Contract Negotiations Between UVM and United Academics: Frequently Asked Questions

WHAT IS THE NEGOTIATION PROCESS?
In Vermont, the State Employees Labor Relations Act (“SELRA”) establishes a required process for collective bargaining. The University and United Academics (UA), the union representing some faculty, must negotiate in good faith for a reasonable period of time. Both parties make proposals, and consider the proposals of the other party. However, if the University and UA cannot reach agreement on their own, it is called “impasse.”

WHAT IS THE STATUS OF NEGOTIATIONS BETWEEN UVM AND UA?
UVM and UA mutually declared impasse in negotiations on September 12, following 7 months of negotiations. The bargaining teams’ last negotiating session was on Wednesday, September 6.

WHAT HAPPENS NEXT?
- When impasse is declared, the parties can enlist the help of a mediator who has special training in labor negotiations. UVM and UA are working together to schedule dates for mediation. This will be the fifth time out of six contract negotiations with the faculty union that the parties have used a mediator.
- In the event that mediation is not successful, the next step in the process is fact-finding with an independent fact-finder, who will hear evidence from both parties and make recommendations.
- The parties will then have the opportunity to negotiate further in light of the fact-finder’s recommendation and reach a settlement, or, if they cannot reach an agreement at that point, they must present their last, best offers on all unresolved issues as a single package to the Vermont Labor Relations Board (VLRB). The VLRB holds hearings, and selects between the last best offer packages of the parties. The Board may also select the fact-finder’s recommendations under certain circumstances.

HOW DOES THE UNIVERSITY MAKE BUDGET DECISIONS TO DEAL WITH CHANGING CIRCUMSTANCES?
Under the University’s decentralized budget model, all tuition revenue flows to the academic units, so budget decisions regarding the allocation of additional revenue or necessary budget reductions are made by the deans, in consultation with the academic units. Salary increases add expense to unit budgets, and the manner in which resulting budget adjustments are made varies based on an individual unit’s actual revenue generation. Some units are able to absorb the cost of modest salary increases, while others may have to reduce expenses in other areas to offset the increases. Because 75% of the University’s general fund budget directly supports faculty, staff, and students, any increases in expenses (i.e. salary and benefits) in these areas have significant overall impact on the unit’s budget decisions and established priorities.
WHERE DOES TUITION REVENUE GO? WHAT IS ITS USE?
Given the University’s decentralized budget model, all revenue flows to the colleges/schools where decision-making about its use takes place. It is not retained centrally. Colleges use tuition revenue to cover the costs of instruction, research, and student services, as well as the college’s share of University-wide activities and support services such as the Library, Admissions, Sponsored Projects Administration (research/grants), and Human Resource Services.
In years in which net tuition revenue is greater than a college’s annual expenses, the college retains that funding (a “surplus”). Each college decides for itself how to spend this extra, one-time funding. Surplus funding typically is used in the following ways:

- Enhancement of academic programs
- Investments in new academic programs and priorities
- Start-up packages for new faculty
- Classroom and laboratory improvements
- Other college/school priorities

Each college also may decide to allocate some portion of surplus funding in any given year to a reserve that can be used to offset shortfalls in years in which expenses are greater than net tuition revenue. Since all of these dollars are distributed to the colleges, the central administration does not have the dollars to allocate. When fixed costs (e.g., salary, benefits, energy, or utility costs) increase, these costs are paid for by the colleges, as they receive all of the revenue.
WHAT SALARY INCREASE IS THE UNIVERSITY PROPOSING TO UA, AND WHY?
The University has proposed a two percent (2%) increase for each year of a three year contract as well as additional dollar increases upon promotion, for example from associate professor to full professor. Salary increases beyond 2% per year would necessitate additional tuition increases for students and their families, and/or would lead to budget reductions across the units of the University.

HOW DO UNIVERSITY SALARIES AND BENEFITS COMPARE TO OTHER INSTITUTIONS?
Faculty salaries are above average (more than 104% of the OSU average). Over the years, the University has been committed consciously to raising salaries to competitive levels and has done so. The University also offers a comprehensive, substantial benefits program, which includes generous employer contributions to retirement plans and tuition remission. When considering and comparing compensation, it is important to include both salary and benefits and the balance between the two.

WHY DOES THE UNIVERSITY USE THE OKLAHOMA STATE FACULTY SALARY SURVEY AND NOT A DIFFERENT GROUP OF PEER AND ASPIRANT UNIVERSITIES?
This is a longstanding survey that has been used consistently to determine comparable salaries. When prior collective bargaining agreements with the UA had specific provisions on market increases, the parties used the OSU survey information. Many of the participating institutions belong to the Association of Public and Land-Grant Universities, one of UVM’s well established peer groups. The category that UVM is grouped in, “Higher Research Activity,” is set by the Carnegie Foundation for the Advancement of Teaching’s Classification of Institutions of Higher Education. UVM uses other groups of institutions, including some private ones, for academic quality comparisons. Some of those institutions have very different financial profiles and size that make it impractical to find comparable data. For salary purposes, the Oklahoma State survey has been considered and is a more fitting source of comparison. A list of the institutions included in the Oklahoma State University Data is here: [https://irim.okstate.edu/participants](https://irim.okstate.edu/participants)

HOW DOES UVM COMPARE TO OKLAHOMA STATE UNIVERSITY DATA?
UVM salaries are more than 104% of other institutions’ salaries in the public higher research activity category.

### 2016-17 OSU Survey: Average Non-Medical Tenured, Tenure-Track, and Not-on-Tenure Track Faculty Salaries

<table>
<thead>
<tr>
<th></th>
<th>UVM</th>
<th>Public Higher Research Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Faculty</td>
<td>$90,252</td>
<td>$86,519</td>
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<tr>
<td>Professors</td>
<td>$123,619</td>
<td>$114,406</td>
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<td>Associate Professors</td>
<td>$92,838</td>
<td>$85,482</td>
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<tr>
<td>Assistant Professors</td>
<td>$78,424</td>
<td>$74,090</td>
</tr>
<tr>
<td>Other Faculty</td>
<td>$60,031</td>
<td>$53,462</td>
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Note: Salaries based on earnings for an academic year (i.e., 1.0 FTE) from 41 public research higher activity doctoral degree-granting institutions and Baylor University
HOW DOES UVM COMPARE TO AAUP DATA?

AAUP is a different data set than the Oklahoma State Survey. AAUP looks not only at salaries, but also at total compensation, including benefits. When total compensation is taken into account, of Public Doctoral Institutions, UVM is above average in every category except one. See figure below:

<table>
<thead>
<tr>
<th>2016-17 AAUP: Average Non-Medical Tenured, Tenure-Track, and Not-on-Tenure Track Faculty Salaries and Compensation</th>
<th>UVM</th>
<th>Public Doctoral</th>
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</thead>
<tbody>
<tr>
<td>All Faculty</td>
<td>$89,300</td>
<td>$118,900</td>
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<tr>
<td>Professors</td>
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<tr>
<td>Associate Professors</td>
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<tr>
<td>Lecturer</td>
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<td>$82,300</td>
</tr>
<tr>
<td>No Rank</td>
<td>$74,800</td>
<td>$103,300</td>
</tr>
</tbody>
</table>

Note: Salaries and Compensation are based on 9-month contracts. Public Doctoral institutions includes information from 173 institutions. Source: www.aaup.org/sites/default/files/FCS_2016-17_nc.pdf

WHAT PERCENTAGE OF COMPENSATION DOLLARS ARE ALLOCATED TO ADMINISTRATION?

As you can see from the chart below, in 2017 UVM devoted 7.4% of its total compensation spending to Institutional Support (which includes management and other administrative functions):

2017 Compensation and Benefits Distribution

2016 Total Compensation and Benefits = $419,798,000
HOW DOES UVM COMPARE TO PEER INSTITUTIONS IN TERMS OF THE SIZE OF MANAGEMENT/EXECUTIVE FUNCTIONS?

IPEDS national database comparing public research universities shows that the size of UVM’s management and executive team is well below the national norm. National public research universities average 10.4 management/executive staff per 1000 students, while UVM is at 7.9. When looking at the senior-most leadership team, the number of Officers of Administration has decreased from 56 in FY2011 to 44 in FY 2017.

HOW DOES THIS PROPOSAL COMPARE TO WHAT OTHER FACULTY AND STAFF HAVE RECEIVED?

UVM’s two other unions (Teamsters and United Electrical Workers) each have agreed to contracts with 2 percent pay increases per year for 3 years. In addition, and importantly, the lowest starting salaries for United Electrical Workers will adjust to $14 per hour by the final year of the three-year contract. All other UVM employees already are at or above $14 per hour. Non-represented staff were eligible for a 2 percent increase for FY 2018, effective last July 1. The 2 percent pool includes both cost of living adjustments and merit increases. In sum, all employee groups across the University have a salary increase of 2 percent, with the exception of faculty represented by United Academics.

WHAT IS UNITED ACADEMICS (UA) PROPOSING?

The faculty union is presently seeking 4.5/4.5/4.5% increases in salaries, with no reductions to other benefits to offset the significant cost of this proposal. The proposal also includes workload reductions for faculty.

WHY CAN’T THE UNIVERSITY PAY FOR SALARY INCREASES ABOVE 2 PERCENT WITH ADDITIONAL REVENUES IT GENERATED IN THE LAST COUPLE OF YEARS?

Each year, due to normal yearly increases in costs such as salaries and wages, healthcare benefits, financial aid, and utilities, the University faces roughly a $13 million increase in costs that has to be offset by a combination of increased revenue and reduced costs in other areas. It is true that the University has become more entrepreneurial, and has been able to generate new revenues. However, those new revenues have been used to offset these annual budget increases. Between the new revenues and modest tuition increases the budget gaps have been reduced to manageable levels, requiring only small annual budget reductions. The new revenues, on a year-to-year ongoing basis, are simply not available to pay for ongoing permanent faculty salary increases beyond 2 percent. Each additional percentage point of salary increases would result in roughly $1 million of additional gap in the budget to address. Given the University’s decentralized budget model, any additional salary increases over the University’s proposal will be borne by the individual academic, support, and service units, affecting priorities already established and potentially the jobs of UVM employees.

The fiscal year budget that began July 1 and ends June 30, 2018 was set by the University’s Board of Trustees last May. Salary increases beyond 2 percent under this budget would require additional tuition increases for students and their families, and/or would lead to further budget
reductions. Our goal is to avoid the burden of higher tuition for our students and their families, and/or the impact of budget reductions on UVM’s dedicated employees.

**WHAT ARE THE UNIVERSITY’S GOALS?**
The University of Vermont seeks a fair and reasonable settlement of the contract with United Academics – one that continues UVM’s commitment to providing competitive salary and benefits, and an excellent working environment for all employees, while at the same time honoring our University’s commitment to students by providing a high quality educational experience that is financially accessible and affordable. This goal and commitment is the first principle set forth in the University’s Strategic Action Plan approved by the Board of Trustees.

The University respects the collective bargaining process and will continue in good faith to work through the agreed upon process to achieve a successful conclusion. We negotiated in good faith with both other unions representing employees at the University to reach agreements that were fair and reasonable, and we strive for the same outcome with United Academics.