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UVM, Faculty Union Negotiations Move to Fact-Finding

The University of Vermont and its faculty union, United Academics, remain at impasse following negotiations facilitated by a mediator. Under established Vermont law procedures, the next step in the process involves an independent fact-finder, who will review evidence from both parties and offer a recommended resolution. The parties may accept the recommendations of the fact-finder or negotiate further in an effort to reach a contract settlement. Failure to agree on a new contract after fact-finding could result in the Vermont Labor Relations Board resolving the issues.

“It is most unfortunate that we were not able to reach a settlement during mediation,” said Wanda Heading-Grant, vice president for Human Resources, Diversity and Multi-Cultural Affairs. “We put forward a fair and reasonable proposal that carefully balanced the importance of increasing compensation for our faculty with the need to keep UVM affordable for our students and their families, and to prevent any need for numerous layoffs of personnel due to increased costs over present and future budgets.”

Following are key facts to consider:

- The University operates on a balanced budget model each year. Under the University’s decentralized budget model, all tuition revenue flows directly to the academic units. Budget decisions regarding the allocation of revenue or necessary budget reductions are made by the deans, in consultation with the academic units. Salary increases add expense to unit budgets. 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 to offset the increases. Because 75 percent of the University’s general fund budget directly supports employee salaries and benefits and student financial aid, any increases in expenses (i.e. salary and benefits) in these areas have significant overall impact on the individual unit’s budget decisions and established priorities. The ultimate budget decisions and priorities are made at the individual local budget unit.

- Increasing the base budget would prove particularly challenging for the College of Arts and Sciences, where nearly half of all non-medical, full-time faculty reside. The college is already facing a projected budget shortfall of between $3.7 million and $4 million this fiscal year. The
Arts and Sciences shortfall is largely due to revenue stagnation in the College in the face of increasing expenses.

- UVM faculty are a highly valued resource at UVM who deserve to be well compensated. Over time, the University has made continuing efforts in this regard, consistent with fiscal realities. For example, UVM salaries (for nine-month, non-medical) faculty, based on recognized national survey data, are above the average for all other institutions in the survey: Professor, $123,619; Associate Professor, $92,838; Assistant Professor, $78,424; other faculty, $60,031.

- The University offers its faculty a comprehensive and substantial benefits program that includes extensive and progressively affordable, salary-based health and dental insurance premiums; a 10-percent employer contribution to retirement plans; and free tuition for dependents.

- Every percent increase in salaries for faculty adds $900,000 of additional expenditures and costs to the base budget year after year.

- In considering higher pay increases, the University has to consider the fact that student tuition accounts for more than 70 percent of general fund revenue. Mindful of our obligations to students and families to keep tuition increases low, the University has remained concerned in these negotiations that significant increases to faculty payroll may have to involve significant further tuition increases and/or significant cuts to academic units and programs, potentially impacting faculty and other employees directly.

- Importantly, all other employee groups across the University, including employees represented by UVM’s two other unions, have a salary increase of 2 percent for the current fiscal year.

- Although the union has sometimes offered a claim that a reduction in the size of the administration is the solution to the University’s budget challenges, the fact is that the size of UVM’s management and executive team is well below national norms for the ratio between administration and student enrollment. 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 2011 to 44 in 2017.

- The union also argues that the University’s Strategic Investment Fund is a potential source of funding for salary increases. This modestly sized fund, compared to funds at other institutions, has just under $6 million this year. It allows the University to make one-time strategic investments in academic priorities that benefit UVM’s overall advancement and competitive position. One-time dollars should not be spent on salary increases, which are continuing financial obligations. The majority of the fund is directed to academic units and programs. For instance, the fund was used to build a high-tech classroom as the Grossman School of Business revamped its MBA program. This year its Sustainable Innovation MBA program became the top-ranked green MBA in the country by The Princeton Review. In Arts
and Sciences, substantial support for adding the General Education writing requirement was provided from this fund.

In sum, The University of Vermont seeks a fair and reasonable settlement of the contract with United Academics, as it has with the other unions – one that continues UVM’s commitment to providing competitive salary and benefits, while at the same time honoring our University’s commitment to students and their families by providing a high quality educational experience that is financially accessible and affordable. These goals and commitments are the first principles set forth in the University’s Strategic Action Plan approved by the Board of Trustees. They will continue to guide our budget priorities and contract negotiations.

Note: For additional detail on some of these data points, please see a Frequently Asked Questions document that was posted in early September when initial negotiations ended in impasse and moved to mediation.

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