

Contract Negotiations Between UVM and United Academics: Frequently Asked Questions

The collective bargaining process involving United Academics (UA) and UVM has prompted numerous questions and requests, some based on incomplete or inaccurate information. For example, a number of messages urge the University to “return to the bargaining table.” However the University cannot unilaterally “return to the bargaining table” unless UA agrees to do so as well. The last offer put on the table was the one presented by UVM. As of the date of this document, UA and UVM are in agreement that the parties have reached impasse. Should UA want to return to the bargaining table, UVM certainly would do so.

1. WHAT IS THE NEGOTIATION PROCESS?

In Vermont, the State Employees Labor Relations Act (“SELRA”) establishes a required process for collective bargaining. The University and 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.”

2. 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. Following the declaration of impasse, between October and November, the parties enlisted the help of an outside mediator who has special training in labor negotiations. In spite of good faith efforts on both sides, the parties were not able to reach agreement in mediation.

3. WHAT HAPPENS NEXT?

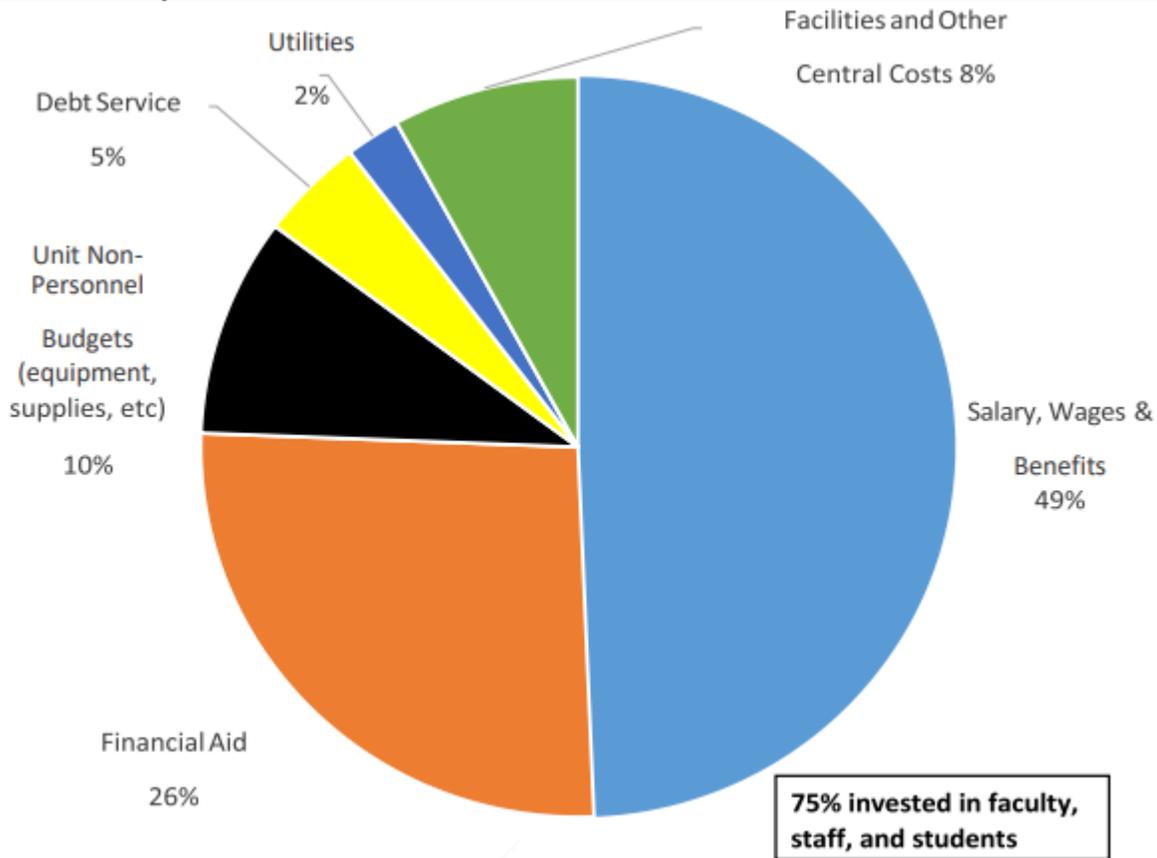
The next step in the process is fact-finding with an independent fact-finder, who will hear evidence from both parties and then make a recommendation on the issues. The fact-finder will hear evidence from the parties in February.

Following receipt of the fact-finder’s recommendation, the parties 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 recommendation under certain circumstances.

4. 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.

FY 2017 Gross Expense Allocation



5. WHERE DOES TUITION REVENUE GO? WHAT IS ITS USE?

Given the University's decentralized budget model, all tuition 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 tuition dollars are distributed to the colleges, the central administration does not have those dollars to allocate.

6. WHAT IS IBB'S STRATEGIC INVESTMENT FUND AND HOW IS IT USED?

A Strategic Investment Fund (SIF) is a component of most IBB models. It allows the President and Provost to make critically important strategic investments in announced academic priorities – whether academic programs and personnel; infrastructure to support teaching or research; interdisciplinary programs; academic support initiatives; or other investments that support UVM's academic mission.

The most recent SIF commitment is to the College of Arts and Sciences to help them address their deficit, which has been exacerbated by undergraduate enrollment declines in the College, a decline in retention, and facilities and administration (F&A) grant revenue insufficient to meet budget targets the College set for itself. The allocation of this SIF money was a result of a series of meetings begun in August 2017 regarding the CAS deficit. Given the centrality of CAS to the University, the President and Provost agreed to assist the College while the College works on strategies to balance its budget.

7. IS UVM'S SPENDING ON BUILDINGS COMPROMISING OUR ACADEMIC MISSION?

In recent years, the University has spent over \$150 million on academic facilities, including the Discovery/Innovation complex, Votey Hall renovation, Billings renovation, Taft School, Library addition, Ifshin Hall, and the Miller Farm. In addition, major teaching facility improvements such as the Larner Classroom in Medicine have been completed.

Another major academic facilities project is in the preliminary planning stages to address research and teaching needs in the Department of Psychological Science and the Larner College of Medicine, including renovation and new construction. This will include moving Psychological Science out of the failing Dewey Hall and into renovated space proximate to the Larner College of Medicine, at a cost of \$80-90 million.

Other facilities such as the new Central Campus Residential Complex are self-sustaining and funded through room rents. The Multipurpose Center will encompass Events, Wellness, Health, Recreation, Athletics, Cultural, and Classroom space, and will be a resource for the entire campus. It will be funded through private philanthropy and debt service which will be paid through student fees. It is not competing with faculty compensation resources as no General Fund tuition dollars will be used to fund this project.

Additionally, the University has a very significant deferred maintenance backlog, and continues to renovate and replace buildings essential to our ability to provide a high quality educational experience as well as compete nationally for students, faculty and staff.

8. 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.

9. 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.

10. WHY DOES THE UNIVERSITY USE THE OKLAHOMA STATE FACULTY SALARY SURVEY?

This is a longstanding survey that has been used consistently to determine comparable salaries. The OSU survey provides salary comparisons with other public “Higher Research Activity” universities. This category is set by the Carnegie Foundation for the Advancement of Teaching’s Classification of Institutions of Higher Education, and is the category into which UVM falls. When prior collective bargaining agreements with the UA had specific provisions on market increases, the parties used the OSU survey information. UVM uses other groups of institutions, including some private ones, for academic quality aspiration comparisons, but for salary purposes, the Oklahoma State survey is a more fitting source of comparison for the reasons stated above. A list of the institutions included in the Oklahoma State University Data is here:

<https://irim.okstate.edu/participants>

11. 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

	UVM	Public Higher Research Activity
All Faculty	\$90,252	\$86,519
Professors	\$123,619	\$114,406
Associate Professors	\$92,838	\$85,482
Assistant Professors	\$78,424	\$74,090
Other Faculty	\$60,031	\$53,462

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

12. 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:

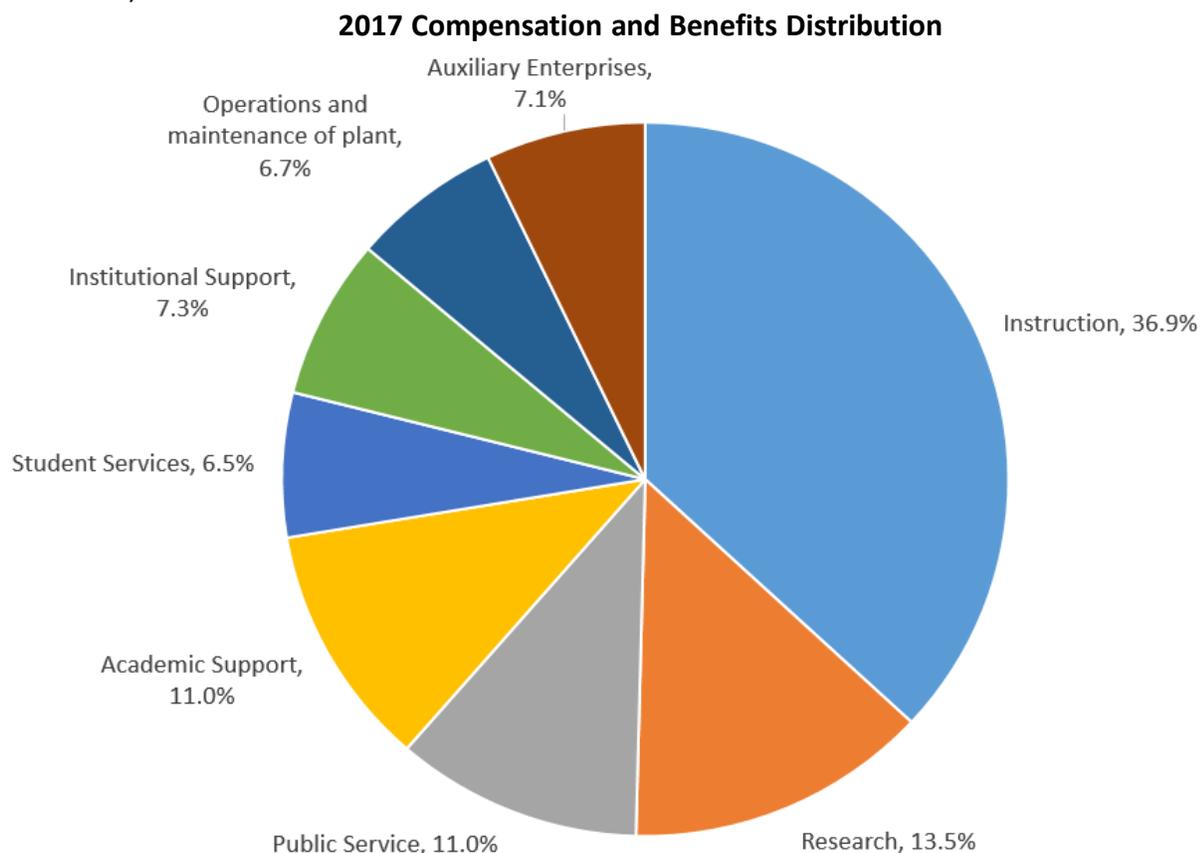
2016-17 AAUP: Average Non-Medical Tenured, Tenure-Track, and Not-on-Tenure Track Faculty Salaries and Compensation

	UVM		Public Doctoral	
	Salary	Total Compensation incl. benefits	Salary	Total Compensation incl. benefits
All Faculty	\$89,300	\$118,900	\$92,222	\$120,665
Professors	\$122,500	\$157,800	\$124,485	\$160,200
Associate Professors	\$92,500	\$123,900	\$90,619	\$119,395
Assistant Professors	\$78,900	\$106,300	\$79,126	\$104,371
Lecturer	\$59,400	\$82,300	\$60,175	\$81,430
No Rank	\$74,800	\$103,300	\$79,605	\$94,075

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

13. WHAT PERCENTAGE OF COMPENSATION DOLLARS ARE ALLOCATED TO ADMINISTRATION?

As you can see from the chart below, in 2017 UVM devoted 7.3% of its total compensation spending to Institutional Support (which includes management and other administrative functions):



2017 Total Compensation and Benefits = \$432,458,000

14. HOW DOES UVM COMPARE TO PEER INSTITUTIONS IN TERMS OF THE SIZE OF MANAGEMENT/EXECUTIVE FUNCTIONS?

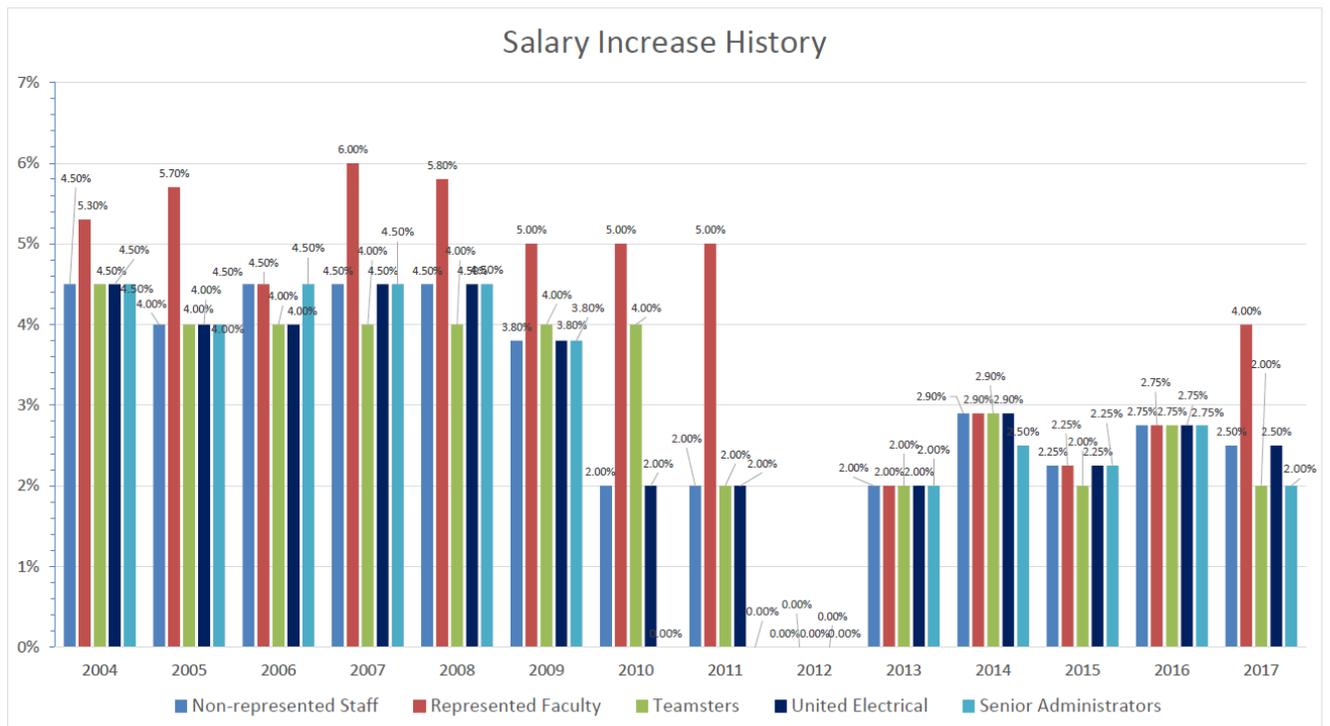
IPEDS national database comparing public research universities shows that the size of UVM’s management and executive team is well below the national norm. National public research universities average 13.4 management/executive staff per 1000 students, while UVM is at 7.9. When looking at the senior-most leadership team, the number of Officers of Administration has decreased from 56 in FY 2011 to 44 in FY 2017.

15. 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 July 1, 2017. 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.

16. HAVE ADMINISTRATIVE SALARIES INCREASED AT A FASTER RATE THAN FACULTY SALARIES?

Annual salary increases for represented faculty from 2008-2016 have either equaled or exceeded increases for all other categories of employees:



17. WHAT IS UNITED ACADEMICS (UA) PROPOSING?

The faculty union is 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.

18. 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.

19. 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.