ugFA
Representing Faculty, Librarians & Veterinarians

The Negotiator

Friday, August 22, 2014

Overview of Negotiations to Date

The executive of the Faculty Association is asking you to vote Yes on September 8 and 9, to authorize a strike. We continue to believe that obtaining a strong strike mandate ahead of the first conciliation meeting (September 10) is the best way to ensure that management will agree to a reasonable settlement of the ongoing negotiations.

As you are aware, the negotiation process has dragged on for many months. For much of that time, management had tabled proposals that represent the most far-reaching attack on Member terms and conditions of employment that we have ever seen. That attack included an attempt to gut the existing job security provisions under Article 24. Additionally, the Administration's proposals have included unacceptable and sub-standard compensation terms that fundamentally altered the structure of Member pay and fall far short of similar sector settlements.

After long months of hard bargaining, the UGFA negotiating team succeeded in getting management to agree to withdraw its proposals on Article 24: the tentatively signed off package that is currently on the table leaves Article 24 untouched. With respect to other non-monetary articles, we have had some wins. For example, management has agreed to put language into the Collective Agreement that will require meaningful consultations with the Association before it imposes new software systems like the eCV. Getting an agreement for "meaningful consultations" falls far short of guaranteeing protection of members against the sort of fiasco that we have just experienced with Sedona; but, in fact, it would give us some of the best language on this important issue that has yet been obtained at an Ontario university. Importantly, we have secured tentative agreement to workload improvements for faculty, librarians and veterinarians, as well as improvements for the tenure and promotion/CAP processes and discipline.

Where have we lost ground? Management was insistent that the absolute requirement for member consent to changes in Distribution of Effort (DoE) could not continue. After a lengthy series of proposals and counterproposals, the negotiating team conceded to agree to a Letter of Understanding (that is, an appendix to the Collective Agreement, which would expire at the end of the term of the agreement, unless both sides agree to continue it). This Letter gives management the right to make a unilateral change to a member's DoE, but only under very specific conditions and with clear restrictions. We believe that, on balance, this represents a reasonable compromise that protects the underlying principles of DOE and includes necessary protections to forestall arbitrary or wide-spread changes to Members' DOEs.

It is important to bear in mind that, although these changes have now been signed off, nothing is formally agreed to until everything is agreed - that is, until the complete agreement has been signed and ratified by both parties. We need your support to ensure final agreement on all outstanding issues with a strong YES support for the Strike vote.

Now we have come to a point in the negotiations where the non-monetary articles have been tentatively agreed - with some gains and some concessions, as mentioned above. And so the bargaining now hinges on compensation. That should not come as a surprise. It is typical of negotiations (especially with academic staff association Collective Agreements, which are among the most lengthy and complex that exist anywhere in the labour market) that monetary issues are the last to be resolved.

Most of the non-monetary issues have a certain " give and take" character to them. When we are negotiating, say, on the makeup of the tenure and promotion review committees, it's not always obvious which choices are best for each side. In other words, those negotiations have a significant element of what we call "interest bargaining", where both sides share a common interest in developing an effective organizational structure. But when it comes to monetary issues, the bargaining becomes almost purely "positional".

When you read news stories about collective bargaining, the media usually presents a very simplified analysis, which usually amounts to a comment like "the union wanted 7% over three years, but they agreed to settle for 1, 2, and 2". In most cases, the real story is more complex and nuanced. That is especially true for academic staff, because our salary structures are so complicated.

Annual Career Increment (ACI) Proposals

Most academic staff contracts include the following general components: salary floors for each rank; an annual career increment (this can be labeled in many different ways, such as: grid step, or "CDI" - career development increase or "PTR" - progress-through-the-ranks, etc.); a percentage increase intended to respond to cost-of-living increases; and an element of discretionary pay awarded by management ("performance-related" or "merit" pay). Career increments and discretionary pay could be additions to base or they could be "one-time" awards. In addition to these factors that affect salary, total compensation also includes pension contributions, benefits, ancillary funds such as the professional development reimbursement, chair stipends; and compensation during study/research leave. An additional complication, in the UGFA case, is that we have distinct salary agreements for faculty, librarians, and veterinarians.

The complexity of these contracts makes it difficult to reduce the discussion of the state of negotiations to a single set of numbers - such as, "we want 5% and they are offering 2%".
So, how do we analyze compensation proposals? We have to look it a lot of factors. We try to calculate the total salary mass, that is the total amount of money going to our members in each year. Of course, this depends not only on salaries but also on the number of members. In fact, there has been substantial attrition in the UGFA ranks under the 2011-2014 collective agreement, mainly due to management decisions not to fill many of the faculty positions that have become vacant.

However, the total salary mass calculation, while important, does not provide individual members with a clear sense of what will happen to their salaries. So, we also try to model specific scenarios. In the accompanying document, we have compared the likely impact on future earnings for various scenarios that may correspond roughly to the situations of particular members.

The Association's position, from the outset, has been that, while we understand that specific numbers have to be negotiated, the salary structure should remain intact. That means, for example, that we should continue to use across the board percentage increases to base as a way of ensuring that salaries keep up with inflation. We are also committed to maintaining the principle of the Annual Career Increment. Let's take a moment to think about the ACI. One way or the other, every academic staff contract in Ontario incorporates this element. At its simplest, it means that every member salary increases by a certain dollar amount every year. Typically, the increment can be withheld in cases of unsatisfactory performance. Looking at the ACI principle, one can think of the glass is being half-full or half-empty. The administration attempts to portray the ACI as a kind of largesse, where academic staff (unlike most employees in the world) get a large automatic salary increase every year simply for "being there". From the union's point of view, on the other hand, the ACI principle recognizes the fact that academic careers are usually long and that a member's value to the institution continues to increase with experience, in a manner that is qualitatively different from, for example, an assembly line worker. This principle explains why starting salaries for faculty are not necessarily much higher than starting salaries for, say, high school teachers; but final salaries are a lot higher. We emphasize that the ACI is essentially self-funding. It is built into the structure of the salary system. Every year, on average, members retire near the top end of the structure and are replaced by new members near the bottom end. In a true steady state, and in the absence for inflation, the ACI system would actually have no effect on salary mass. Of course in the real world a lot of other factors can intervene. For example, competition for hiring may push starting salaries well above the salary floor. Importantly, non-replacement of positions that are vacated presents a windfall to management. We all know that this is a very real situation of Guelph. The number of UGFA members has shrunk dramatically, even as the number of students is continue to increase, bringing in additional tuition revenue. This represents a major financial win by the management and a major loss by our members, because of increasing workload.

The Administration has further proposed that all Veterinarians, as of 2014, will no longer be eligible for ACI awards (replaced with a single lump sum increase of $2,000 over the three year term). This represents an unprecedented, unjustified and mean spirited attack on one small group within the UGFA. The Administration has provided no rationale for this proposal.

The previous collective agreement had a somewhat unusual linkage between the ACI and the performance related ("merit") pay elements. The ACI was, formally, $2100. This is far lower than the corresponding step increase at most of our comparator institutions. However, the salary structure also included a $450 annual base increase as a merit award for Good performance. In fact, almost every member received that increase, since only a tiny number of members have been ranked as "Improvement required" or "unsatisfactory" every year. This meant, de facto, that the ACI at Guelph has been $2550 - still lower than at many of our comparator institutions. The initial proposal from UGFA was to simplify the structure by replacing the combined ACI + "Good" award by a single combined award of $2600. The administration attempted to portray this as a reckless demand to increase the ACI from $2100 to $2600, but in reality it represented only a very small effective increase from $2550 to $2600.

The Administration's proposals would eliminate the Annual Career Increment in Year One, replacing it with a one-time-only (not to base) payment. In Years Two and Three, the ACI increase to base would be restored - but only to a fraction (60% in Year Two and 70% in Year Three) of its present value. These cuts would have a devastating accumulating negative impact on salaries in every year to come. The lump sum means that a Member's base salary would remain the same after the first year award. The compounding effect of such a change on both salary and pension from base to lump sum award would be massive as will be apparent in the scenarios that the UGFA will circulate soon. The UGFA believes that the Administration's proposals on ACI, if accepted, would make Guelph an anomaly in the Ontario sector. Based on OCUFA (Ontario Confederation of University Faculty Associations) data, the average annual award for Ontario Faculty (approximating Guelph's ACI and Good) is: $3,000.

Study/Research Leave Proposals

The Administration has also proposed an unprecedented cut to Study/Research Leave. UG's SRL provides for leaves of 4 or 8 months, which are <u>shorter</u> than the 6 or 12 months sabbatical leaves provided at other universities in Ontario. In compensation for a shorter leave provision, Administration has always agreed to fund SRL leaves at 100% salary. We believe that this system has worked very well and has contributed to the flourishing of research and scholarship at Guelph. Now, the Administration is proposing that each leave after the first SRL would require a 15% salary cut. Members are aware that going on SRL typically incurs additional expenses, such as accommodation rental, travel costs, etc. Consequently, we believe that the Administration's proposals would result in Faculty taking fewer leaves. Indeed, at the table the Administration's Team conceded that their proposed change would have a negative impact on research productivity.

Pension Proposals

Finally, the Administration has demanded additional pension contribution increase(s) over the life of the next agreement (up to 0.5% in each year). The Members will recall that we agreed to major concessions on pensions in the last CA (removal or alteration of all early retirement incentives and increases of 2.5% contribution rates over 3 years). And now they are asking for even more. The rationale that the Administration has given for such proposals is that increased contributions are required to move to a 50/50 cost sharing of normal pension costs. There is currently no government legislation requiring such 50/50 cost sharing outside of a jointly sponsored pension plan arrangement (JSPP); the goal of 50/50 cost sharing is communicated by the Province within its overall reform framework for pensions in our sector which also includes moving to a JSPP. These proposals have been made despite the fact that the current cost share ratio for our plan is already near 50/50 (53% employer to 47% employee) and the Administration has not agreed to share governance of our pension plan during the term of the next agreement. In short, this means that Members are being asked to pay in advance for the promise of eventual joint governance. The UGFA continues to assert that shared governance must accompany 50/50 cost sharing. In fact, it must be pointed out that it was the UGFA Team that tabled a Letter or Understanding (LOU) to establish a framework for reform that may include moving to a jointly sponsored pension plan.

We hope that this memorandum has provided you with useful summary of the present situation with respect to bargaining. Before the actual strike vote date (September 8-9), we will be sending you an additional communiqué that will include the sample salary scenarios referred to earlier.

As always, we welcome your comments.

UGFA Negotiating Team