

OFFICE OF THE PROVOST

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MEMORANDUM

TO: FAU Employees Covered by the BOT/UFF Collective Bargaining Agreement

FROM: Diane Alperin
Associate Provost, Academic Personnel

RE: Declaration of Impasse

DATE: November 24, 2008

Today at our bargaining session with the United Faculty of Florida, we advised that the University will pursue the impasse resolution process to resolve the issues being negotiated, including wages. This was an extremely difficult decision, and I wanted to explain why we made this decision and what it means.

President Brogan informed all FAU employees on October 24, 2008, that the FAU Board of Trustees had approved performance-based salary increases for the 2008-09 fiscal year. Funds were provided to award a \$1,000 non-recurring, lump-sum bonus payment and a one percent (1%) base salary increase at a 2008-09 cost of more than \$4.2 million. These increases were reflected in the paychecks of all eligible staff and out-of-unit faculty last week. As indicated in President Brogan's message, and in a subsequent announcement from me, these increases did not apply to employees covered by a collective bargaining agreement. Teams representing both the FAU Board of Trustees (BOT) and the FAU United Faculty of Florida (UFF) have been meeting for several months to negotiate salaries and other conditions of employment.

In regard to wages, the UFF proposed a 10% salary increase package (5% retention/across the board; 2% merit; 3% equity) for faculty. The BOT proposed a 1% salary increase and a \$1,000 non-recurring bonus, similar to what had been provided to other employees. Earlier this year the BOT and the UFF signed a Memorandum of Understanding on promotion increases for faculty: 9% for promotion to Associate Professor and 12% for promotion to Professor. Those promotion increases were implemented in August 2008.

I know you are very familiar with the State of Florida's economic situation and the severe budget cuts we have already implemented here at the University. The State Legislature's Revenue Estimating Conference met on Friday and there is a potential for an additional \$10 million cut to

our budget this year totaling a \$15.4 million cut for 2008-09. Next year, we face a recurring reduction of approximately \$21 million. In the context of this budget scenario, the UFF's 10% proposal (which would add approximately \$8 million in recurring obligations to the University's annual budget) was unrealistic.

It has been suggested that proceeds from the University's recent bandwidth lease with Clearwire Corporation be used to fund greater salary increases. This suggestion fails to recognize that salary increases are recurring obligations, while the bulk of the Clearwire funding came in a single up-front payment. The administration was able to set aside from the Clearwire revenue funding sufficient to cover the cost of the first two years of the salary increases already approved for staff, as well as those proposed for in-unit faculty. However, we do not believe it would be fiscally prudent to attempt to fund even greater recurring obligations from non-appropriated funds.

The Provost and Office of Human Resources have received numerous inquiries from in-unit faculty upset over not receiving any wage increase or bonus money before the holiday season. The administration is prohibited by law from unilaterally giving a raise or bonus to in-unit faculty without the UFF's agreement. The BOT wage proposal was made in the best interests of the faculty to reach agreement on a wage package and get money to them as soon as possible. By declaring impasse now, the administration continues its efforts to get money in the pockets of our in-unit faculty as soon as possible.

In addition to the Salaries article, we also are at impasse on two other articles. Article 12 deals with the terms and conditions of non-reappointment for non-tenured employees. The issue with non-reappointment remains the timing of giving notice to faculty before they separate from employment.

Article 8 Section 4(b) addresses summer appointments. We amended the long-standing language dating back to the Board of Regents' "Blue Book" and agreed to grant preference in summer appointments to tenured employees, tenure earning employees, employees with multi-year appointments, and instructors who have taught at the University for at least three consecutive years. Based on current information, we are currently the only university in the SUS that gives preference to these employees. The parties, however, now disagree on the interpretation of the language regarding the appointment preference. The UFF is now arguing that the preference extends to multiple assignments. This disagreement has a potentially critical budget effect on our summer academic program.

So that is where we are -- where are we going? What does impasse mean? First, the BOT has notified the Florida Public Employees Relations Commission of the impasse and requested that a

panel of mediators, called Special Magistrates, be proposed to assist in the process. Within 30 days, both sides will select a Special Magistrate. Following this, each side will have time to prepare and a hearing will be held before the Special Magistrate at which both sides present and defend their proposals. The Special Magistrate will make a recommendation after a period of time and both parties will have an opportunity to accept or reject the recommendation. If either party rejects the recommendation, a hearing will be conducted by a committee of the FAU Board of Trustees. This is a quasi-judicial proceeding during which both parties will have an opportunity to present their cases. The committee will make a recommendation to the full BOT and the BOT will make a final binding decision on each of the open issues. In general, this entire process may take between 60 and 90 days, at which point a wage article can be implemented.

As I indicated, we did not make the decision to declare impasse lightly. We carefully debated all the issues and the time involved in the process. Of highest importance, however, was our commitment to reach agreement on these important issues in a timely fashion. Unfortunately, this did not occur. Please do not hesitate to contact me with any questions or concerns, and I will do my best, under strict guidelines for these legal proceedings, to continue to keep you informed as we move through this process.