

QUFA'S POSITION ON SALARY REDUCTIONS: A PRIMER

The Principal of Queen's has requested that QUFA members reduce by 2% the scale increase agreed upon for 2010-2011 in the current Collective Agreement. At the same time, some faculty members have sought to generate support for a voluntary wage cut on the part of QUFA members--a cut that would, like the Principal's proposed reduction, override the Collective Agreement and lead to a permanent reduction in salary.

These proposals appeal to the generosity of spirit of QUFA members--as does an alternative we outline below. For practical, philosophical, and ethical reasons, QUFA cannot support proposals for permanent, across-the-board cuts to salary. Instead, we propose actions on numerous fronts that will go to the roots of the problems that face our members and our university

We observe with regret that nothing fundamental has changed in the relationship between QUFA and Queen's leadership in the past year. The latter continues to devastate the academic environment with decisions based solely on financial considerations. These decisions make courses, programs, units, and individuals pay for university mismanagement. While the new Principal has refrained from attacking QUFA on web sites, on the radio, or in the press, the treatment of QUFA remains largely the same. The Principal explicitly stated in October that he "honour[ed] the Collective Agreement," and in the next breath asked the QUFA Executive to ignore it by proposing salary cuts to its members. In his recent financial update (November 26, 2009), he failed to disclose any meaningful data regarding our finances but instead simply asked faculty to take a voluntary cut in salary. He made it appear that QUFA had been dragging its feet on pension and retirement issues when, in fact, QUFA has repeatedly taken the initiative on these matters only to be stalled by the Administration.

I. Immediate Concerns

1. Overriding the Collective Agreement and reducing scale from 3.2% to 1.2% would represent a permanent reduction of salary for our members. This would have a significant and long-lasting impact on lifetime earnings, particularly for younger members. For example, assume you are earning \$100,000 and assume that after giving back 2% in scale for 2010-2011, the scale increase for the next seven years is 3%. By the end of the eighth year you will have received \$17,780 less than what you would have received if the 2% scale had not been forfeited in 2010.
2. Should the provincial government impose unpaid days (Dalton days) on employees in the public sector, this effect would be compounded. Those who endured an Administration-imposed wage freeze at Queen's plus "Rae days" in the early 1990s suffered irrevocable losses to career-trajectory earnings. They would experience a double hit twice in their careers should something similar occur now.
3. We are already looking towards the negotiation of a new Collective Agreement starting in late 2010. Were QUFA to agree to salary reductions before negotiations, the Association would forfeit much of its bargaining power in those negotiations in terms of not only salary but non-salary issues, such as workload, faculty complement and renewal, right of reappointment, that are of vital interest to our members. We need to preserve not only the current agreement but also our bargaining strength for the next.
4. The money the Administration is seeking from the salaries of academic staff amounts to approximately \$2.2 million. The QUFA Executive was told that half would be applied to the deficit and that the other half would be distributed to academic units. A chart produced by QUFA demonstrates how insignificant the benefit would be for many academic units, given the punitiveness of proposed cuts. Judging from a recent memo from the Dean of Arts and Science, faculties (and, inevitably, units) will now be responsible for any increases to faculty salaries. In many instances, even minimal increases will wipe out any pay-back from salary reductions. On an even more serious note, the change in budgeting strategy appears

designed to discourage faculty from seeking salary increases in the next round of negotiations, which would represent management interference with the collective bargaining process. It also wrongly singles out QUFA salaries as the principal cause of financial distress for faculties.

5. Giving back money through salary cuts is not intended by the Administration to save jobs. It should be clear to all our members that the Board of Trustees and Administration are involved in an intensive downsizing operation. Their relentless rhetoric regarding the "wage bill" and compensation indicates that one of their principal goals—if not THE principal goal at the moment—is to get rid of people. There is no plan for faculty renewal, and support staff are disappearing quickly. The \$1.1 million that has been promised to the Departments by the Administration will do little or nothing in the long run to preserve or increase staffing—even support staffing. The overall effect of all Board and Administration financial decisions will be the continued and dramatic erosion of staffing.

6. Many QUFA members have been "paying back" for years as a result of increasing class sizes, diminished student skills, reductions in staff support in academic units, downloading of administrative tasks from a continually expanding Administration, increasing demands for the virtualization of education, and so on. For instance, the faculty complement decreased by nineteen full-time positions between 2007/08 and 2008/09. At the same time the enrolment of full-time students increased from 16,623 to 17,421. In addition, the Administration has generally failed to provide adequate replacements to compensate for the reduced teaching and administrative loads of faculty winning various research chairs. The expansion of the Administration has also meant the secondment of faculty from the classroom and from departmental service, again without adequate replacements.

Things are about to take a sharp turn for the worse. The Administration plans to eliminate another 50-60 full-time faculty through attrition, resulting in another \$6 million or more in savings for the university. Fewer term adjuncts and teaching assistants will be hired and retained as a result of departmental budget cuts. The absence of faculty renewal means the absence of a younger generation of colleagues and of the stimulation they provide. Workload for most of our members will increase as their academic environments become increasingly impoverished. Some graduate programs will be forced to close because recruitment will be hurt by the loss of teaching assistants and the overall decline in program quality

The QUFA Executive can hardly recommend to its members that they give back money when they are already being asked to do ever more work without proportional compensation, when workload for most members is on the verge of becoming oppressive, and when many of its members have to fund, out of pocket, some of the bare necessities of their work at Queen's.

II. Related and Broader Concerns

1. Fiscal Soundness and Responsibility. We are being asked to give money back to trustees and administrators who have made a series of mistakes that created the current economic crisis at Queen's. They generated over \$100 million dollars in debt in the construction of the Queen's Centre, a project they undertook without mounting a capital fundraising campaign to cover costs and that they had to halt after only the first of three projected stages. They hired a Principal who was under an ethics investigation in the United States and proceeded to contribute to her legal defence. They decided that she was not suitable for renewal, she left after four years, and they continued to pay her handsomely after she left. They did the same with several other administrators, creating a wage bill for former administrators that is not far removed from the \$2 million they are asking us to hand over to them. That wage bill has been swollen by significant increases to costs incurred through unnecessary and many would argue irresponsible expansion to administration and to administrative support in recent years.

This same group of trustees and administrators owes QUFA members roughly \$2 million in anomalies payments and has repeatedly frustrated QUFA's attempts to implement anomaly adjustments in a timely manner. The same Administration that has insisted on honouring its various "golden handshakes" to administrators now wants to renege on its compensation commitments to Queen's employees. To advise our members to return portions of their salaries to a Board and Administration that have handled Queen's money so poorly in the recent past would be irresponsible on the part of the QUFA Executive. We would be rewarding them for their poor performance. There are other sources of funding, including properties and the endowment, upon which the Board and Administration can draw or with which they can leverage financing in order to resolve the short-term crisis they themselves have created. For years the Board of Trustees has siphoned money from the operating budget to fund non-operating components of the university. Queen's has run operating surpluses that have been transferred to Endowment and Capital Budgets, among others, instead of being carried over for precisely the kind of situation we now face. It is time to pay back to operating the money that has long been siphoned off.

2. Academic Soundness. The Board of Trustees and Administration responded to the recent crisis by taking decisions that are destroying a significant part of the learning environment at Queen's. They undertook no long-term academic planning and instituted cuts that, in the course of a 3- or 4-year budget cycle, will comprise more than 100% of the non-salary base budgets of numerous departments. The effect of these cuts will be the elimination not just of courses but of programs, pushing some units to the brink of extinction. The effect on morale has been devastating.

The QUFA Executive cannot recommend to its members that salary should be sacrificed to a cost-cutting (or cost-recouping) enterprise that, until now, has shown little if any regard for academic principles and that has already had disastrous effects on its members' work environment.

There are many in QUFA who believe that the cost-cutting that is now occurring is not only economic but also political: that the current situation is beginning to be used as an excuse to dramatically reshape the university in ways that have little or nothing to do with its academic mission.

3. Transparency and Trust. The Queen's trustees and administrators have handled the crisis with such a lack of transparency that there is little reason for trusting the reasons or promises they have given in relation to the recent request to take back the salaries of academic staff. While the cost overruns were mounting prior to and during the winter of 2008, management said nothing. In fact, through the spring of 2008, in hopes of making the university more competitive in attracting scholars, the Queen's Administration encouraged QUFA to take a higher scale increase than the union itself sought. Only when the international financial crisis hit did Queen's trustees admit to a massive crisis at Queen's, and then they sought to blame it in large measure on the international situation. They used the latter as an excuse to go after the salaries of academic staff, suggesting that the "wage bill" was out of control at Queen's. Without addressing the wage and other bills associated with an expanded Administration, they attacked QUFA members on web sites and in the media.

Queen's finances are not represented clearly to Queen's stakeholders. When QUFA asked the administration in the winter of 2009 to join in an independent auditing process that would bring clarity to Queen's financial reporting, the request met with a resounding "No."

Given the lack of transparency that has characterized the behaviour of those who run Queen's and given that a 2% cut in scale to salaries would have only a small effect on the overall financial picture at Queen's, it is obvious that this request for \$2.2 million has little to do with money and more to do with power. It is an attempt by the Board and Principal to

weaken QUFA. In a larger context, it would make Queen's faculty the thin edge of a wedge, initiating a process of rollbacks that could affect negotiations and faculty-administration salary discussions throughout Ontario, perhaps throughout Canada.

4. Ethical and Collegial Implications—and a Proposed Solution. Any formal attempt by either individuals or the union to persuade members to compromise their salaries raises serious ethical questions. As noted above, a reduction to scale would have long-term effects for our own members, which would be compounded should the provincial government impose salary restraints as well. The impact of wage reductions would differ significantly depending on individual members' salaries, which vary dramatically. The effect of acceding to wage reduction would also extend beyond QUFA. Our negotiating strength benefits all other employee groups on campus. What if we had agreed to 2% less before QUSA had its salary agreement more or less imposed upon it? QUSA employees would have been confronted with a salary freeze, if not a rollback. If we start compromising on salary, employees on campus who earn much less than we do will feel the pressure to do likewise.

Similarly, voluntary wage reduction would affect university employee groups nationwide. Recent settlements at Ontario universities have been in the range of 2.5-3.0%. Several other Ontario universities are bargaining, and ten others will begin next year. Agreeing to reduce our scale increase would negatively influence those negotiations.

Donations have none of the negative implications just noted and would effectively express the spirit of generosity noted at the outset of this document. Donations

- do not reduce scale;
- do not, for that reason, have long-term consequences, even on retirement income;
- can be targeted at 100% (not the 50% offered by the Principal) to benefit specific causes or units;
- are tax deductible (though not, of course, at anything near 100%);
- do not force reductions in salary on others who may be less able to shoulder the burden.

5. A New Method of Addressing University Funding Problems.

One of the most interesting developments of late in university financing in North America, and one that speaks directly to fiscal responsibility, to academic soundness, and to excessive administrative costs, has been a tendency to focus on university administrations as the cause--hence the potential solution--to economic woes. As was reported in The New York Times (http://www.nytimes.com/2009/11/15/education/15bain.html?_r=1), universities such as North Carolina, Cornell, and Berkeley have hired a management consultant to focus on university business functions rather than meddle in the academic side of things. Although management consultancy can have serious blind spots in relation to academic matters—and is not by any means a panacea—and although an analysis of the North Carolina situation reveals that the academic side of things has not remain untouched, the administrations of these three universities appear to be looking at themselves as principal sources of savings. We encourage Queen's administrators to do the same, instead of undermining the learning environment and seeking to take our members' salaries back.

6. The Collective Agreement. Collective bargaining for QUFA came into being in 1995 when academic staff unionized because of unfair and arbitrary decision-making on the part of the Queen's Administration. Collective bargaining has served QUFA members well. It has dramatically improved procedural transparency and equity across campus. The cornerstone of collective bargaining is the Collective Agreement. The Agreement is a commitment made by two parties on the basis of prolonged preparation, discussion, and negotiation. It confers obligations that weigh equally on both parties. The current situation at Queen's does not justify the renunciation of those obligations regarding the compensation component of our Agreement.

III. What QUFA Is Willing To Do

Although the QUFA Executive is strongly opposed to measures that would force salary reductions on all our members, we are vitally concerned with the overall health, academic and economic, of Queen's. To this end, we are committed to working with the Administration to:

- Persuade the Board of Trustees to employ means other than savage cuts to academic programs to address the current situation at Queen's
- Develop retirement packages equally available for all qualified members
- Resolve outstanding anomalies
- Ensure that the Queen's pension plan is secure and fully funded
- Address our current salary model in a way that would rationalize salaries over the long term and that would return to a self-funding process that worked extraordinarily well when it was implemented in the mid 1980s. At that time, retirements funded progress-through-the-ranks and merit pay through the disparity between salaries at the end and beginning of careers. In this way, the long-term "wage bill" can be controlled and faculty renewal can occur.
- Assist in developing an academically grounded plan to extricate us all from the current financial difficulties facing Queen's
- Commission an independent study to look for savings on administrative costs at Queen's and to bring transparency to the Board's and Administration's representation of university finances.