

# QUFA VOICES

## SPECIAL ISSUE

### Myths and Facts: What Can We Count On?

By Susan Fitzgibbon  
Member Services Officer, QUFA

and John Holmes  
Past President, QUFA



*At the urging of many of our Members, this special issue of QUFA Voices attempts to clear up some*

*misconceptions and misinformation circulating through Queen's University during the current financial upheaval.*

*QUFA is committed now and in the future to ongoing efforts to answer questions and dispel such myths, and encourages Members and non-members alike to contribute to these endeavours.*

**MYTH: Faculty members must take either a pay cut or salary freeze.**

**FACT:** Although the Principal hinted at the 27 February Senate meeting that pay cuts may be required, the Administration has not approached QUFA directly in regard to reopening the Collective Agreement. The appropriate venue for them to do so

would be at the Joint Committee to Administer the Agreement (JCAA) meetings. The Principal has not said that there should be a pay cut or salary freeze. In an open meeting in January with QUFA's Executive and Council of Representatives, he said that he will abide by the Collective Agreement as signed in June 2008. He said that he did not yet know how a salary freeze would affect the budgeting process.

When asked by a QUFA Member, *the Principal also stated that he would not take direction from the Membership about where any salary savings from a (hypothetical) salary freeze would be directed. There would be no guarantee that such savings would be applied to the core academic mission.*

**MYTH: The main reason for the increasing size of the salary mass in the University's operating budget is due to the terms of existing collective agreements.**

*"Queen's spends approximately 70% of its operating budget on salaries, which will rise in coming years under the terms of existing collective agreements." (Principal's Financial Update January 2009)*

**FACT:** To put QUFA's salary mass in perspective, the total salary mass for the University was \$312,307,000 (not including benefits) for the year ending

30 April 2008, and QUFA Members' salaries came to a total of \$106,452,448.<sup>1</sup> In other words, faculty salaries account for only around one-third of the total salary bill for the University and 13.7% of the total University expenditures (\$779,261,000).

At Queen's, faculty compensation (academic rank salaries (full- and part-time)) as a percentage of total expenditures (excluding plant expenditures) declined from around 32% in the late 1970s to 25% in the mid 1990s and around 18% in 2005.<sup>2</sup>

People are the most important input in the production of knowledge; therefore it is not surprising that Canadian universities spend the greatest proportion of their operating expenditures on salaries and benefits.

Table 1 shows the most recent salary and benefit data available for Queen's and our peer Medical-Doctoral universities. The "Academic Ranks" category includes all people holding an academic rank with or without administrative positions up to the level of Dean. "Other Instruction and Research" includes staff people, tutors, TAs, RAs, etc. engaged in teaching and research. At Queen's, a greater proportion of the salary bill in relation to the Operating Fund goes to salaries for employees *not* engaged in teaching (Other Salaries and Wages). Further, Queen's

spending on benefits is lower than the average for Medical-Doctoral universities in Canada.

**MYTH: The Principal, VPs, and Deans have agreed to freeze their salaries in 2009-2010, so the faculty should do likewise.**

**FACT:** While there are far fewer upper-level administrators than there are faculty, their salaries have been growing at a much higher rate than those of our Members.

For example, in just one year (from 2006 to 2007), the salary of the Vice-Principal (Operations and Finance) rose by 7.9% and the salary of the Vice-Principal (Academic) rose by 35.8%. Furthermore, between 2000 and 2007, the salary paid to the Principal rose by 44%, the VP (Academic) by 81%, the VP (Finance) by 52%, the VP (Advancement) by 148%, and the Dean of Business by 119%.

Over the same seven-year period, the salary of a senior professor receiving an above-average score of 12 merit points a year increased by just 32.5%.<sup>3</sup>

**MYTH: QUFA Members received a 6% salary increase for 2008-2009.**

**FACT:** In June 2008, the negotiators for the University and QUFA agreed to an Across-the-Board (ATB) salary increase of 3.2% for each of the next three years. ATB increases are

Expenditure	Maclean's "Medical-Doctoral" Group		Queen's University	
	General Operating Budget	Total Expenditures	General Operating Budget	Total Expenditures
Academic Ranks	29.1%	15.1%	28.8%	16.3%
Other Instruction and Research	4.7%	2.5%	2.9%	1.6%
Other Salaries and Wages	27.3%	14.1%	33.7%	19.0%
Benefits	11.7%	6.1%	9.2%	5.2%

**Table 1: Canadian University Salaries and Benefits as a Percentage of Operating and Total Expenditures, 2006-2007.**

Source: Canadian Association of University Teachers, *Financial Statistics of Universities and Colleges, Fiscal Year 2006-2007*, from data provided by the Canadian Association of University Business Officers (CAUBO) and the Canadian Centre for Education Statistics, Statistics Canada.

designed to offset the impact of annual inflation and protect the real purchasing power of our salaries. This ATB increase was very much in line with other recent contract settlements in both universities and the Ontario broader public sector.<sup>4</sup>

There are additional benefits that Members gained in the 2008 round of negotiations, such as the employer paying the full cost of dental benefit premiums beginning 1 May 2009. Such improvements in benefits do raise the overall all-in compensation costs for the University by a small

amount. In total, the University Administration and QUFA agreed upon an ATB scale increase and improvements to benefits totalling 3.7%. The total amount of additional money to be directed towards salaries and benefits was never an issue during this last round of bargaining that ended in June 2008.

So, where does the 6% increase in salaries referred to by the Administration and in the letter circulated to faculty in December by the two members of the Board of Trustees elected by faculty come

from? It may come from a table on page 2 of Appendix O in the *Report on the Annual Budget 2008-2009* ([http://www.queensu.ca/fins/info/pdf/annual\\_budget09.pdf](http://www.queensu.ca/fins/info/pdf/annual_budget09.pdf)), which lists the "Average Increase for Continuing Faculty" for 2007-2008 as 6.0% and for 2008-2009 as 6.1%. Each year, when we receive our salary letter, it shows the year-over-year total percent increase in our own individual salary. We suspect that the 6% number being quoted is simply the average of the individual increases recorded in those letters.

**MYTH: All Members receive the same annual percentage increase in salary.**

**FACT:** *Percentage* salary increases (year-over-year) vary significantly between individual Members. To understand why this is so, one needs to understand the "salary model" used at Queen's.

The shape of salaries over an individual's career as an academic is quite different from most other occupations and professions. Most occupations have salary increases tied to a grid in which there are maybe four to six annual increments (in addition to any annual ATB adjustments) before one reaches the maximum "job rate." When one reaches the top of the grid, the only way for one's real salary to move higher is through promotion to a higher job category with a new grid. In Canadian academia in general, and at Queen's in particular, in every year throughout their career, continuing professors receive an increment in addition to the ATB increase (what we commonly refer to as progress-through-the-ranks (PTR) and merit, which people often lump together and refer to simply as "merit").

While all Members receive the same ATB *percentage* increase (e.g., 3.2% for 2008-2009), the other elements that factor into determining an individual's total annual salary

increase (i.e., Progress-through-the-Ranks (PTR), merit pay, junior increments, and senior abatements) are *absolute dollar amounts* rather than percentages applied to the previous year's salary. If two individuals have different current salaries, they will receive different annual percentage increases in their salaries, even if they receive the same "PTR / merit" score.

Let us illustrate with a couple of examples. We assume that each professor receives the modal merit score of 10, which for 2008-2009 translated into \$2,669:

*Faculty Member A:* a Full Professor with a 2007-2008 salary of \$135,000:

2007-2008 Salary	135,000.00
+PTR / Merit	2,669.00
-Senior Abatement	1,281.00
+ATB (Scale) 3.2%	<u>4,364.00</u>
2008-2009 Salary	140,708.00

Total percent increase: 4.26%

*Faculty Member B:* an Assistant Professor appointed in 2006 and with a 2007-2008 salary of \$80,000:

2007-2008 Salary	80,000.00
+PTR / Merit	2,669.00
+Junior Increment	534.00
+ATB (Scale) 3.2%	<u>2,663.00</u>
2008-2009 Salary	85,866.00

Total percent increase: 7.33%

In summary, younger members of faculty tend to experience higher percent increases compared to senior professors. If these individual percent increases are averaged over all continuing faculty members, the average is probably close to 6% (obviously, the average will be influenced by the relative numbers of senior and junior faculty members).

*N.B. This average percentage by which individual salaries increase tells you very little about the percentage by which the aggregate*

*faculty wage bill will increase for the University.*

**MYTH: QUFA and the Administration are satisfied with the current salary model.**

**FACT:** When the salary model was devised in the early 1980s, it was assumed senior abatements would fund junior increments and that PTR savings from people who retired would flow back in to help fund the PTR for those progressing through the ranks. This would work only as long as there was an even distribution of faculty by age and similar numbers of retirements and new hires.

However, the rapid escalation in starting salaries over the last decade and the very uneven patterns of retirements and hiring have raised questions about the current efficacy of the salary model. Our Collective Agreement sets a minimum for starting salaries, but no ceiling. *Starting salaries are set at the discretion of the University Administration and based on the so-called market rate by discipline.*

Canada has the highest entry-level salaries in comparison to a group of 15 other countries, including the U.S., the U.K., and Germany.<sup>5</sup> In the past ten years, average starting salaries at Queen's have risen by roughly 65% (34% after inflation) and have led to significant salary compression in many disciplines.<sup>6</sup>

A Memorandum of Agreement was signed during bargaining last spring to convene a joint committee to review the existing salary model, which has been in place for more than twenty years. QUFA named its representatives in the Fall and has been waiting for the names from the University Administration's representatives so that consultations can proceed.

**MYTH: The Collective Agreement makes it difficult for Queen's to offer competitively high salaries when recruiting new faculty.**

**FACT:** As stated above, it is the Administration and broader market for academic labour in Canada that influence starting salaries at Queen's. The Collective Agreement sets a minimum starting salary for an Assistant Professor (\$58,705 in 2008-2009). However, there has never been a ceiling for starting salaries in our Collective Agreements.

**MYTH: Early or Phased-in Retirement programs would not help address the financial pressure on the University.**

**FACT:** Despite the salary compression noted earlier, the retirement of senior faculty and their replacement with new young faculty would generate a reduction in the overall salary cost of faculty.

Given that there is no longer a mandatory retirement age, QUFA offered to negotiate a phased retirement scheme during the last round of bargaining. At that time, the University did not want to lose faculty close to retirement and declined to consider phased retirement. Principal Williams said in an open meeting with QUFA Members that past experience with early retirement incentives showed that it was the faculty that the University wished to retain who decided to leave.

However, one of the newly constituted Principal's Task Forces has been given responsibility to explore Employee Departures and has recommended a Voluntary Workforce Reduction Program "as a cost reduction measure ... offered to faculty only." Furthermore, this "Voluntary Workforce Reduction Program" would include a "mutual benefit" clause, where final approval remains with the Department Head or Dean." In this instance, therefore, the

Administration would be the final decision maker as to who should be allowed to go and who should be allowed to stay. QUFA holds the position that any such program should be available equally to eligible Members who wish to avail themselves of it.

**MYTH: The capital building projects are not affecting the operating budget.**

*This was Principal Hitchcock's position at the Budget Town Hall held with the Queen's community in 2007.*

**FACT:** In the *Financial Update: Report to the Board of Trustees, 5 December 2008*, a Table titled "Annual Capital Load Repayments Funded from Operations" shows that the total payments from the Operating Budget will be \$4,837,000 annually.

Another Table titled "Approved Capital Projects in Process" shows that a total of \$138,532,000, including \$107,000,000 for Phase 1 of the Queen's Centre, will be taken out of the Operating Budget over time (time frame not specified).

**MYTH: It is QUFA's Collective Agreement.**

*We often hear the Collective Agreement referred to as "QUFA's." This seems to suggest that the agreement is "imposed" by or belongs to QUFA, and that QUFA is solely responsible for provisions that are difficult to accept or to follow.*

**FACT:** There are always two parties at the bargaining table: the University Administration and the Faculty Association. The result is a "collective" agreement because it results from the two parties at the negotiating table and because it stands for the collectivity of the employees represented by QUFA.

While bargaining collectively as an Association places faculty in a stronger position in relation to the

University as the employer than if faculty individually sought to bargain the terms and conditions of their employment, QUFA's negotiating team cannot coerce the Administration into an agreement. Both parties mutually agree to and sign off on provisions that they feel are workable at the time. Any unforeseen difficulties that arise with the application of the provisions of the agreement belong to both parties.

**MYTH: The University Administration and QUFA are always at odds with each other.**

**FACT:** The staff in Faculty Relations (part of the VP (Academic)'s office) and QUFA regularly consult with each other on how to resolve new or difficult situations. Our common goal is to resolve conflicts informally, to mutual satisfaction, and before they escalate. The Administration and QUFA recognize that the excellence of the University is founded on a stable and dedicated academic body.

#### Notes

<sup>1</sup>Queen's University, *Annual Report 2008*. <<http://www.queensu.ca/fins/info/pdf/AnnualReport2008.pdf>>. 55. As well as Membership Reports provided to QUFA by the University.

<sup>2</sup>CAUT, using Statistics Canada and CAUBO (Canadian Association of University Business Officers) data.

<sup>3</sup>Salary data taken from <<http://www.fin.gov.on.ca/English/publications/salarydisclosure/2008.htm>>, which provides information on salaries greater than \$100,000 back to 1996. Although the people in some of the positions changed between 2000 and 2007, we have taken the salary that was committed to that particular position.

<sup>4</sup>Human Resources and Skills Development Canada (HRSDC) has compiled the following ATB increases

in Education, Health, and Social Services industries:

1st quarter of 2008:

30 agreements covering 103,730 employees with an average increase of 3.5%.

2nd Quarter of 2008: 20

agreements covering 27,580 employees with an average increase of 3.8%.

3rd Quarter: 36 agreements

covering 93,340 employees with an average increase of 4.6%.

Data can be found at

<[http://www.hrsdc.gc.ca/eng/labour/labour\\_relations/info\\_analysis/wages/settlements/quarterly.shtml](http://www.hrsdc.gc.ca/eng/labour/labour_relations/info_analysis/wages/settlements/quarterly.shtml)>.

QUFA's 3.2% is within this range of settlements. See

<[http://www.labour.gov.on.ca/English/lr/pubs\\_type/html](http://www.labour.gov.on.ca/English/lr/pubs_type/html)> for settlements in Ontario.

<sup>5</sup>Rumbley, L. R., I. F. Pacheco, and P. G. Altbach. *International Comparison of Academic Salaries: An Exploratory Study*. Boston: Center for International Higher Education, Boston College, 2008.

<[http://www.bc.edu/bc\\_org/avp/soe/cihe/salary\\_report.pdf](http://www.bc.edu/bc_org/avp/soe/cihe/salary_report.pdf)>.

<sup>6</sup>See *QUFA Bargaining Alert! 5*

(October 2007) archived at <<http://www.qufa.ca/updates/>> for a fuller description of the Queen's salary model.

*Susan Fitzgibbon can be reached at [fitzgibb@queensu.ca](mailto:fitzgibb@queensu.ca).*

*John Holmes can be reached at [holmesj@queensu.ca](mailto:holmesj@queensu.ca).*