

**IN THE MATTER OF IMPASSE BETWEEN UNITED FACULTY OF FLORIDA
AND UNIVERSITY OF FLORIDA BOARD OF TRUSTEES, Case No. SM 2015-034**

January 25, 2016

To: David M. Thomas, Acting Chair of the Governance Committee
University of Florida Board of Trustees
c/o Ryan Fuller, UF General Counsel

From: United Faculty of Florida
c/o Candi Churchill, Service Unit Director
Email: candi.churchill@floridaea.org
Phone: 352-281-7454

STATEMENT OF UNITED FACULTY OF FLORIDA’S RECOMMENDED RESOLUTION

The matter before the Board of Trustees is simply:

What amount of ***across-the-board general salary increase*** should be awarded to the UF faculty bargaining unit?

UFF Faculty Team:	2.75%
UF Administration Team:	0%

The University of Florida has announced the laudable goal of becoming a “top-ten” public university. This goal, and the drive to achieve it, is in the interest of UF’s students, alumni, faculty and the public. The faculty bargaining team shares the university’s commitment to achieving top-ten status. We therefore sought to redress the fact that faculty salaries lag behind our “top-ten” peers by proposing a financially responsible salary package, backed by evidence and research. The Special Magistrate found that “it is appropriate to provide an across the board increase to bring UF faculty salaries into a more competitive position.”

The UFF faculty team proposed a 2.75% cost-of-living (or across-the-board) increase and a 2.5% merit pool, as well as a comprehensive package that would begin to address compression and inversion, market equity and low promotion raises. The University proposed 2.5% merit, zero across-the-board and refused to discuss any other salary issues.

The Special Magistrate determined, as is his authority under State Law (Chapter 447), that only the percentage of the general salary provision was “open” during this round of negotiations. As both UFF and the UF Administration agreed with the Special Magistrate’s determination, the effective date is not at issue at this hearing, as 24.4(c) does not address it. The UF Administration’s bargaining team accepted his determination that all other issues were removed from this impasse process. UFF did not object.

UFF submits the following in support of a 2.75% across-the-board (cost-of-living) salary increase.

1. UF Salaries Lag Behind Peers

The University has identified its peers (<http://ir.aa.ufl.edu>) as:

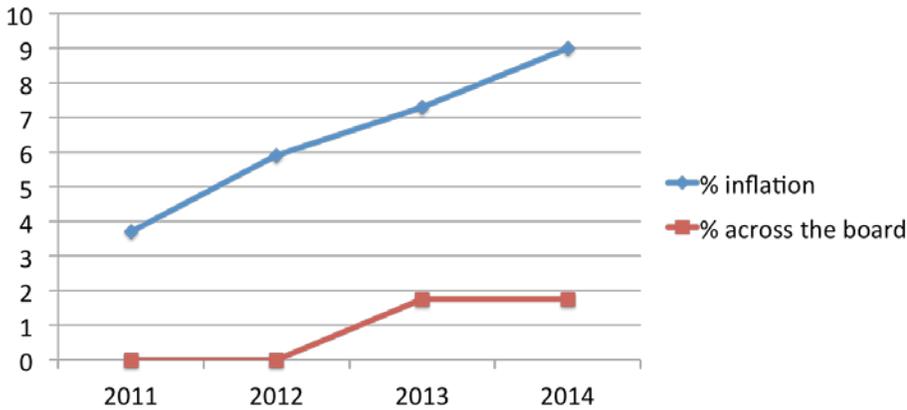
University of California, Berkeley	Ohio State University, Columbus
University of Illinois, Urbana-Champaign	Pennsylvania State University
Indiana University, Bloomington	Texas A & M University
University of Michigan, Ann Arbor	University of Texas, Austin
University of North Carolina, Chapel Hill	University of Wisconsin, Madison

UF is at the very bottom for Associate and Assistant Professor salary. UF is in the bottom third for Full Professor salary.¹

Assistant Professor		Associate Professor	
Average salary, 2014		Average salary, 2014	
U California, Berkeley	99,200	U California, Berkeley	110,200
U Illinois, Urbana-Champaign	90,200	U Michigan, Ann Arbor	103,900
U Michigan, Ann Arbor	89,600	UNC, Chapel Hill	98,100
U Texas, Austin	88,500	Pennsylvania State U	96,900
Pennsylvania State U	85,000	U Illinois, Urbana-Champaign	96,200
Ohio State U	84,800	U Texas, Austin	94,400
Indiana U, Bloomington	83,000	Ohio State U	94,100
U Wisconsin, Madison	81,600	U Wisconsin, Madison	93,300
UNC, Chapel Hill	81,100	Indiana U, Bloomington	90,700
Texas A & M	80,400	Texas A & M	88,100
U Florida	76,200	U Florida	85,100
Full Professor			
Average salary, 2014			
U California, Berkeley	165,400		
U Michigan, Ann Arbor	156,900		
UNC, Chapel Hill	146,700		
U Texas, Austin	145,400		
U Illinois, Urbana-Champaign	145,000		
Pennsylvania State U	140,600		
Ohio State U	139,200		
Indiana U, Bloomington	132,600		
U Florida	128,300		
Texas A & M	128,200		
U Wisconsin, Madison	123,500		

¹ Source: 2013-14 AAUP Faculty Salary Survey *Chronicle of higher Education*, April 7, 2014.
<http://chronicle.com/article/2013-14-AAUP-Faculty-Salary/145679/#id=table>

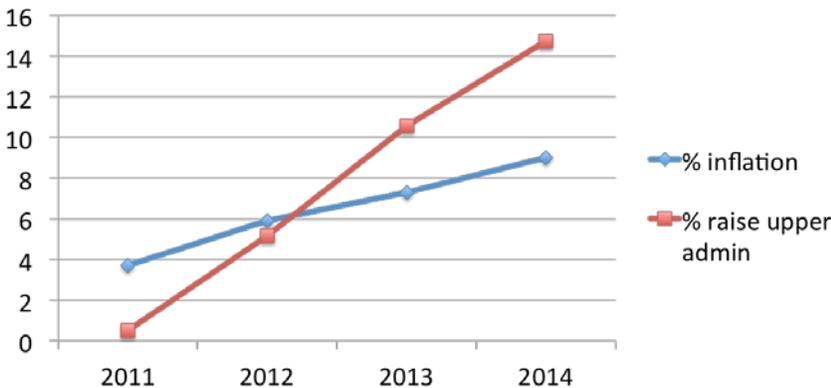
Faculty Cost-of-Living Raises Compared to Inflation Rate



Inflation Percent Change: Figures taken from Table A, South Region CPI-U, all items 12-month changes for October 2011 (3.7%), 2012 (2.1%), 2013 (1.3%), and 2014 (1.6%) (US Bureau of Labor Statistics, South Region). Increases compounded to show cumulative effects.

Faculty Salary Percent Change: Figures from salary agreements 2011-2014. No cost of living increases given, except for 2013, when the state allocated \$1000/\$1400 across-the-board increases (**average: 1.75%**). Increases compounded to show cumulative effects.

Inflation Rate as Compared with Raises - Upper Administrators

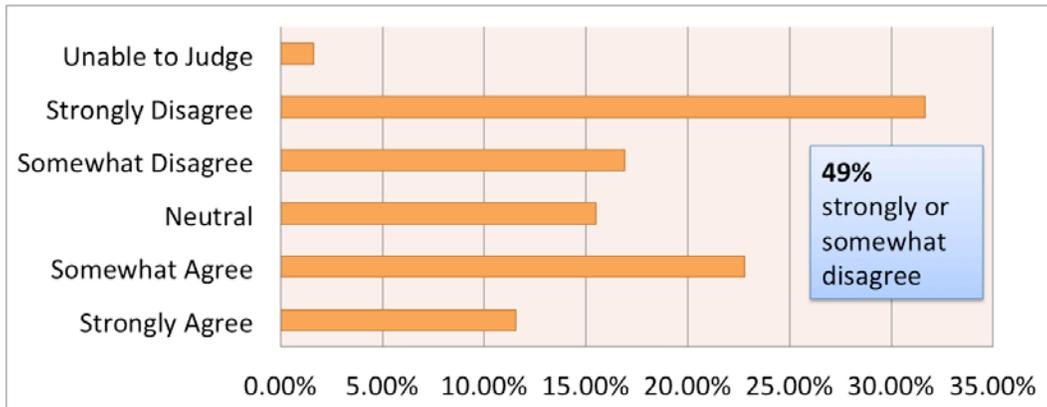


Upper Administration Salary Percent Change: 20 upper administrators from all colleges and schools across the university, ranked Associate Dean to Provost, were selected based on their having remained in their position at UF during the period 2010-2014. The selection is comprised of 11 Associate Deans, 4 Deans, 1 Dean and ASO VP, 2 ASO Provost, 1 Sr. VP, and 1 Provost and Sr. VP. Units represented are: Arts (2), Business (3), CLAS (2), COE (1), DCP (2), Engineering (2), Grad School (1), Health Affairs (1), HHP (1), Medicine (2), Provost (3). Their salaries were identified using public records available through the UF Office of Institutional Planning and Research. If they received salary under multiple appointments, those salaries were added together to account for 1.0 FTE salary. The percent change in salary per year was calculated, as well as the percent change from 2010-2014. These figures include the state-allocated \$1000/\$1400 across the board increases. Increases compounded to show cumulative effects.

UF Faculty are not Valued

Question 17 from the 2015 UFF-UF Faculty Climate Survey:

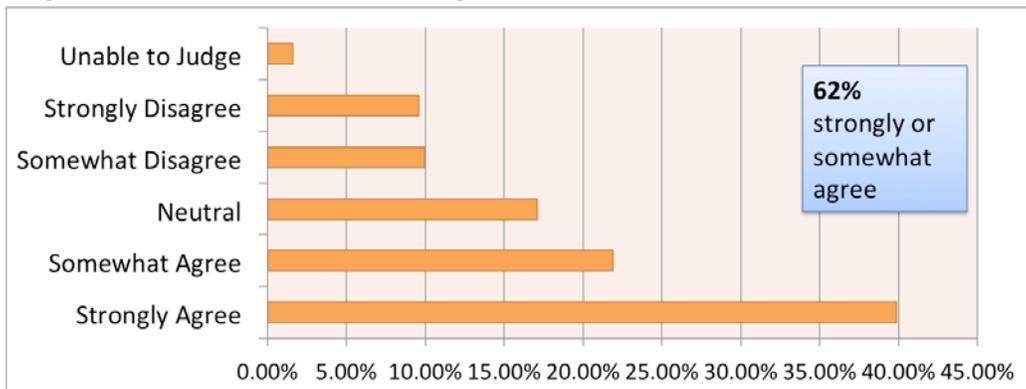
The administration gives clear indication that it values my success and respects my work:



Unable to judge	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Total responses
1.60%	31.67%	16.90%	15.48%	22.78%	11.57%	562

Question 19 from the 2015 UFF-UF Faculty Climate Survey:

I would leave UF if I were offered a comparable job elsewhere and personal factors did not keep me here:



Unable to judge	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Total responses
1.60%	9.61%	9.96%	17.08%	21.88%	39.86%	562

Despite these non-competitive salaries and its refusal to address these salary issues in bargaining, the Administration repeatedly claims publicly that faculty salaries are a top priority.

Bernie Machen -- March 18, 2014

Our highest priority is securing funds for raises for our excellent faculty and staff.

*This is important in part to **make up lost ground in rewarding employees for their performance** - performance that remained at a high level during the prolonged economic downturn despite years without raises and added workloads due to attrition and hiring freezes.*

*Boosting our employee compensation will also **help ensure that we pay salaries that are more competitive with our peer universities nationally**. This is key as we emphasize attracting accomplished faculty as part of our Preeminence Plan to rise among the nation's top public universities.*

Kent Fuchs—September 24, 2015

*We also appreciate that **competitive salaries and support are critical in attracting and retaining the world's best faculty** and graduate students. We are committed to achieving employee compensation and graduate student stipends that match our peers.*

The Special Magistrate's Conclusions

Clearly, UF intends to be compared and comparable with the national institutions it has designated as its peers. However, as pointed out by UFF, the salaries of UF faculty do not compare favorably with those of UF's national peers. In fact, information provided by UFF and described above indicates that UF faculty salaries are at or near the bottom of the list...

The comparison to national peers is found to be more compelling than the comparison to SUS in this case, and the evidence of record indicates that UF suffers by comparison.

2. UF Finances and the Public Interest

Quotations from UF's own 2013-14 audited financial statements:

*The University's assets totaled \$3.2 billion at June 30, 2014. This balance reflects a **\$201.5 million, or 6.6%, increase** from the 2012-13 fiscal year.*

*[The State of Florida's]...favorable economic outlooks are echoed in the State budget for the coming fiscal year which includes **more than \$100 million in new funding** for the University of Florida.*

This reflects an extraordinary level of support from the Legislature and the Governor for the University of Florida and the goal to become one of the nation's top ten public research universities.

*The budget for the 2014-15 fiscal year includes an additional **\$25.9 million in recurring dollars** for meeting the performance metrics developed by the Board of Governors. An additional \$5 million was*

added to the preeminence initiative, bringing the total to \$20 million per year.²

Quotation from UF's President Kent Fuchs in September of 2015:

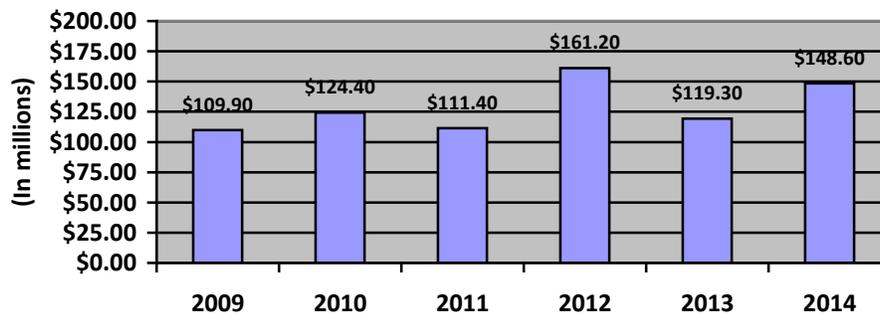
*Our financials are solid. Legislative leaders this spring provided UF with a new \$19 million for meeting performance goals, **allowing us to invest in our people**, including \$1 million in raising the minimum wage from \$10 to \$12 per hour. The state added a new \$5 million in preeminence dollars, enabling us to add new faculty to our recent hires across campus.*

*Faculty set a **research funding record of \$707 million** this past year.*

*Alumni and friends for the first time gave over \$300 million, for a **new record of \$315 million in gifts and commitments**.*³

UF was awarded the highest amount of performance funding in the state system. UF also carries a sizable reserve, and the Trustees have the ability to commit these funds for any purpose they deem necessary to fulfill UF's mission.

University of Florida Unrestricted Net Assets



University of Florida Change in Unrestricted Net Assets from 2003-2015⁴

Unrestricted Net Assets	30-Jun-03	30-Jun-15	Difference between 2003 and 2015
University	\$99,713,000	\$112,180,000	\$12,467,000
Direct Support Organizations	\$128,120,000	\$121,972,000	(\$6,148,000)
Health Science Center Affiliates	\$59,924,000	\$177,293,000	\$117,369,000
Shands Hospital and Others	\$354,694,000	\$914,496,000	\$559,802,000
Total Reporting Entity	\$642,451,000	\$1,325,941,000	\$683,490,000

The unrestricted net assets of all UF entities stood at **\$1.326 billion** as of June 30th, 2015. The University's unrestricted net assets stood at **\$112.2 million** as of June 30th, 2015. The *increase* in all reserves

² 2013-2014 Annual Financial Report, University of Florida, p. 4 (http://www.fa.ufl.edu/wp-content/uploads/AFR/UF_AFR_2014_indexed_4.pdf)

³ President Kent Fuchs, "An Opportunity to Lead," State of the University Address to the Faculty Senate, Sept. 24, 2015.

⁴ Reporting Entity: University of Florida;

Source: Florida Auditor General: <http://www.myflorida.com/audgen/pages/subjects/financial.htm>

from 2003 to 2015 is **\$683.5 million**. These funds should be used to retain UF's excellent faculty; they should not accumulate year after year without benefit to the institution and the public.

Special Magistrate Tom Young concluded:

*It is respectfully submitted that a "reserve" of this size, especially when it occurs year after year, effectively denies the citizens, who contributed the tax dollars that funded the municipality, a level of services that they have reason to expect will be provided. In other words, for example, a portion of the "reserves" could have (should have) been budgeted each year for additional police officers or more frequent waste collection, or for some other purpose that would improve the delivery of services to the community. Obviously, there is a point where reducing the "reserve" becomes fiscally irresponsible, but the point is that **public money should be spent to deliver services to the public. It should not reside unused in an excessively large reserve.***

*Furthermore, as indicated above in the discussion of the comparability factor, it is concluded that UF seeks to be compared to and competitive with its peer universities on the national level. With this goal in mind, **it is appropriate to provide an across the board increase to bring UF faculty salaries into a more competitive position....***

*Based upon the size of the Unrestricted Net Position and the relatively promising fiscal forecast, it is concluded that the evidence on this record indicates that funding the **UFF proposed wage increases is economically feasible and would not unduly burden the budget.***

3. Talk vs. Action

Despite Kent Fuchs' statement that performance funding "allow(s) us to invest in our people," UF's own report to the Board of Governors⁵ shows that people are not UF's priority. Instead of using the \$19 million in *recurring* performance funds as an opportunity to address non-competitive salaries, UF's administration proposes to defer faculty raises to January 1, 2016 in order to save money for non-recurring items such as overdue building maintenance, an expense better paid for with accumulated reserves. **This suggests that despite its frequent and public statements about the importance of faculty, the administration values buildings more than people.**

Respectfully submitted,

Candi Churchill, UFF Service Unit Director

With team

Sumi Helal, Professor of Computer & Information Science & Engineering

UFF-UF Chief Negotiator

John Biro, Professor of Philosophy, bargaining team member and former UFF-UF President

Agnes Leslie, Senior Lecturer in the Center for African Studies, bargaining team member

Raúl Sánchez, Associate Professor of English, bargaining team member

&

Susan Hegeman, Professor of English, UFF-UF President

⁵ http://www.flbog.edu/about/budget/docs/performance_funding/Summary-of-2015-16-Performance-Funding-Initiatives.pdf

"Since the raises are effective January 1, the performance funding funds generate approximately \$9.65M in nonrecurring funds during the first half of the fiscal year. \$4.5M of those funds are allocated to deferred maintenance and other critical infrastructural needs to support the operations of the university." Pg 25-26