

BULLETIN

FASBU BARGAINING BULLETIN

Bargaining in a cold climate

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As long as I have been at Nipissing (2005), the finances of the University have been relatively healthy – unless it is a bargaining year, then the Employer has claimed they are *broke*. This year is no different – with one exception, the Employer asserts this deficit is real and structural. What is a structural deficit? A structural

deficit is defined by a pattern (year over year) of deficits that are the result of increasing expenditures and shrinking revenues over which an organization has little or no control. As the chart below demonstrates, the Employer’s story is incredible. Though they concede to crying wolf in the past, they insist this year is different, and that they are simply stating a fact when they say that the university has a structural deficit.



Review of University Budgets and Audited Financial Statements 2009-2014

Year	Budgeted deficit	Audited Financial Statements	Comments
<u>2009-2010</u>	\$1,562,000	\$7,444,000 surplus	Bargaining year
2010-2011	\$747,5000	\$5,219,000 surplus	
2011-2012	\$670,000	\$1,982,000 surplus	
<u>2012-2013</u>	\$1,245,000	\$2,193,000 surplus	Bargaining year
2013-2014	\$4,845,951	\$2, 677,000 deficit	
<u>2014-2015</u>	\$11,865,864	?	Bargaining year



The main barrier to our negotiations so far is when we ask them to prove that a financial crisis exists, and that there is in fact a structural deficit caused not by one-time expenditures or poor management decisions, they outright refuse. Other universities that have claimed financial crises, Acadia for example, have opened their books to their faculty associations. Our Employer refuses to do that, yet they ask us to trust them.

Since March 19, when we first exchanged packages with the Employer, we have been collecting and assessing financial data. Even though the Employer has not been forthcoming, we have discovered some things about the finances of the University.

What do we know?

- We know the University does not have an \$11.8 million dollar deficit. It will be significantly less than this for 2014-2015, how much we will not know with certainty until the production of the Audited Financial Statement in the fall.
- We know that the Employer has paid out and will continue to pay out significant severances to former Administrators and other employees whose positions were terminated and that these severances are reported under salary mass in the expenditure line of the budget as if they are a permanent and fixed cost to the University, when in fact they are one time payouts that will not continue into the future. How much these severances are has not been disclosed despite our repeated requests for this information.
- We know that administrative salaries have risen significantly in the last three years and that faculty salaries have stagnated or decreased.
- We know that full-time tenured and tenure-track salaries (including benefits) range between \$22 and \$24 million dollars per year. That is 30% of the projected \$73 million dollar budget for 2015-2016. We also know that CASBU salaries amount to 8% of the projected budget. If salary mass constitutes 70% of the budget as the Employer claims, that means that close to 32% of budgeted salaries are not academic. This is a troubling trend not just here, but also across the province. While we recognize it takes more than professors to run a university, the core mission of the institution *is* academic yet the rising costs that the Employer attributes to salaries are coming from the non-academic side of the house – not surprisingly these include their own salaries.
- We know that the average Nipissing University faculty salary is approximately \$20,000-\$29,000 less than our closest comparator and that Nipissing academic salaries are the lowest in the province.

Table I. Mean and Median Salaries 2013/14

Rank	University	Mean	Median	# Faculty
1	Toronto	150773	147000	2184
2	Queens	144441	142325	642
3	York	143181	139775	1401
4	McMaster	139007	143175	759
5	Guelph	136666	138075	720
6	Ryerson	136222	137709	790
7	Windsor	135010	130450	453
8	Waterloo	134868	136725	1089
9	Brock	132906	129250	564
10	Western	131109	125575	1035
11	Ottawa	130599	129050	1110
12	Trent	129210	123475	183
13	Laurentian	127350	127650	351
14	WLU	124162	118650	534
15	Carleton	123203	122850	795
16	Lakehead	122268	121200	318
17	UOIT	104558	100100	216
18	Nipissing	102912	100175	174

To bargain responsibly, we know *we need more data* – and we are pushing to get it.