



**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES'  
COMMITTEE ON GOVERNANCE  
IMPASSE RESOLUTION HEARING MEETING  
MINUTES**

**January 28, 2016**

**President's Room 215B, Emerson Alumni Hall**

**University of Florida, Gainesville, Florida**

**Time Convened: 9:02 a.m. EST**

**Time Adjourned: 10:27 a.m. EST**

**1.0 Verification of Quorum**

Acting Committee Chair David M. Thomas asked Vice President, General Counsel and University Secretary Jamie Lewis Keith to verify a quorum. Ms. Keith called the roll and confirmed a quorum with all members present.

**Committee Members present:**

David M. Thomas (Acting Chair), David L. Brandon, Susan M. Cameron, Christopher T. Corr, James W. Heavener, Steven M. Scott, and Anita G. Zucker.

**Others Present:**

Trustees Paul W. Davenport, Rahul Patel, Jason J. Rosenberg, and Robert G. Stern; W. Kent Fuchs, President; Joseph Glover, Provost and Senior Vice President for Academic Affairs; Charles Lane, Senior Vice President and Chief Operating Officer; Jamie Lewis Keith, Vice President, General Counsel and University Secretary; Ryan Fuller, Senior University Counsel for Employment and Labor; Michael Mattimore, Esq. and Mark L. Bonfanti, Esq. of Allen, Norton & Blue, P.A., counsel for the University of Florida; Angel Kwolek-Folland, Associate Provost for Academic Affairs; William Connellan, Provost's Office-Director/lead labor negotiator; Kim Baxley, Director of Employee Relations; Candi Churchill, Service Unit Director, United Faculty of Florida; John Biro, Agnes Leslie, and Raul Sanchez, Representatives for the United Faculty of Florida; Janine Sikes, Assistant Vice President for Media and Public Relations; Melissa Orth, Senior Director, Government Relations; Becky Holt, Executive Assistant; Sandy Mitchell, Senior Administrative Assistant; and other members of the University community and members of the media.

## **2.0 Call to Order and Welcome**

Acting Committee Chair David Thomas called the meeting of the Committee on Governance to order at 9:02 a.m. EST, welcoming all present and noting the importance of the matter before the Committee. Acting Committee Chair Thomas summarized the process for the hearing, as set forth on the agenda:

- One person may speak on behalf of each side—with each side having 20 minutes to present its position and 10 minutes for rebuttal;
- Only the Committee will ask any questions; and
- There is no public comment.

Neither representative had any questions about the process. Next, Acting Committee Chair Thomas asked Candi Churchill, Representative for United Faculty of Florida to present on behalf of the United Faculty of Florida.

## **3.0 Presentation of United Faculty of Florida Position**

Ms. Candi Churchill, representative for United Faculty of Florida (UFF) was acknowledged by Acting Committee Chair Thomas, and presented the position of the United Faculty of Florida (UFF) to the Committee. UFF's slides are incorporated in these minutes. The UFF submitted a written proposed order and copies were reviewed by each Committee member.

Ms. Churchill presented UFF's slides. Among other points, she expressed UFF's agreement with the Special Magistrate's Report and Recommendation entered December 28, 2015, took issue with the accuracy of the University Administration's cost and funding positions, presented peer institution salary information and cost of living and inflation information, addressed Administration raises, expressed that the faculty do not feel valued, expressed UFF's position that certain funding sources should be used for the raises, and asked the Committee to recommend to the Board of Trustees that it accept the Special Magistrate's recommendation and award to the UFF in-unit faculty, a 2.75% across-the-board increase in addition to a 2.5% merit wage increase. Ms. Churchill asked that the increases be effective in accordance with Article 24.2 of the Collective Bargaining Agreement.

## **4.0 Presentation of University of Florida (UF) Administration Position**

Mr. Michael Mattimore, representative for the University of Florida Administration, was acknowledged by Acting Committee Chair Thomas, and presented the University Administration's position to the Committee. The University Administration's slides are incorporated in these minutes. The University Administration submitted a written proposed action and copies were reviewed by each Committee member.

Mr. Mattimore presented the University Administration's slides. Among other points, Mr. Mattimore quoted President Fuchs' position highly valuing the faculty, longstanding and new, in

and out of the bargaining unit, and noted that, while UFF represents only in-unit faculty, the University needs to consider the whole faculty, of which two-thirds are not represented by the union. He addressed the needs served by non-recurring funds, the annual depletion of nonrecurring funds that would result if they were used to fund the union's request, a history of faculty raises, comparisons of UF faculty raises to the CPI, tuition and state funding available to UF as compared with those of peer institutions, and average UF faculty salaries as compared with those of other Florida state institutions and AAU institutions. Mr. Mattimore compared the cost of the University Administration's proposed 2.5% merit pool wage increase, applied to the whole faculty (\$19,430,032) to the cost of UFF's proposed 2.75% across-the-board increase and the 2.5% merit wage increase, applied to the whole faculty (\$40,995,753), and asked the Committee to recommend to the Board of Trustees that it accept the University Administration's position to provide a merit pool wage increase of 2.5%, effective January 1, 2016.

#### **5.0 United Faculty of Florida Rebuttal**

Acting Chair Thomas asked Candi Churchill to present the United Faculty rebuttal. Ms. Churchill asked for time to prepare, and Acting Committee Chair Thomas noted the importance of the matter at hand and provided a 10-minute period for this purpose. In her rebuttal, Ms. Churchill took issue with many of the University Administration's positions, reiterated some of UFF's key points, and thanked the Committee.

#### **6.0 University of Florida Administration Rebuttal**

Acting Chair Thomas thanked Ms. Churchill and asked Mr. Mattimore to present the University of Florida Administration's rebuttal. Mr. Mattimore highlighted key points and thanked the Committee.

#### **7.0 Submission of Proposed Orders**

The United Faculty of Florida and University of Florida Administration both submitted Proposed Orders for the Committee to review.

#### **8.0 Deliberations**

Having reviewed all of the written materials submitted by the parties and the Special Magistrate's report, Acting Chair David Thomas and the Committee began their deliberations.

#### **9.0 Action on Committee's Recommended Order to Resolve the Impasse**

Acting Chair David Thomas asked the Committee if there were any discussion.

Board Chair Steven Scott made substantial comments including, among other points, on the Board's commitment to the faculty and students, a review of the economic downturn and the actions the University took to address needs and responsibly manage its finances, the limited

sources of funding for the University, the need to increase faculty endowments and support faculty activities with adequate facilities, and the importance of not applying finite non-recurring funding to significant annually recurring obligations.

Acting Committee Chair David Thomas expressed that the Committee has taken the impasse issues very seriously; that the journey to the top 10 involves many challenges that we need to address strategically and responsibly; and that the State priority to keep costs of education down and the limited availability of funding to the University have impacts, but that the University has aspirations and will continue to work toward them.

After all comments were made, Acting Committee Chair Thomas asked for a motion. Board Chair Steven Scott made a motion to accept the University Administration's recommended action and order, which reads:

"The Committee on Governance recommends to the University of Florida Board of Trustees that the collective bargaining impasse, declared on or about August 6, 2015, between the University of Florida and the United Faculty of Florida on Section 24.4(c) of the Collective Bargaining Agreement be resolved by adopting the University's proposal of a 2.5% merit pool wage increase for faculty in the bargaining unit effective January 1, 2016, to be distributed per the Collective Bargaining Agreement."

This motion was seconded by Trustee Christopher Corr. The Acting Chair asked if there was any further discussion, and after hearing none, he asked for all in favor of the motion and any opposed to it. The motion was unanimously approved.

#### **10.0 Close/Adjourn Hearing Meeting of Governance Committee**

Acting Committee Chair David Thomas asked for a motion to adjourn the hearing meeting, which was made by Trustee Corr, and seconded by Trustee Zucker. The Acting Chair asked for all in favor and any opposed, and the motion was approved unanimously. The University of Florida Committee on Governance adjourned at 10:27 a.m. EST.



On January 28, 2016, at the below-listed campus location: (1) The University of Florida Board of Trustees' Committee on Governance will conduct an impasse resolution hearing meeting (in person and by conference phone), beginning at 9:00 a.m. EST and continuing until concluded, and then immediately after conclusion of the hearing (2) the full Board of Trustees will have an impasse resolution decision-making meeting (in person and by conference phone), continuing until concluded, as follows:

**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES'  
COMMITTEE ON GOVERNANCE  
IMPASSE RESOLUTION HEARING MEETING**

**AGENDA**

**January 28, 2016**

**Beginning at 9:00 a.m. EST**

**Campus Location: Emerson Alumni Hall, University of Florida, Gainesville, Florida**

- 1.0 Verification of a Quorum.....Vice President, General Counsel and University Secretary  
Jamie Lewis Keith
- 2.0 Call to Order Hearing Meeting and Welcome.....Acting Chair  
David M. Thomas
  - 2.1 The process is as set forth on the agenda
  - 2.2 One person may speak on behalf of each side
  - 2.3 Only the Committee will ask any questions
  - 2.4 There is no public comment
- 3.0 Presentation of United Faculty of Florida Position .....Candi Churchill  
**(20 minutes)**
- 4.0 Presentation of University of Florida Administration Position.....Michael Mattimore  
**(20 minutes)**

5.0 United Faculty of Florida Rebuttal .....Candi Churchill  
**(10 minutes)**

6.0 University of Florida Administration Rebuttal .....Michael Mattimore  
**(10 minutes)**

7.0 Submission of Proposed Orders.....Candi Churchill, Michael Mattimore  
**(There will be no further substantive presentation accompanying submission.)**

8.0 Deliberations..... Acting Chair David M. Thomas with the Committee

9.0 Action on Committee’s Recommended Order to resolve the impasse.....Acting Chair  
David M. Thomas

**Motion to Recommend Adoption of the Order: Trustee\_\_\_\_\_;**  
**Second: Trustee\_\_\_\_\_; Discussion;**  
**In Favor: \_\_\_\_; Opposed: \_\_\_\_\_**

**(Governance Committee members only)**

10.0 Close/Adjourn Hearing Meeting of Governance Committee.....Acting Chair  
David M. Thomas

**Motion To Adjourn: Trustee\_\_\_\_\_;**  
**Second: Trustee\_\_\_\_\_;**  
**In Favor: \_\_\_\_; Opposed: \_\_\_\_\_**

**(Governance Committee members only)**



**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES**  
**IMPASSE RESOLUTION DECISION-MAKING MEETING**

**AGENDA**

**January 28, 2016**

**Beginning immediately after conclusion of the hearing meeting of the Board’s Committee on Governance (which begins at 9:00 a.m. EST)  
Campus Location: Emerson Alumni Hall, University of Florida,  
Gainesville, Florida**

- 1.0 Verification of a Quorum.....Vice President, General Counsel and University Secretary  
Jamie Lewis Keith
- 2.0 Call to Order Decision-making Meeting and Welcome.....Chair Steven M. Scott
- 3.0 Discussion of Committee on Governance Recommended Order For Resolution of  
Impasse.....Acting Committee Chair David M. Thomas
  - 3.1 Presentation of Recommended Order
  - 3.2 Discussion and Identification of Final Order
- 4.0 Action of Decision to Resolve Impasse.....Chair Steven M. Scott

**Motion To Approve Final Order: Trustee\_\_\_\_\_;**  
**Second: Trustee\_\_\_\_\_;** Discussion;  
In Favor:\_\_\_\_; Opposed:\_\_\_\_\_

- 5.0 Adjourn Board Impasse Resolution Decision-making Meeting

**Motion To Adjourn: Trustee\_\_\_\_\_;**  
**Second: Trustee\_\_\_\_\_;**  
In Favor:\_\_\_\_; Opposed:\_\_\_\_\_



**ACTION OF THE UNIVERSITY OF FLORIDA  
BOARD OF TRUSTEES  
COMMITTEE ON GOVERNANCE**

**Number:** COMMITTEE ON GOVERNANCE ACTION UNDER R15-156

**Subject:** Collective Bargaining Impasse Process

**Date:** September 4, 2015

**VOTED:**

Pursuant to authority granted to the Committee on Governance by the University of Florida Board of Trustees in Resolution R15-156, the Committee, at a duly convened meeting, does hereby vote to adopt the following process by which to consider the special magistrate's report, and to hear the University management and union positions, on the resolution of issues that are the subject of impasse in any collective bargaining process--now in connection with the impasse declared by the United Faculty of Florida, or at any time in the future when an impasse is declared in any collective bargaining process affecting the University--if and when either University management or a union rejects the special magistrate's recommendation:

- a. The Governance Committee will hold a public meeting, at a time during the work day to be included in the meeting notice, to consider the special magistrate's report and to hear the positions of the union and University management on resolution of impasse issues.
- b. The union and University management will each have 30 minutes to make a presentation of its position (20 minutes) and to rebut the other's position (10 minutes).
- c. One person may speak on behalf of each side.
- d. Only the Committee will ask questions, and public comment will not be taken.



- e. A statement of position may be presented by each side, but there will be no witnesses or evidence presented.
- f. Each side will present a draft motion as its proposal for resolution of impasse issues.
- g. The Committee will deliberate and determine a recommended resolution of impasse issues, and the Committee's recommendation will be provided to the Board of Trustees for its approval and resolution of the impasse.
- h. The Board of Trustees will hold a public meeting to receive the Governance Committee's recommendation and to vote on the resolution of the impasse.

Executed as of the 4<sup>th</sup> day of September, 2015.



Susan M. Cameron, Acting Chair  
Committee on Governance

**Impasse Presentation  
Before the Governance Committee of  
UF's Board of Trustees**

**[bargaining@UFF-UF.org](mailto:bargaining@UFF-UF.org)**

**[www.UFF-UF.org](http://www.UFF-UF.org)**

**January 28, 2016**

## What is at issue in today's hearing?

### General Salary Increases [Article 24.4(c)]

- The Special Magistrate ruled with the Administration that only the issue of salary increases was “open” during this round of bargaining. Therefore:
  - UFF’s proposals for improving promotion raises, dealing with compression and inversion, and a process for starting salaries are not at issue
  - Effective date of increases, which is addressed in 24.2, is not at issue
- The only issue remaining is the percentage of Across-the-Board Increase, as stipulated in 24.4(c)
  - The UF Administration objected to the 2.75% across-the-board increase

# United Faculty of Florida—University of Florida

Impasse Hearing Positions on Across-the-Board increases in 24.4(c)

UFF Faculty Team:	2.75%
Cost:	\$4,276,250
UF Administration Team:	0%
Cost:	\$0

## United Faculty of Florida—University of Florida

- In his letter to the Trustees, President Fuchs claims UFF's proposal will cost \$40 million. This statement is inaccurate.
- The actual cost of the raise recommended by the Special Magistrate for in-unit faculty for the entire year is \$8,163,750. This is less than half of the performance funds UF received.

## The Special Magistrate

- The UF Administration bargaining team proposed selecting Thomas Young for Special Magistrate
- Young has the most higher education experience from the labor board's list
- Young has served
  - As a Hearing Officer for FL's labor board (PERC)
  - As Chairman and Superintendent of Leon Co School Board
  - As a trainer for both employee and management in collective bargaining nationally
  - As an Arbitrator and Special Magistrate in 7 states
  - As an Arbitrator resolving UF grievances

# UF's Peer Institutions

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

\* "Peers" as designated by the Office of Institutional Planning and Research, University of Florida: <http://ir.aa.ufl.edu>

# Lowest Assistant Professor Salaries

Institution	Assistant Professor Average salary, 2014
U California, Berkeley	99,200
U Illinois, Urbana-Champaign	90,200
U Michigan, Ann Arbor	89,600
U Texas, Austin	88,500
Pennsylvania State U	85,000
Ohio State U	84,800
Indiana U, Bloomington	83,000
U Wisconsin, Madison	81,600
UNC, Chapel Hill	81,100
Texas A & M	80,400
<b>U Florida</b>	<b>76,200</b>

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> Page 12/78



# Lowest Associate Professor Salaries

Institution	Associate Professor Average salary, 2014
U California, Berkeley	110,200
U Michigan, Ann Arbor	103,900
UNC, Chapel Hill	98,100
Pennsylvania State U	96,900
U Illinois, Urbana-Champaign	96,200
U Texas, Austin	94,400
Ohio State U	94,100
U Wisconsin, Madison	93,300
Indiana U, Bloomington	90,700
Texas A & M	88,100
<b>U Florida</b>	<b>85,100</b>

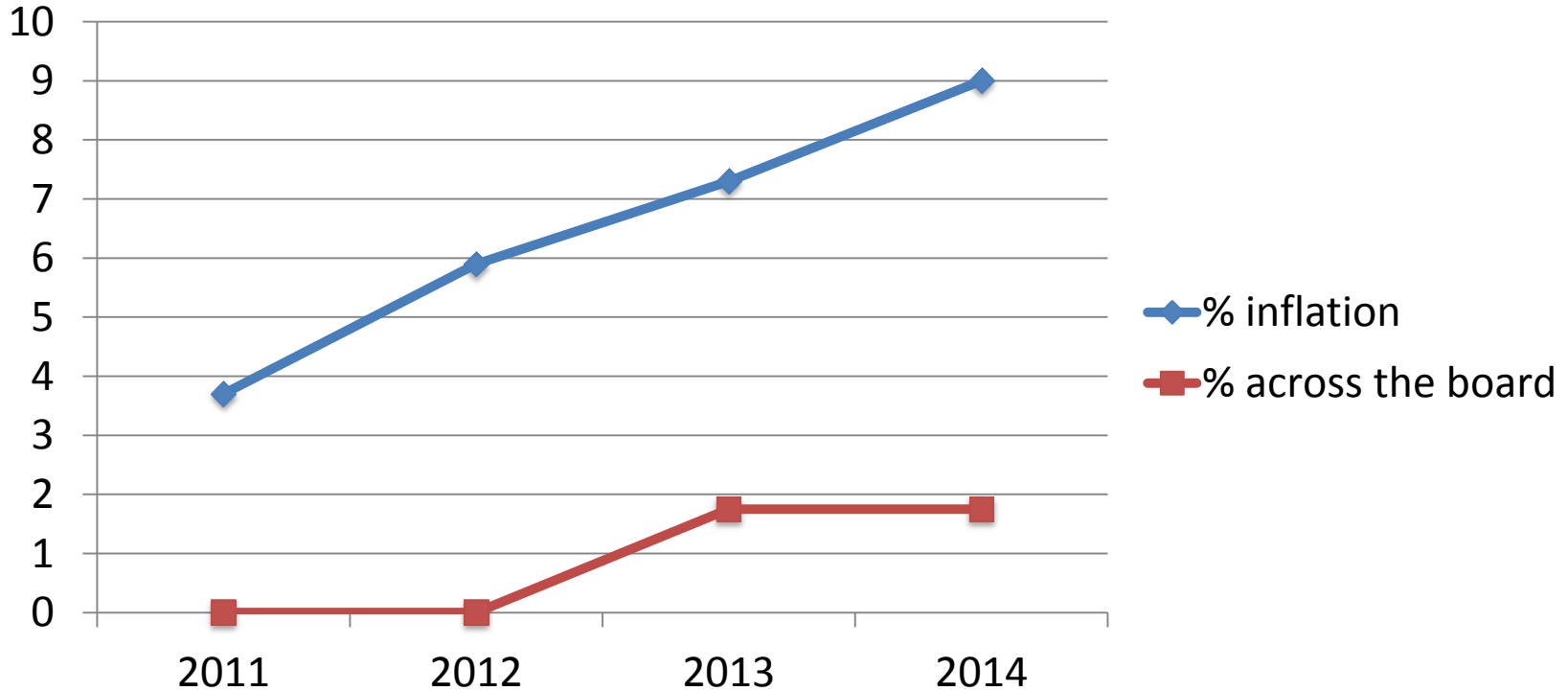
Source: 2013-14 AAUP Faculty Salary Survey *Chronicle of higher Education*, April 7, 2014. <http://chronicle.com/article/2013-14-AAUP-Faculty-Salary/145679/#id=table> Page 13/78

# Bottom Quarter Full Professor Salaries

Institution	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
<b>U Florida</b>	<b>128,300</b>
Texas A & M	128,200
U Wisconsin, Madison	123,500

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> Page 14/78

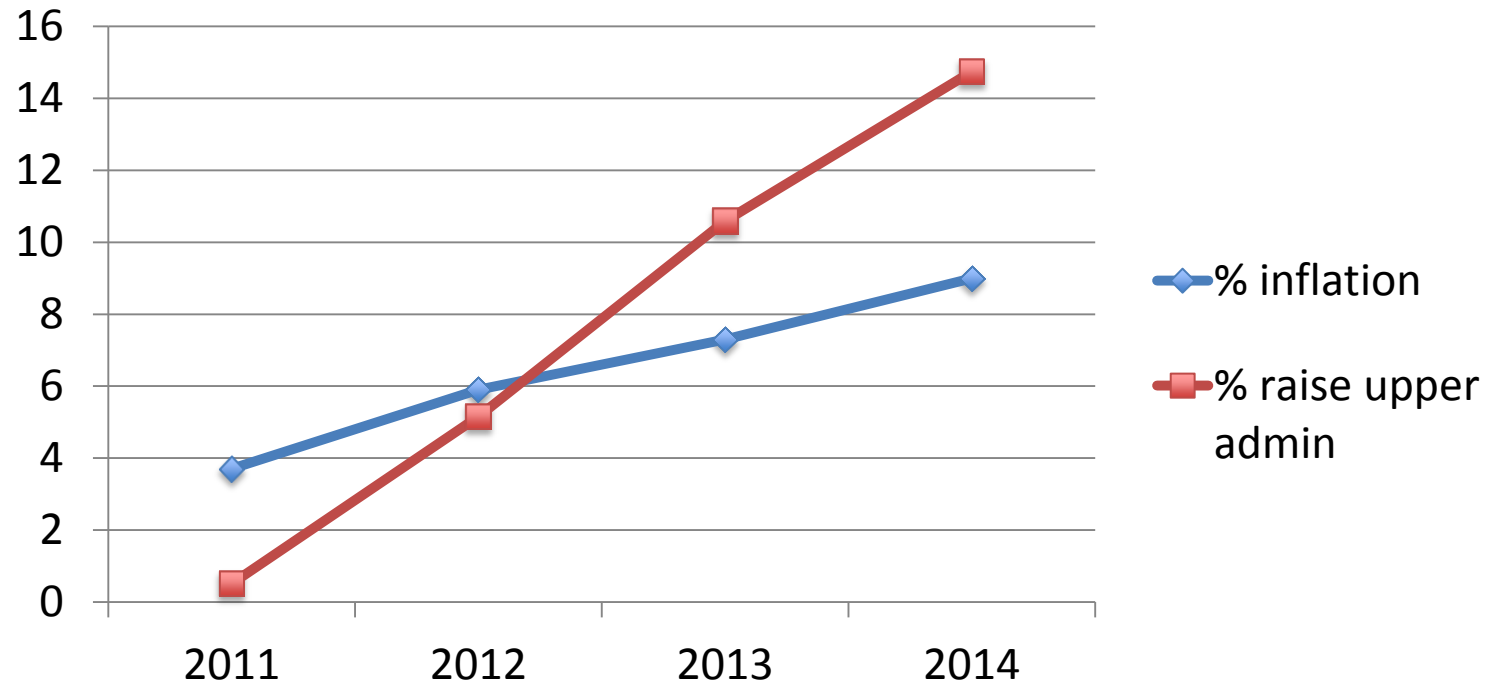
# Faculty Cost-of-Living Raises Compared to Inflation Rate



**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.

# Upper Administration Raises Compared to Inflation Rate



**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.

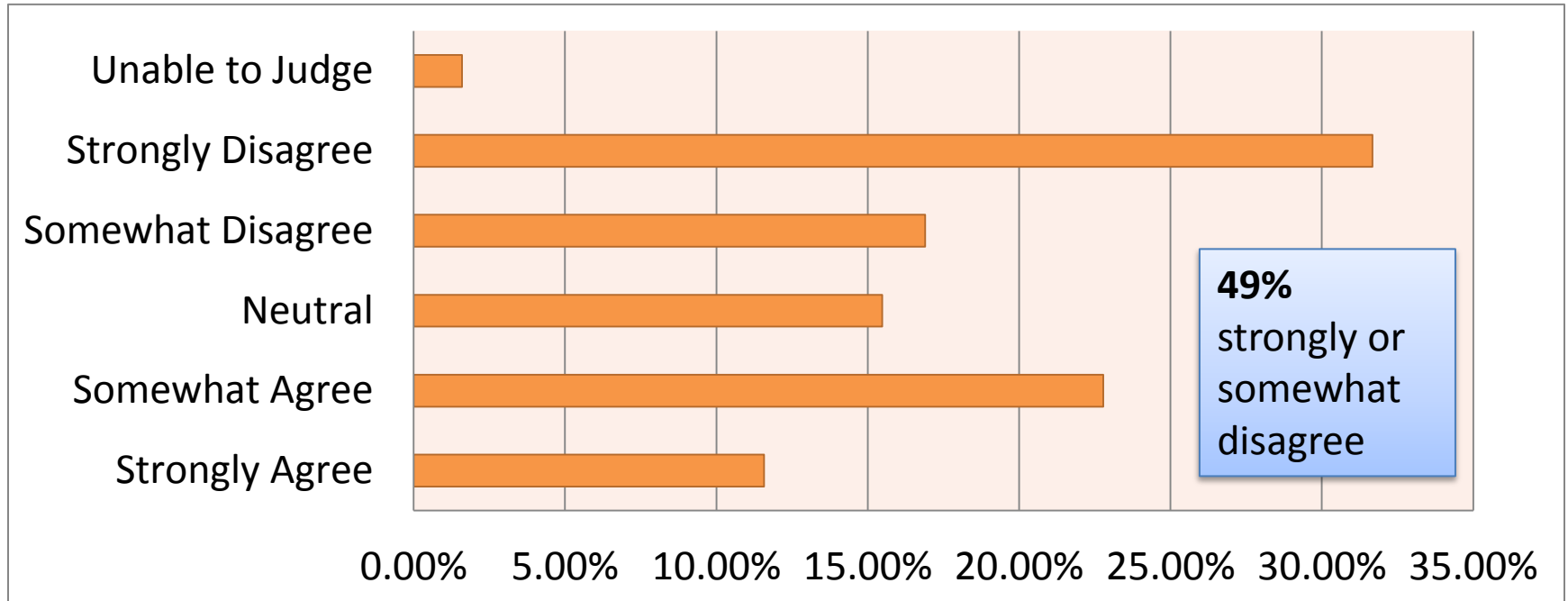
## Summary: Serious Salaries Issues

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- UF Faculty Salaries are not competitive with peers
- UF Faculty Salaries have not kept up with inflation
- UF Upper Administration raises *have* surpassed inflation and salaries *are* nationally competitive

# UF Faculty Do Not Feel Valued

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

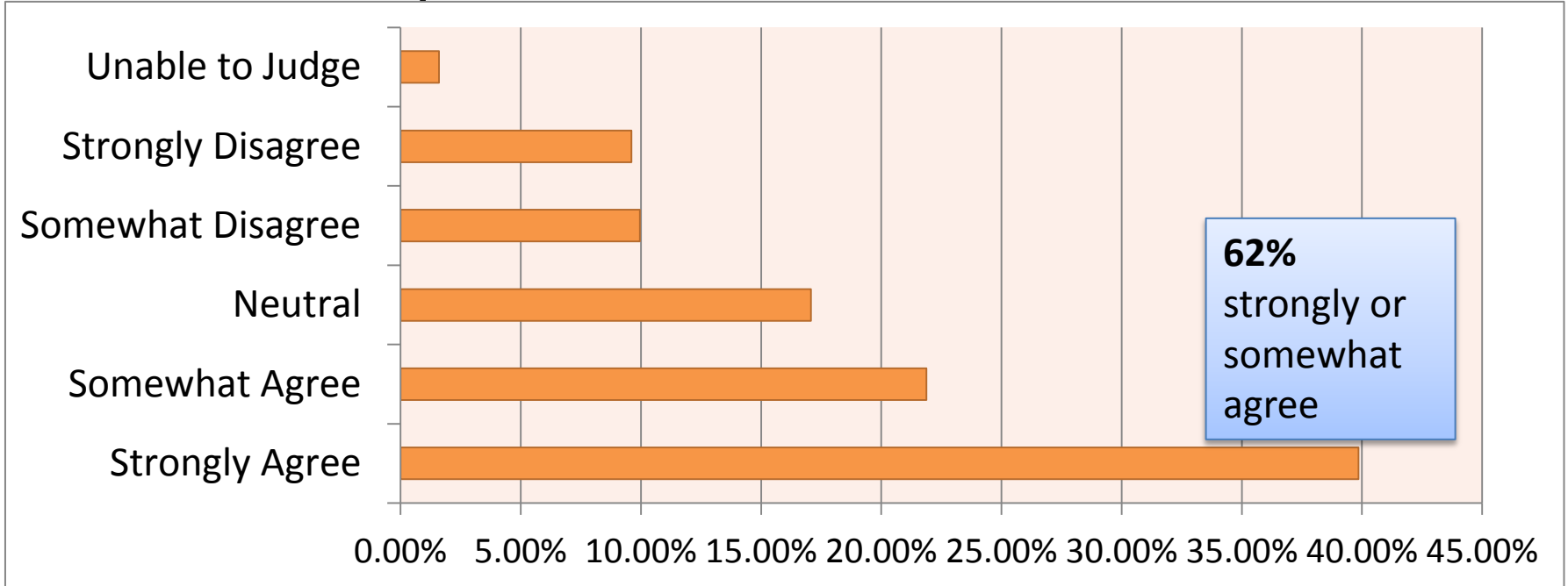


Unable to judge	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Total responses
1.60%	31.67%	16.90%	15.48%	22.78%	11.57%	562

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

# UF Faculty Do Not Feel Valued

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

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

# UF Administration's Stated Position



**“Our highest priority is securing the 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. ”**

President Bernie Machen, March 18, 2014,  
[http://info.uff.ufl.edu/UFAA/President/GatorsForHigherEd\\_20140317.htm](http://info.uff.ufl.edu/UFAA/President/GatorsForHigherEd_20140317.htm)



## UF Administration's Stated Position

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**“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.”**

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

## The Special Magistrate's Conclusions

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“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.” (pg. 12)

“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.” (pg. 13)

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# UF Finances and the Public Interest

# 2013-2014: UF's Ability to Pay

## President Bernie Machen

**PRESIDENT'S**

**MESSAGE**



*As the year draws to a close, the University of Florida is on sound financial footing - well-prepared to move forward while deepening its positive impact on the community, country and world.*

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](http://www.fa.ufl.edu/wp-content/uploads/AFR/UF_AFR_2014_indexed_4.pdf)

# 2013-2014: UF's Ability to Pay Vice President & Chief Financial Officer

From MANAGEMENT'S DISCUSSION AND ANALYSIS:

“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.” (Pg. 12)

“[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.** (Pg. 17)

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.” (Pg. 17)

*Source: 2013-2014 Annual Financial Report, University of Florida*

[http://www.fa.ufl.edu/wp-content/uploads/AFR/UF\\_AFR\\_2014\\_indexed\\_4.pdf](http://www.fa.ufl.edu/wp-content/uploads/AFR/UF_AFR_2014_indexed_4.pdf)

# 2015: UF's Continued Ability to Pay

## President Kent Fuchs



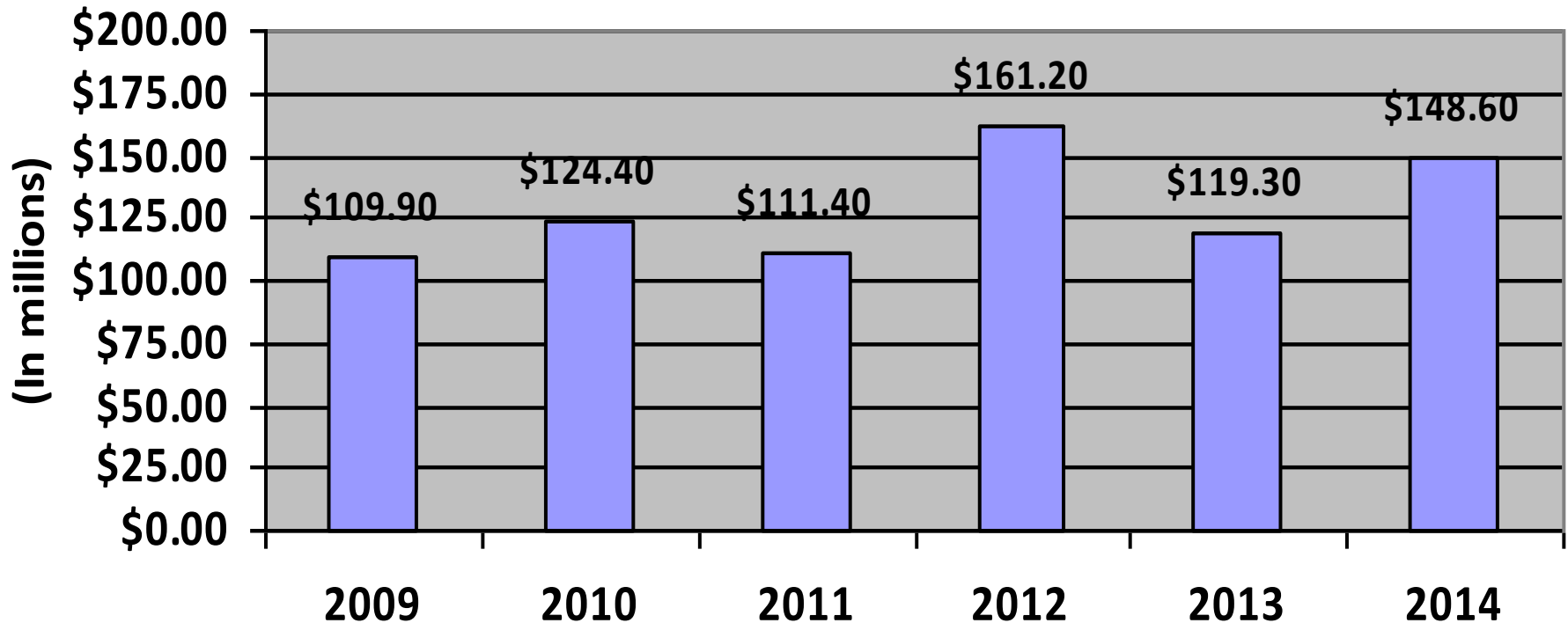
**“Our financials are solid.** Legislative leaders this spring provided UF with **a new \$19 million for meeting performance goals**, allowing us to invest in our people, including \$1 million in raising the minimum wage from \$10 to \$12 per hour. The state added a new \$5 million in preeminence dollars,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

-- President Kent Fuchs, “An Opportunity to Lead,” State of the University Address to the Faculty Senate, Sept. 24, 2015

# University of Florida Unrestricted Net Assets



**Total Reporting Entity:** University, Direct Support Organizations, Health Science Center Affiliates, Shands Hospital & Others

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

# University of Florida Change in Unrestricted Net Assets from 2003-2015<sup>[1]</sup>

Unrestricted Net Assets	30-Jun-03	30-Jun-15	Difference between 2003 & 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
<b>Total Reporting Entity</b>	<b>\$642,451,000</b>	<b>\$1,325,941,000</b>	<b>\$683,490,000</b>

<sup>[1]</sup> Reporting Entity: University of Florida;

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



# The Special Magistrate's Conclusions

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## **Ability to Pay -**

“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... 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.” (Pg. 14)

# The Special Magistrate's Conclusions

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## Conclusion - Ability to Pay

“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.**” (Pg. 18)

“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.**” (Pg. 18)

# The Special Magistrate's Conclusions

## RECOMMENDATION

“The UFF bargaining unit members [should] receive a 2.75% across the board salary increase, and a 2.5% merit wage increase as provided for in the collective bargaining agreement. The wage increases shall be effective August 1, 2015, and all salary raises shall be effective at the beginning of faculty member's annual appointment.”

(Pg. 20)

Accepting the Special Magistrate's recommendation will demonstrate that the UF Trustees value the excellent performance of the faculty and that top-ten status is a priority, not merely a talking point.

**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](mailto: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:

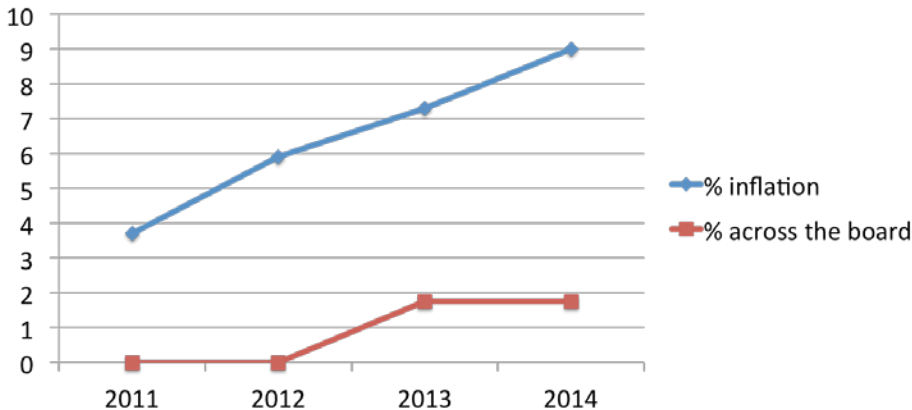
University of California, Berkeley	Ohio State University, Columbus
University of Illinois, Urbana-Champaign	Pennsylvania State University
Indiana University, Bloomington	Texas A & M University
University of Michigan, Ann Arbor	University of Texas, Austin
University of North Carolina, Chapel Hill	University 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.<sup>1</sup>

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
<b>U Florida</b>	<b>76,200</b>	<b>U Florida</b>	<b>85,100</b>
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		
<b>U Florida</b>	<b>128,300</b>		
Texas A & M	128,200		
U Wisconsin, Madison	123,500		

<sup>1</sup> 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>

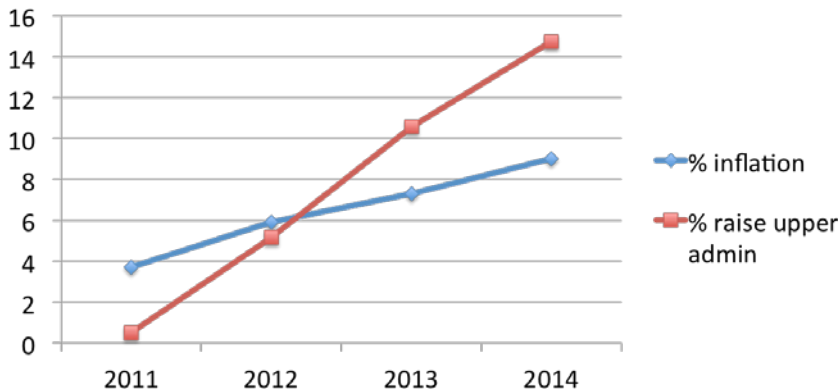
### Faculty Cost-of-Living Raises Compared to Inflation Rate



**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.

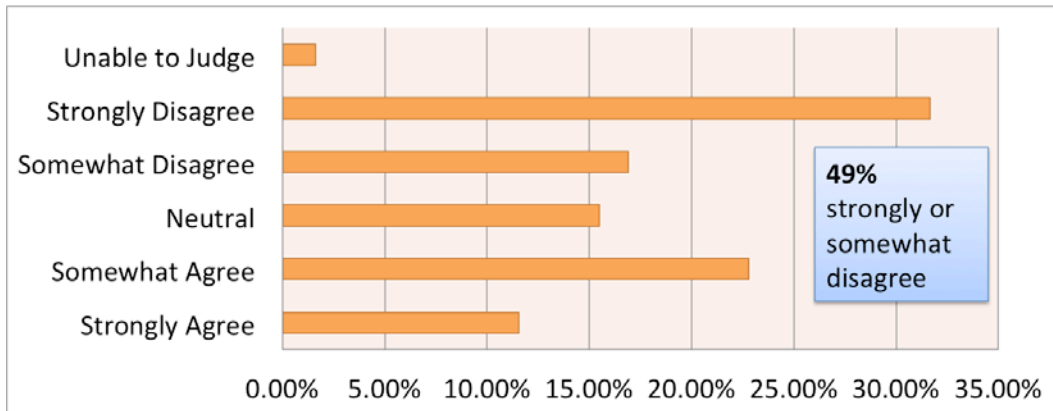
### Inflation Rate as Compared with Raises - Upper Administrators



**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.

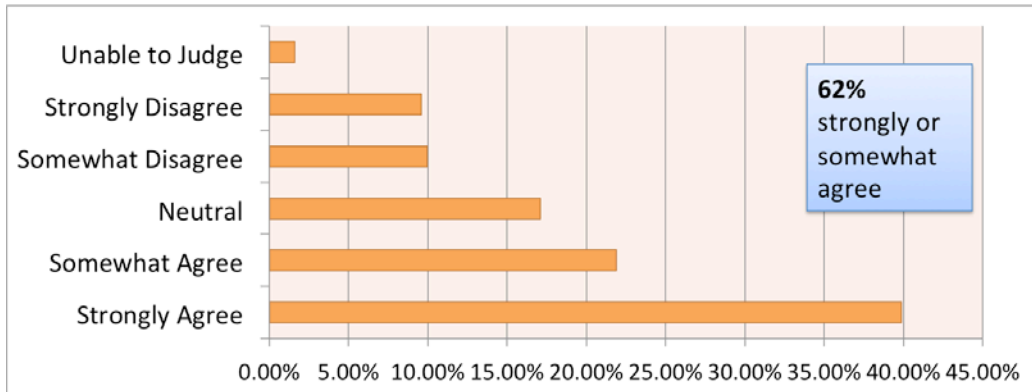
## UF Faculty are not Valued

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.<sup>2</sup>

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

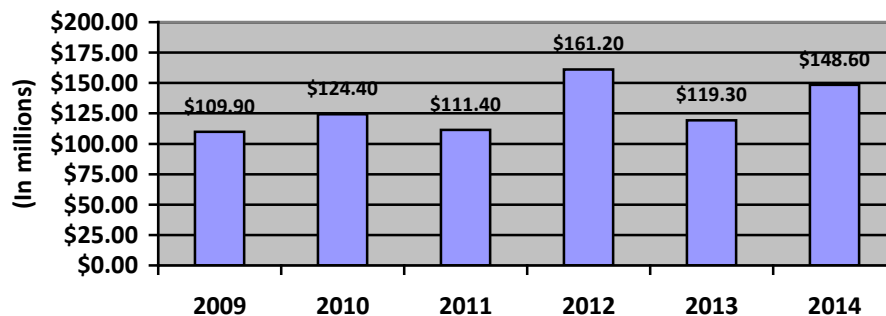
*Our financials are solid. Legislative leaders this spring provided UF with a new \$19 million for meeting performance goals, **allowing us to invest in our people**, including \$1 million in raising the minimum wage from \$10 to \$12 per hour. The state added a new \$5 million in preeminence dollars, 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**.*<sup>3</sup>

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 2003-2015<sup>4</sup>

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
<b>Total Reporting Entity</b>	<b>\$642,451,000</b>	<b>\$1,325,941,000</b>	<b>\$683,490,000</b>

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

<sup>2</sup> 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](http://www.fa.ufl.edu/wp-content/uploads/AFR/UF_AFR_2014_indexed_4.pdf))

<sup>3</sup> President Kent Fuchs, “An Opportunity to Lead,” State of the University Address to the Faculty Senate, Sept. 24, 2015.

<sup>4</sup> 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 Governors<sup>5</sup> 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

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<sup>5</sup> [http://www.flbog.edu/about/budget/docs/performance\\_funding/Summary-of-2015-16-Performance-Funding-Initiatives.pdf](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

# UNIVERSITY OF FLORIDA



## IMPASSE PRESENTATION

### BOARD OF TRUSTEES COMMITTEE ON GOVERNANCE

JANUARY 28, 2016

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“THE UNIVERSITY’S FACULTY ARE VITAL TO UF’S STRATEGIC GOALS FOR ADVANCEMENT AND WE NEED TO SUPPORT THEM.”

- PRESIDENT KENT FUCHS

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THE UNIVERSITY AND THE UNION AGREE ON THIS  
POINT.

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“WE HAVE MANY FACULTY, LONG-STANDING AND NEW, AND IN THE BARGAINING UNIT AND OUT, WHO ARE HIGHLY ACCOMPLISHED LEADERS IN THEIR DISCIPLINES, DRIVING UF’S CONTRIBUTIONS TO EDUCATION, RESEARCH, INNOVATION, AND ECONOMIC DEVELOPMENT FOR THE BETTERMENT OF FLORIDA, THE NATION, AND THE WORLD.”

- PRESIDENT KENT FUCHS

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**WE SUPPORT OUR FACULTY THROUGH THE INVESTMENT  
OF NON-RECURRING FUNDS TOWARDS ENHANCING  
CLASSROOMS AND LABORATORIES, AND MODERNIZING  
ACADEMIC SYSTEMS.**

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AND WE WOULD LIKE TO REWARD ALL OF OUR FACULTY  
WITH HIGHER RAISES AND WE LOOK FORWARD TO  
OPPORTUNITIES TO DO THAT IN THE FUTURE

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“IF THE BOARD ADOPTS THE ADMINISTRATION’S PROPOSED RAISE, UF WILL HAVE PROVIDED RAISES TO OUR IN- AND OUT-OF-UNIT FACULTY OF 11 PERCENT OVER THE LAST 3 YEARS.”

- PRESIDENT KENT FUCHS

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# ROLE OF THE GOVERNANCE COMMITTEE

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THE GOVERNANCE COMMITTEE HAS  
THE AUTHORITY TO  
RECOMMEND A RESOLUTION ON THE ISSUE OF WAGES

YOU ARE NOT BOUND BY ANYONE ELSE'S RECOMMENDATION

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# IMPASSE RESOLUTION PROCESS

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# THE PARTIES' IMPASSE POSITIONS

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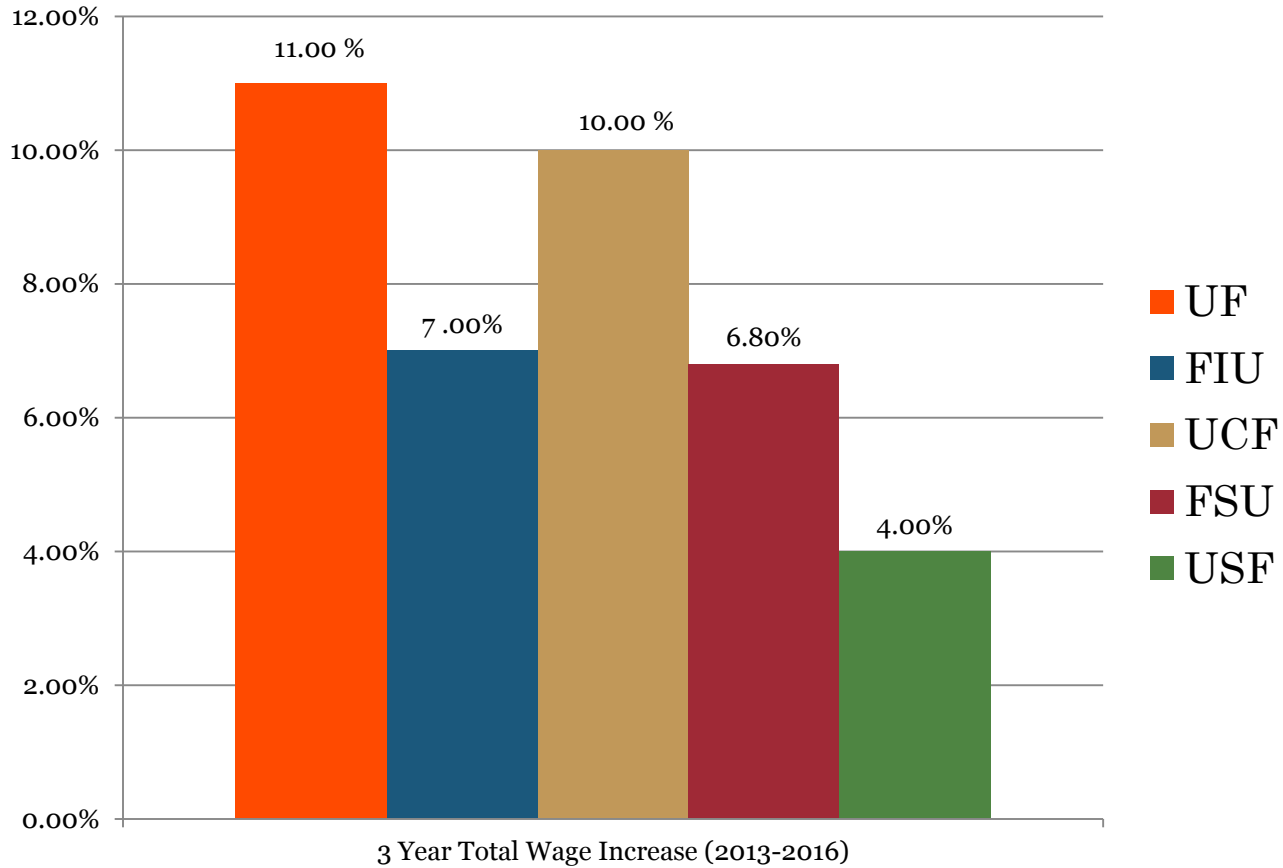
	<u>UNIVERSITY</u>	<u>UNION</u>
<u>MERIT</u>	2.5%	2.5%
<u>ACROSS-THE-BOARD</u>	0%	2.75%
<u>TOTAL INCREASE</u>	2.5%	5.25%
<u>EFFECTIVE DATE</u>	1/1/2016	8/15/2015

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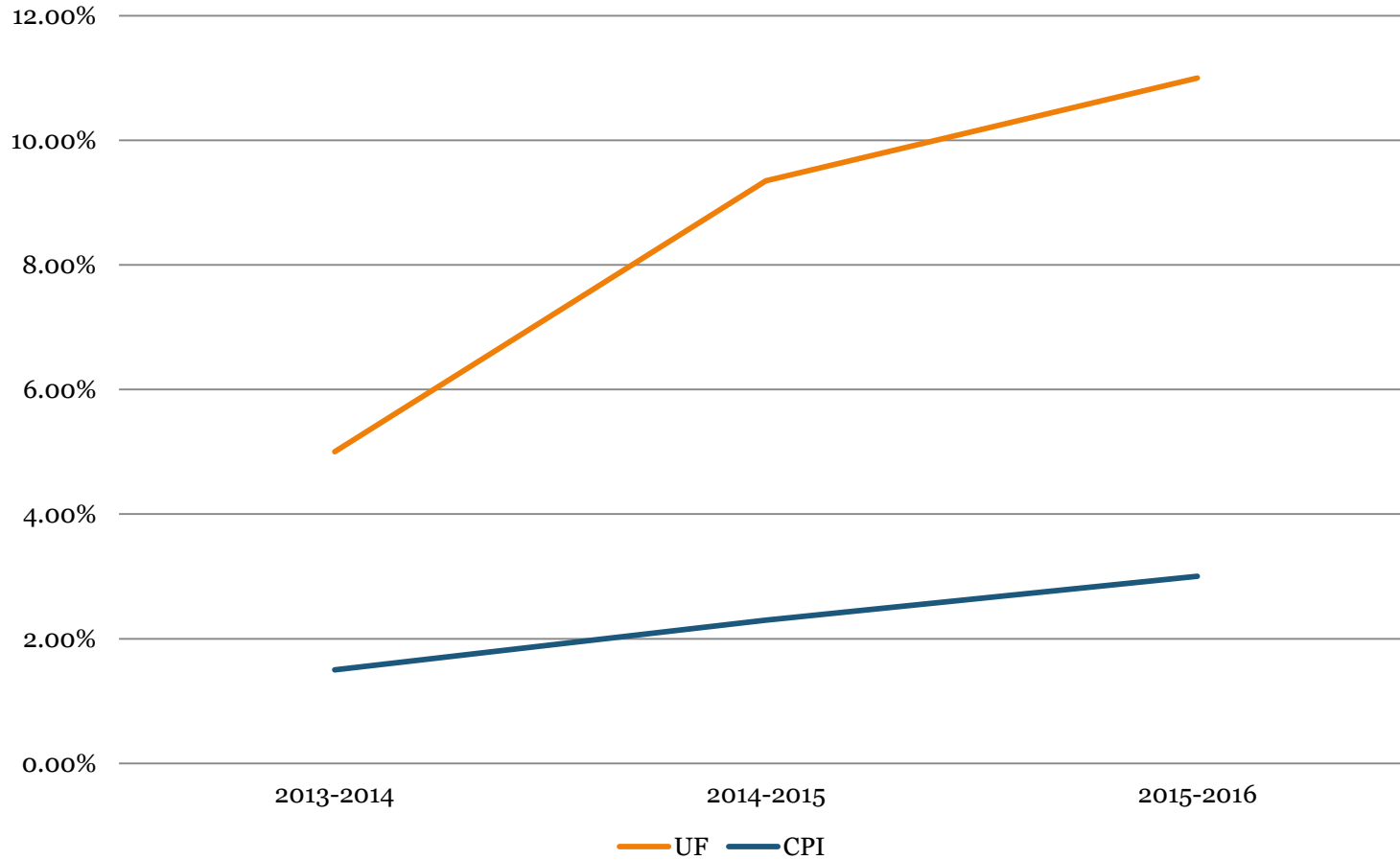
THE UNIVERSITY OF FLORIDA OUT  
PERFORMS OTHER STATE UNIVERSITY  
SYSTEM INSTITUTIONS IN TERMS OF  
WAGE INCREASES AND OVERALL  
FACULTY SALARIES

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# STATEWIDE PUBLIC UNIVERSITY SALARY INCREASES 2013-2016 TOTAL



# UNIVERSITY WAGE INCREASES VS. CPI (CUMULATIVE)





# STATE UNIVERSITY SYSTEM AVERAGE FACULTY SALARY (ALL RANKS)

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SUS	AVERAGE SALARY
UNIVERSITY OF FLORIDA	\$100,200
FLORIDA STATE UNIVERSITY	\$90,700
FLORIDA INTERNATIONAL UNIVERSITY	\$87,700
UNIVERSITY OF CENTRAL FLORIDA	\$84,200
UNIVERSITY OF SOUTH FLORIDA	\$81,100
FLORIDA ATLANTIC UNIVERSITY	\$76,300

# SALARY INCREASES TENURE & TENURE TRACK FACULTY (NATIONWIDE)

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	<u>PUBLIC UNIVERSITIES</u>	<u>UNIVERSITY OF FLORIDA</u>
<u>2013</u>	1.9%	5.0%
<u>2014</u>	2.2%	3.5%
<u>2015</u>	2.1%	2.5% (Proposed)

# PUBLIC AAU INSTITUTIONS WITH AVERAGE SALARIES LESS THAN THE UNIVERSITY OF FLORIDA

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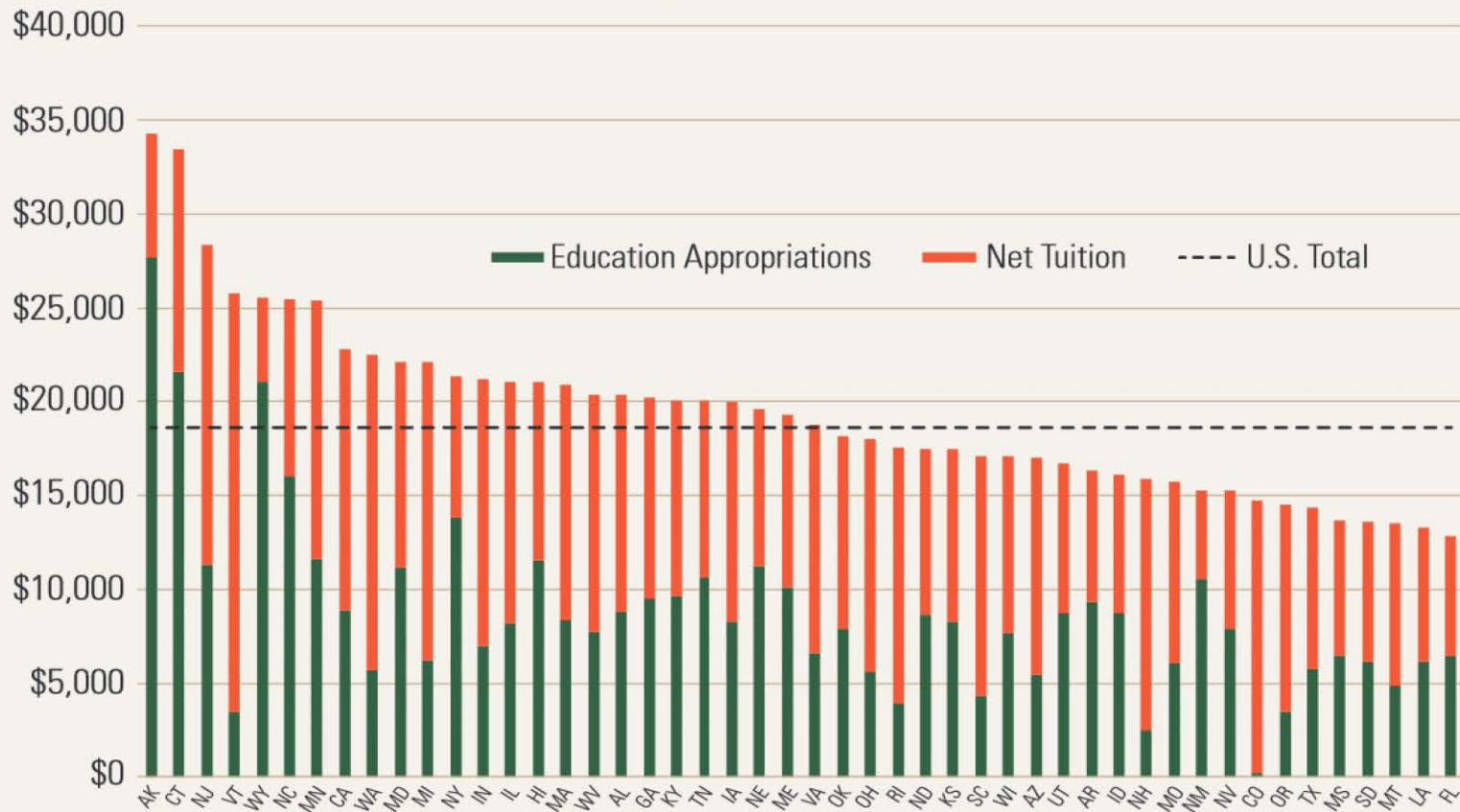
<u>University</u>	<u>Avg. Salary</u>	<u>Avg. Total Comp.</u>
U Florida	\$133,700	\$166,100
U Colorado-Boulder	\$131,600	\$164,800
Purdue U-Main	\$130,300	\$162,500
Iowa St U	\$125,700	\$161,600
U Wisconsin-Madison	\$128,100	\$160,300
U Arizona	\$123,700	\$156,100
Texas A&M U	\$131,400	\$155,800
U Missouri-Columbia	\$121,900	\$155,400
U Kansas-Main	\$125,400	\$155,000
U Washington-Tacoma	\$110,000	\$138,000

# TUITION & FEES

<b>University</b>	<b>Undergraduate Tuition and Fees for Academic Year</b>	<b>Additional Annual Funds From Tuition Based on 32,000 Undergraduate Students</b>
Penn State	\$17,502	\$358,048,000.00
Illinois	\$15,636	\$298,336,000.00
Michigan	\$14,490	\$261,664,000.00
Berkley	\$13,432	\$227,808,000.00
Indiana	\$10,388	\$130,400,000.00
Ohio State	\$10,037	\$119,168,000.00
Texas	\$9,830	\$112,544,000.00
Texas A&M	\$9,428	\$99,680,000.00
Wisconsin	\$8,655	\$74,944,000.00
North Carolina	\$8,562	\$71,968,000.00
Florida	\$6,313	

# American Academy of Arts & Sciences Publication Public Research Universities: Changes in State Funding

## Figure 11: Education Appropriations and Net Tuition at Public Research Universities per Full-Time Equivalent Student, 2013



States vary in their reliance on appropriations and net tuition. **Source:** State Higher Education Executive Officers (SHEEO) Association, *SHEF: FY 2014—State Higher Education Finance* (Boulder, Colo.: State Higher Education Executive Officers Association, 2015).

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THE SPECIAL MAGISTRATE DID  
NOT CONSIDER OUT-OF-UNIT  
FACULTY MEMBERS

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**BUT THE UNIVERSITY MUST:  
67% OF FACULTY MEMBERS ARE  
OUT-OF-UNIT**

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# COMPARATIVE COST OF PROPOSALS

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The following slides reflect recurring costs on an annualized basis.



# UNIVERSITY'S COST FOR PROPOSED 2.5% MERIT INCREASE FOR IN-UNIT FACULTY MEMBERS

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\$4,858,933

# UNIVERSITY'S COST FOR 2.5% MERIT INCREASE FOR ALL FACULTY MEMBERS

---

\$19,430,032

UNIVERSITY'S COST FOR UNION'S  
ADDITIONAL 2.75%  
ACROSS-THE-BOARD INCREASE  
FOR ALL FACULTY MEMBERS

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\$21,565,721

# UNIVERSITY'S TOTAL COST FOR UNION'S RECOMMENDATION

---

\$40,995,753

# THE PARTIES' IMPASSE POSITIONS

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	<u>UNIVERSITY</u>	<u>UNION</u>	<u>COST</u>
<u>MERIT</u>	2.5%	2.5%	\$19,430,032
<u>ACROSS-THE-BOARD</u>	0%	2.75%	\$21,565,721
<u>TOTAL INCREASE</u>	2.5%	5.25%	
<u>TOTAL COST</u>	\$19,430,032	\$40,995,753	

# PERFORMANCE FUNDING

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FY 2016 FUNDING

\$19,371,969

ALL SPENT ON EMPLOYEE  
RAISES

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THE BOARD HAS STRONGLY SUPPORTED  
THE UNIVERSITY'S POLICY AGAINST  
USING NON-RECURRING FUNDS FOR  
RECURRING EXPENSES

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# ANNUAL EXPENDITURE TO FUND UNION'S PROPOSAL

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\$10,000,000  
NON-RECURRING  
TO FUND A  
RECURRING EXPENDITURE  
(AN ADDITIONAL DEPLETION YEAR AFTER YEAR)



---

FOR THE REST, THE UNIVERSITY WOULD ALSO NEED  
TO DIVERT CURRENTLY COMMITTED FUNDS FROM  
COLLEGE, DEPARTMENTS, AND OTHER UNIT  
BUDGETS, NECESSITATING CUTS.

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# TUITION & FEES

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- UNIVERSITY RECEIVED NO AUTHORITY TO INCREASE TUITION OR FEES FOR 2015 – 2016
- UNIVERSITY ANTICIPATES NO AUTHORITY TO INCREASE TUITION OR FEES IN 2016 – 2017 OR 2017 – 2018

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THE UNIVERSITY'S  
RECOMMENDATION IS  
FISCALLY PRUDENT

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# UNIVERSITY'S RECOMMENDATION

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<u>MERIT</u>	2.5%
<u>ACROSS-THE-BOARD</u>	0%
<u>TOTAL INCREASE</u>	2.5%
<u>EFFECTIVE DATE</u>	1/1/2016

W. Kent Fuchs  
President

226 Tigert Hall  
PO Box 113150  
Gainesville, FL 32611-3150  
352-392-1311  
352-392-9506 Fax

January 25, 2016

Dear Trustees,

As you know, the United Faculty of Florida (UFF), which represents about one-third of the faculty, declared impasse after bargaining the most recent annual reopener of salary without reaching agreement. The Special Magistrate appointed by the State to hear both parties' positions, made a recommendation on December 28, 2015 to resolve the impasse, which is enclosed for your review and consideration. The University proposed a 2.5% merit pool effective January 1, 2016. After determining that the impasse relates only to differences regarding the salary increase, the Special Magistrate recommended that, in addition to the 2.5% merit pool, the University provide a 2.75% across-the-board raise and that both increases be effective August 1, 2015. As required by the statute that governs the impasse, this letter provides my recommendation to you on how to resolve the impasse.

The University's faculty are vital to UF's strategic goals for advancement and we need to support them. We have many faculty, long-standing and new, and in the bargaining unit and out, who are highly accomplished leaders in their disciplines, driving UF's contributions to education, research, innovation, and economic development for the betterment of Florida, the nation and the world. If the Board adopts the administration's proposed raise, UF will have provided raises to our in- and out-of-unit faculty of 11 percent over the last 3 years. This is 4.8 percent more than the average raise provided by all public universities across the country over the same three-year period.

Beyond this, we have established strategic goals to compensate our faculty commensurate with UF's national peers and to develop the additional recurring resources, through endowment growth and other sources, that will allow us to do so. This will require some time, as the resources available to UF significantly lag that of our Association of American Universities aspirational peers. In the meantime, we must continue our excellent record of responsible fiscal policies or we will be unable to meet our goals for the advancement of the University and its faculty.

The total cost of implementing the Special Magistrate's recommendation for all faculty, in and out of unit, is \$40,995,753 on an annual, recurring basis. This is \$21,565,721 more than the University's proposed raise. The Special Magistrate recommended raises be given to faculty in the bargaining unit and that funds for the raise be drawn from one-time monies in the University's operational

Impasse Recommendation

January 25, 2016

Page 2

reserves. In order to meet the Special Magistrate's recommendation, \$10 million of these one-time funds would need to be withdrawn year after year for this recurring raise, and that would deplete the reserves. The University would also need to divert other funds that are currently committed in College, Department and other unit budgets, necessitating cuts. Major cuts at this time would impede advancement.

The University's sustainable position for advancement over the last 12 years of both good and bad economic times has depended on our commitment to live within our means and avoid use of one-time funds for significant recurring obligations. Prudent management of University resources has permitted us to handle some of the more critical one-time needs in difficult circumstances.

The University's proposed raise rewards our faculty for their merit within the University's financial means. Consequently, I recommend that the Trustees resolve the impasse by adopting the University's proposed raise of 2.5% merit effective January 1, 2016.

Sincerely,

A handwritten signature in blue ink that reads "W. Kent Fuchs". The signature is written in a cursive style with a large initial "W" and a stylized "F".

W. Kent Fuchs

## United Faculty of Florida Proposed Motion

The University of Florida Board of Trustees Governance Committee moves to approve a 2.75% across-the-board general salary increase in resolution of the remaining disputed issue at impasse for the 2015-16 salary re-opener with United Faculty of Florida.

The Collective Bargaining Agreement language for ratification is below (modifications from the Board underlined):

---

### 24.4 General Salary Increases.

(c) In each year of this agreement the University shall provide a raise pool allocated between merit and across- the-board as follows:

	Merit	Across-the-board
2015-16	2.5%	<u>2.75%</u>

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UNIVERSITY OF FLORIDA'S  
PROPOSED MOTION OF THE UNIVERSITY OF FLORIDA BOARD OF TRUSTEES'  
COMMITTEE ON GOVERNANCE

JANUARY 28, 2016

**MOTION**

It is moved to recommend to the University of Florida Board of Trustees that the collective bargaining impasse, declared on or about August 6, 2015, between the University of Florida and the United Faculty of Florida on Section 24.4(c) of the Collective Bargaining Agreement be resolved by adopting the University's proposal of a 2.5% merit pool wage increase for faculty in the bargaining unit effective January 1, 2016, to be distributed per the Collective Bargaining Agreement.





*The Foundation for The Gator Nation*

**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES  
COMMITTEE ON GOVERNANCE  
COMMITTEE ACTION ITEM GV1  
January 28, 2016**

**SUBJECT: Impasse Resolution -- University of Florida and the United Faculty of Florida – University of Florida Chapter**

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**COMMITTEE ACTION**

The Committee on Governance recommends to the University of Florida Board of Trustees that the collective bargaining impasse, declared on or about August 6, 2015, between the University of Florida and the United Faculty of Florida on Section 24.4(c) of the Collective Bargaining Agreement be resolved by adopting the University's proposal of a 2.5% merit pool wage increase for faculty in the bargaining unit effective January 1, 2016, to be distributed per the Collective Bargaining Agreement.

A handwritten signature in black ink, appearing to read "D.M. Thomas", written over a horizontal line.

David M. Thomas, Acting Committee Chair  
Committee on Governance

UNIVERSITY OF FLORIDA'S  
PROPOSED ORDER OF THE UNIVERSITY OF FLORIDA BOARD OF TRUSTEES  
JANUARY 28, 2016

**So moved that the following order be adopted by the Board of Trustees:**

**ORDER**

By vote of the University of Florida Board of Trustees, the collective bargaining impasse, declared on or about August 6, 2015, between the University of Florida and the United Faculty of Florida on Section 24.4(c) of the Collective Bargaining Agreement is resolved by adopting the University's proposal of a 2.5% merit pool wage increase for faculty in the bargaining unit effective January 1, 2016, to be distributed per the Collective Bargaining Agreement.



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Steven M. Scott, Chair  
University of Florida Board of Trustees



THE UNIVERSITY OF FLORIDA BOARD OF TRUSTEES

JANUARY 28, 2016

**ORDER**

By vote of the University of Florida Board of Trustees, the collective bargaining impasse, declared on or about August 6, 2015, between the University of Florida and the United Faculty of Florida on Section 24.4(c) of the Collective Bargaining Agreement is resolved by adopting the University's proposal of a 2.5% merit pool wage increase for faculty in the bargaining unit effective January 1, 2016, to be distributed per the Collective Bargaining Agreement.

A handwritten signature in blue ink, appearing to read "Steven M. Scott".

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Steven M. Scott, Chair  
University of Florida Board of Trustees