

**To All Members of the University Community:**

Over the past six years I have provided regular updates to the campus community. This has been done so that everyone has full disclosure about the factors that ultimately, in one way or another, affect all of us at the University of Windsor. In sharing factual information on things such as revenue and expense growth, enrolment trends, and pension matters, I have wanted the entire campus to be informed. Being equally informed underpins one of the inherent and most resilient features of this University - the ability of people from across campus to feel equally proud of successes and equally responsible for challenges.

The purpose of this update is specific to one matter that will have an effect on the entire institution - collective bargaining between the University of Windsor and the Windsor University Faculty Association (WUFA). After more than two months of bargaining, with the assistance of two provincially appointed mediators, the parties remain apart.

On Tuesday, July 15<sup>th</sup>, 2014 the administration presented WUFA with a fair and reasonable offer that took into consideration the fiscal realities of the University. The offer was presented as a Final Offer. The University moved significantly beyond its previous monetary proposal. The administration's offer results in an average 8.9% increase in pay over three years for faculty, librarians, ancillary academic staff and sessional lecturers. This increase would in all likelihood be further augmented by annual Windsor Salary Standard (WSS) adjustments to base salary, as described below. The University's bargaining team was informed by WUFA on Friday, July 18<sup>th</sup> that this offer was rejected.

The University and WUFA have been at the bargaining table since May and the bargaining teams have met on 30 occasions, including 20 days in mediation. If WUFA is not prepared to deal with the economic realities of this University in a timely manner, the administration is not prepared to let this bargaining drift into the Fall and disrupt our students.

As a result, effective July 28<sup>th</sup>, 2014, and until there is a new collective agreement, the University will be implementing the terms and conditions of our July 15<sup>th</sup> offer, pursuant to s.86 of the Ontario Labour Relations Act. WUFA was advised of this development on July 22<sup>nd</sup>, 2014. WUFA was also advised in writing that the administration remains willing and able to continue collective bargaining. It is simply not true that the University has walked away from the bargaining table. Rather, the University is not prepared to bargain with itself in the face of WUFA's unrealistic monetary expectations.

To date, and to the best of our knowledge, WUFA has chosen to communicate only a few select elements of our offer while omitting reference to key elements in the offer that contain improvements. This update provides some key details and rationale of the offer being implemented as they relate to the central issues of salary and pensions.

**Salary proposal**

Full time faculty, librarians, ancillary academic staff, sessional lecturers*	2014/15	2015/16	2016/17
Annual Scale increase to base salary	0%	0%	3%
PTR (Progression Through the Ranks) increase to base salary	\$2,550	\$2,550**	\$2,550**
WSS increase to base salary***	To be calculated	To be calculated	To be calculated
One time lump sum payments	\$1,000	\$1,000	\$0
<b>Sessional instructors</b>			
Amount per course (annual increase)	\$8,000 (15% increase)	\$8,000 (0% increase)	\$8,240 (3% increase)
<b>Overload stipend</b>			
Stipend per course (annual increase)	\$4,475 (2.6% increase)	\$4,475 (0% increase)	\$4,609 (3% increase)

\*Sessional lecturers will receive 80.49% of any PTR or lump sum payments.

\*\*The administration proposes that effective July 1, 2015, PTR be limited to members with thirty or fewer years of service to the University of Windsor.

\*\*\*The Windsor Salary Standard (WSS) is a long standing provision of the WUFA collective agreement that ensures that the average salary across each professorial rank is the median of the average salaries for each rank at universities across Ontario. If the average salary in a rank is below the median, all members within that rank, regardless of years of service, receive the WSS adjustment, even if they are already above the median. Salaries are never reduced to match them to the median. The administration's proposal is that the WSS be calculated annually to ensure that average salaries for WUFA members at the University of Windsor remain competitive at the median within Ontario. The WSS adjustment is in addition to base scale increases, and reflects escalation trends across Ontario. Consequently, the WSS ensures that even in a year with a 0% scale increase, there will be a base increase to salary if required to maintain the median. Over the past seven years, the annual WSS adjustments have been in the range of 0% to 3.9%, with an annual average over that time period of 1.3%. At most Ontario universities there is no equivalent of the WSS. This makes direct comparison of past and proposed scale increases at Windsor to scale increases at most other Ontario universities difficult, since at most institutions annual scale increases and PTR are the only sources of increments to base salary.

As stated above, the administration's proposal would result in an average 8.9% increase in pay over three years for faculty, librarians, ancillary academic staff and sessional lecturers (PTR in each of the three years plus 3% scale in year 3). This could be, and in all likelihood will be, further augmented by annual WSS adjustments to base salary, as described above. It has not been recent practice to annually apply WSS adjustments, but the administration proposed this change to help ensure that the average salary in each rank remains at the median in Ontario. For those with more than thirty years service at the University of Windsor as of July 1, 2015, the proposal would result in an average 4.9% increase over three years (PTR in year 1 plus 3% scale in year 3), plus any applicable WSS adjustments. As well, faculty, librarians, and ancillary academic staff would receive \$2,000 in lump sum payments and sessional lecturers would receive 80.49% of that, or \$1,610 in lump sum payments.

### **Pension proposal**

The administration's proposal is two-fold, and seeks to address significant funding challenges facing the Faculty Plan.\*\*\*\* The first request is that members working beyond the Normal Retirement Date (age 65) be required to continue to make contributions to the pension plan until the earlier of cessation of employment or age 71. The second request is that in year 3 of a new agreement, contributions of faculty, librarians, ancillary academic staff and sessional lecturers to the Money Purchase Plan component of their pension plan increase from 8% to 9% of salary.

\*\*\*\*The Faculty Plan is a hybrid plan that currently has three cost components: the Money Purchase Plan component (MPP), the Minimum Guarantee Benefit (MGB), and special payments to fund the going concern deficit in the Plan. Currently, the employer contributes 6% of salaries to the MPP, and pays 100% of the cost of the MGB and the special payments. Employees currently contribute 8% of salaries to the MPP. In 2013/14, a total of \$19.7M was contributed to the Faculty Plan, with employee contributions totaling \$6.1M and employer contributions totaling \$13.6M, a split of 31%/69% of the total cost. The University expects that based on the July 1, 2014 valuation and current assumptions, it will be required to fund an additional \$3.5M annually from the operating budget to its pension payments to the Faculty Plan. This results from an estimated \$10M increase in the going concern deficit, and the need to pay more in MGB payments. This will increase the employer's costs to just over \$17M. Without additional employee contributions, it will push the total pension costs for the Faculty Plan to more than \$23M annually, with the employer's share increasing to close to 75%. In my update in late August, which is the update where annually the enrolment, revenues, expenses, and projected realignments for the next fiscal year operating budget are presented, the impact of these employer cost increases will again be summarized.

### **Conclusion**

There are a number of other items in the offer that provide increases. The administration offer is the culmination of a hope that everyone at the University of Windsor can moderate their expectations for a two-year period, in recognition of our fiscal realities. Equally important, the offer is meant to assure faculty, librarians, ancillary academic staff, sessional lecturers, and sessional instructors that they are truly valued, and that it is the administration's genuine desire to see the University of Windsor and the Windsor community be a place that is competitive and desirable to attract and retain the best people.

At the meeting on July 22<sup>nd</sup>, the administration advised WUFA in writing that it remains willing and able to continue collective bargaining. We remain committed to working toward a timely resolution for our students.

Sincerely,



Alan Wildeman  
President and Vice-Chancellor