ever deserved such high compensation, their current levels are inexcusable at a time when the UNC BOG insists on inflicting huge cuts on the rest of us. We ask that the 25 employees of the UNC Management Company team take 50 percent cuts as part of the sacrifice being inflicted on the rest of us. Such savings should be redirected toward needy student scholarships.

ABOVE ALL, WE ARE IN IT TOGETHER: ELIMINATING RACIAL, CLASS AND SPATIAL DISPARITIES

One insight gained during the last year is that we who work for and study at UNC System campuses are all in this together in at least two ways. First, we share the situation where a conservative majority on the BOG for years has ruled us financially with the iron hand of free-market orthodoxy—driving us toward a profit-oriented model which says basically, to the most “competitive” go the spoils and the rest of us are the “losers.” This business model combined with long-standing racial discrimination has led to widespread race and class disparities within our student bodies, our non-instructional labor force, and our teaching and research labor force, as well as large inequalities in funded resources across the campuses of the UNC System. As a result, we have been divided and siloed away from one another, despite the many common values and interests that we all share.

Second, racial and class disparities have led us to experience the pandemic in radically different ways. On some campuses, faculty were “allowed” to teach online, while administrations insisted that instructors on other campuses teach “in person”; some campuses allowed for more protection for our workers, while workers on other campuses were relatively neglected, with their rate of infections, lost income, and even deaths, illustrating this differential.

We believe the divisions along racial, class, and spatial lines within the UNC workforce and student bodies must end. We therefore pledge to work together to rectify these divisions both within our campuses and across our campuses of the UNC System. This current crisis is the opportunity for us to extend our power and reach both within our campuses, and across our different campuses, to create new solidarities.

As a first step, we urge the creation of a UNC System-wide coalition of campus workers, including faculty, physical plant workers, housekeepers, graduate student workers, clerical workers and others across North Carolina to join us in our coalition of UE Local 150: the North Carolina Public Service Workers Union, the American Association of University Professors (AAUP) chapters in the UNC System, and our other partners, to work together to forge collective power. Our mid-range objective is to rescind North Carolina General Statute § 95-98, the law that makes it illegal for state government employees to collectively bargain with those who employ us. We know that this law has to be overturned if we are going to have a more prosperous and more effective University in meeting its mission.

We are confident that under these conditions, and with the demands that we have voiced, Another University Is Possible.

NOTES

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