

MUFA
SINCE 1951



McMASTER UNIVERSITY
FACULTY ASSOCIATION

McMaster University Faculty Association (MUFA) Remuneration Brief December 15, 2010

Opening Statement

MUFA restates its firm commitment to the “Principles for Negotiation of Faculty Remuneration” as agreed to by the Joint Committee (Appendix 1).

MUFA is committed to continuing to enhance McMaster’s international reputation for research excellence and teaching and believes that the University must make its teaching and research mandate the highest priority for resources. The quality and performance of the faculty complement is a factor driving the University’s unique reputation for innovative teaching and research. MUFA supports the University Administration’s oft-stated goal of recruitment and retention of the best faculty and believes that competitive compensation with respect to comparator universities is critical for the fulfillment of these goals.

In light of provincial proposals to increase enrolments by up to 30,000 students province-wide over the next decade, MUFA strongly urges the Administration to develop a plan for full-time faculty renewal that is commensurate with that growth, and at least partially addresses the lack of such compensatory increases in the previous decade as indicated in the Provost’s 2010 State of the Academy Address (Appendix 2). The increasing student/faculty ratio is one indicator of the consequent workload for full-time faculty that has led to serious declines in the quality of the student experience at both graduate and undergraduate levels (Appendix 3). MUFA strongly re-affirms its endorsement of the “Principles for Negotiation”, point 8: “The University’s operating budget should enable the appointment of new faculty, both to replace those who have retired (or resigned) and to compensate for an increased number of students” (see Appendix 1).

MUFA is committed to ensuring that McMaster’s ability to recruit promising new faculty is not compromised by any selective marginalization of benefits (i.e. two-tiered pension plan). The MUFA Executive, therefore, has re-affirmed support of this principle during the 2010/11 year.

MUFA regards the compensation of faculty at the University of Toronto and other comparator institutions (research intensive universities of Ontario — Ontario G6 of the G13 Canadian research universities) to be the single most important factor in determining faculty compensation at McMaster University.

In contrast to the University Administration’s oft-stated concerns regarding the uncertainty of future provincial funding, MUFA places less reliance on University budget projections as tools in remuneration discussions, as these are subject to variances which have, historically, underestimated resources available to support teaching and research.

MUFA considers the financial circumstances of the University to be best represented through its annual reports by the Chief Financial Officer (CFO) and by external, third-party agencies including those by bond rating agencies. MUFA believes that these represent the most accurate reflection of the University’s current financial state as they allow comparisons to be made to similar reports from other institutions. Because of the complexity of these documents, MUFA has provided summary statistics that can serve as background for faculty remuneration discussions

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(Appendix 4). These show that income percentage increases to the University continue to exceed academic salary percentage increases (Appendix 5).

The status of the defined pension plan is a concern of McMaster faculty and is the subject of considerable public scrutiny as many plans are in deficit. As noted in previous briefs from MUFA ["Who(se) Benefits" (July 2009); Budget Advisory Committee Report (June 2010)], McMaster has historically enjoyed windfall benefits from the defined plan including pension holidays, annual surplus withdrawal and the special one-time surplus withdrawal of 2001. The accrued benefit to the University has totalled many millions of dollars. MUFA believes that the next actuarial valuation of the defined benefit pension plan, scheduled for 2011, will provide an opportunity to examine the true state of the pension deficit.

Proposals for July 1, 2011

1. Length of Contract

MUFA proposes a two-year contract (July 1, 2011 to June 30, 2013).

2. Career Progress and Merit

As in previous briefs, MUFA re-affirms its commitment to the reward of academic excellence. We propose an increase in the number of par merit units from 120 to 130 per 100 faculty with 120 to be allocated at the department level.

3. Across-the-Board Increase

MUFA proposes a 2.5% Across-the-Board increase in salary floors, breakpoints and salaries in each year of the contract to be comparable to recent settlements at Ontario universities. We note that McMaster salaries continue to lag behind those of comparator universities.

4. Child Care Support

Consistent with settlements at two comparator universities, Queen's University and the University of Toronto, MUFA proposes \$2,500/year for out-of-pocket child care expense for each eligible child up to the age of 10. To contain costs, the total funds available will be limited to \$300,000 with claims to be adjusted (pro-rated) if this cap is reached in any single year. We further propose that this be increased annually by the CPI. We propose that the Administration ensure that sufficient on-campus day care capacity exists. We also propose the establishment of a joint Administration/MUFA committee to plan the required expansion in day care spaces as well as obtaining the required licencing to accommodate children from birth to 18 months old.

5. Long-Term Disability

This benefit, while important to our members, is not heavily used by faculty. We propose that this benefit becomes employer-paid, as it is at the University of Western Ontario and the University of Toronto. We note that the cost of this benefit, paid on behalf of faculty, would be approximately \$400,000.

6. Improved Pension Indexing

The current pension index formula is not fully indexed and thus real pensions have declined over the last few years. MUFA proposes that McMaster faculty pensions be fully indexed to the CPI.

7. Pregnancy/Parental Leave Support

MUFA proposes an increase in pregnancy and parental leave support to be competitive with comparator institutions: An additional 2 weeks, beyond the current 17 weeks, topped up to 90%.

8. Professional Development Allowance (PDA)

MUFA notes that the cost of books and journal subscriptions has increased faster than the cost of inflation and proposes a modest \$100 increase in each year of the contract in the PDA for faculty.

As we have repeatedly heard from our members, the PDA is increasingly important in an era of scarce research support.

9. Health Benefits Improvements

MUFA proposes:

- a. an increase in the Vision care benefit from \$250 to \$400 per person, including dependents, every two years. This benefit, which has not been improved in many years, must be increased simply to keep pace with inflation.
- b. an increase in paramedical benefits to \$500 per person per practitioner (including licenced speech therapists) per year. This will help address the increasing gap between McMaster and other universities with a similar benefit.

10. Increase Group Life Insurance

We propose that optional employee-paid group life insurance coverage (above the employer-paid benefit coverage of \$175,000) be increased from \$500,000 to \$1,000,000. This does not increase University benefits costs, but it does provide our members with the option of greater coverage.

11. Out-of-Province Medical Insurance for Retirees

MUFA proposes a re-examination of this benefit in order to determine how the coverage could be made more valuable to the retiree and more cost effective for the University.

Appendix 1

Principles for Negotiation of Faculty Remuneration

Introduction

In recognition that the negotiation of faculty remuneration at McMaster should be conducted within a collegial rather than confrontational framework, the Joint Committee agrees that it is desirable to establish commonly held principles within which such negotiations would take place. We hope that by doing so we can reach an agreement of mutual benefit by applying these principles rather than by hammering away at opposing positions until there is either enough "giving in" to reach an agreement or a stalemate forcing use of the final offer selection process. The following principles are presented for this purpose.

General Statement

Both the Faculty Association and the Administration recognize that McMaster University has a complement of highly qualified faculty members who are committed to the mission and objectives of the University and who work diligently to further those objectives. As a consequence, it is the desire of both parties that remuneration be at a level which adequately compensates faculty members for their contributions to the University. It is also the desire of both parties that the working conditions of McMaster faculty members be adequate, including both those matters which have a direct impact (e.g. class sizes) and an indirect impact (e.g. services and environment provided through the University infrastructure). In order to achieve these goals, it is important that other expenditures (e.g. for personnel services, fund-raising) be made judiciously. In the Joint Committee we are attempting to find an appropriate balance between these considerations in reaching an agreement on remuneration.

Principles Concerning Individual Compensation

1. Faculty salary and benefits should compare favourably to those in comparable jurisdictions, including specifically other excellent universities.

Maintaining a competitive salary position with other universities is important both for the morale of faculty members and for McMaster's competitive position, i.e. being able to recruit and retain highly qualified faculty members.

2. Faculty salaries and benefits should be protected from inflation.

Erosion of salaries relative to inflation, which has occurred in a number of years due to underfunding of the universities, is bad for morale and makes the prospects of an academic career less attractive to graduate students and young PhDs.

3. Differing degrees of contribution to the University depending upon experience and individual talents should be recognized through application of the CP/M Scheme, with sufficient par units to enable the rewarding of the many excellent faculty members without penalizing other competent faculty members.
4. Faculty should be protected from catastrophic expenses, such as those arising from ill health.
5. Consideration should be given to the tax effects of the form of remuneration.
6. Faculty should look forward to a good pension upon completion of their academic careers.

Principles Concerning Working Conditions

7. Faculty members should be able to teach in an instructional environment which is conducive to the educational process.

A conducive instructional environment includes: students of high quality, class sizes which are not too large and access to instructional assistance, e.g. teaching assistants.

8. The University's operating budget should enable the appointment of new faculty, both to replace those who have retired (or resigned) and to compensate for an increased number of students.

Working conditions will be seriously undermined if the University is unable to replace retiring professors, since the remaining faculty complement will need to provide additional instruction to compensate for their loss. Similarly, additional faculty members are needed to handle the increased number of students which have enrolled at McMaster in recent years. In allocating these appointments, consideration should be given to shifting teaching and research needs across the University.

9. The University should seek to redress the erosion of working conditions which has occurred during the past few years.

The increased number of students, without a compensating increase in faculty appointments has resulted in a significant increase in student/faculty ratio during the past ten years. This has been accompanied by increased pressure on space (lecture rooms, offices and lounge space) and by fewer dollars available for instructional supplies and expenses.

10. Faculty should be provided with resources to do their jobs effectively.

Such resources include: office and laboratory supplies, access to support staff (e.g. for typing correspondence or assisting in the development of laboratory experiments), library, computing facilities and instructional assistance.

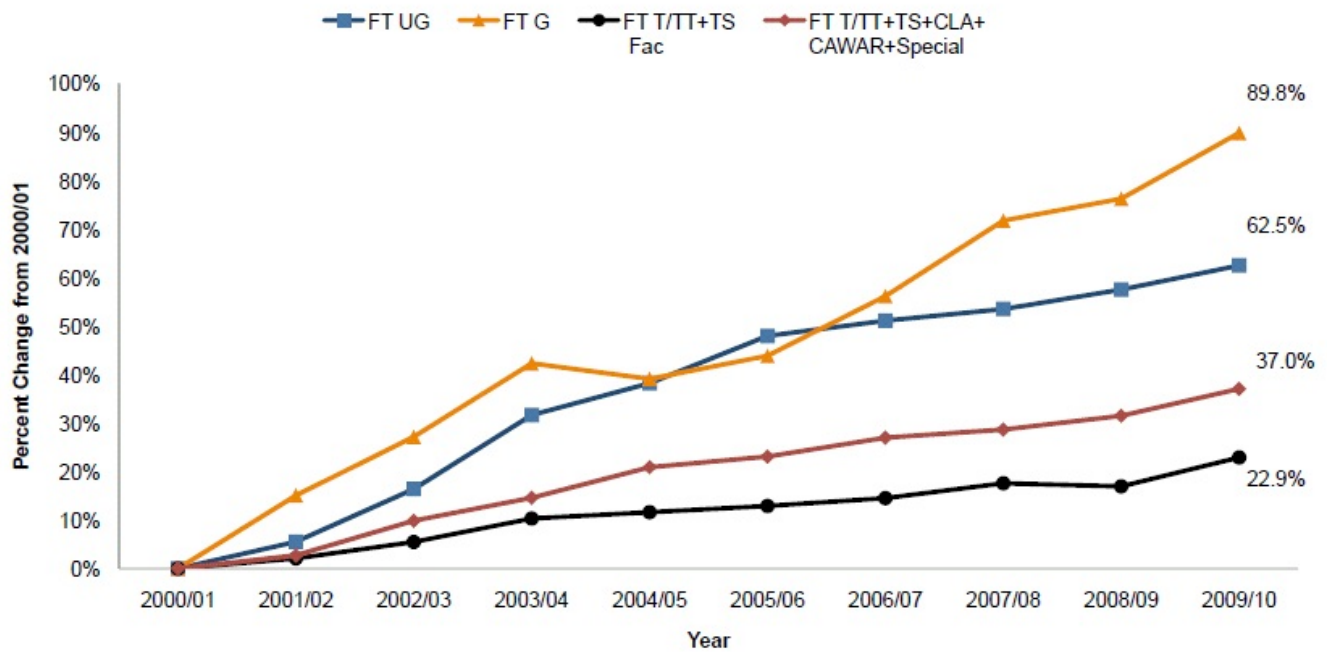
11. The University should assist faculty members to enhance their research and scholarship effectiveness.

Such assistance includes: research grants (through the Research Boards), funds for travel to conferences, funds for purchase of books and journals, and research leaves.

*Approved by the Joint Committee — January 30, 1990
Reviewed and Approved in Principle by the Joint Committee — November 14, 2001*

Appendix 2

Campus Demographics



Appendix 3

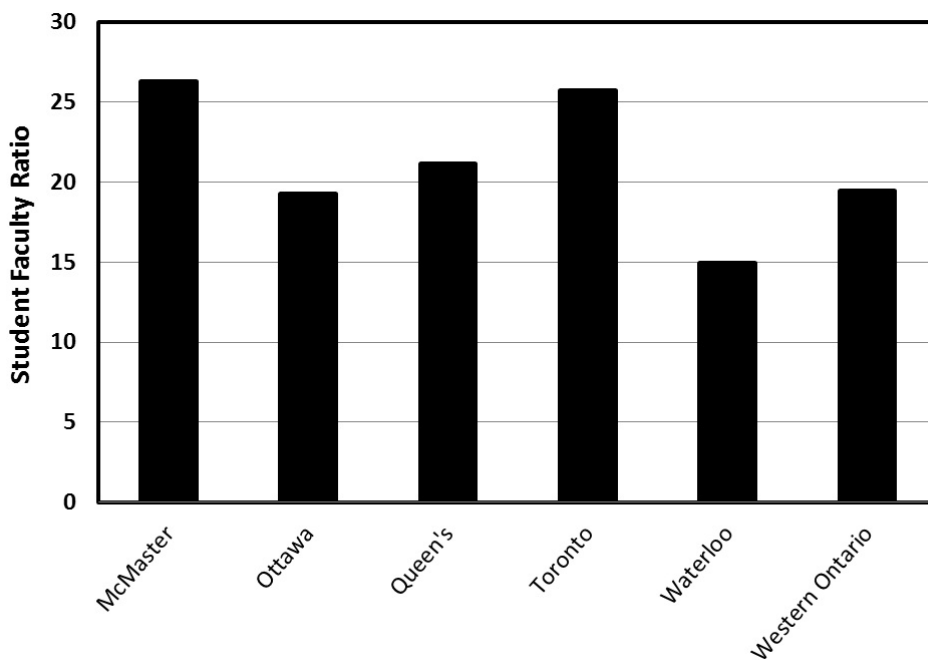


Figure 1. Student/faculty ratios at major Ontario universities (2008-2009). Data represent the ratio of fulltime undergraduate students (FTE) divided by instructional faculty (FTE). (CUDO data)

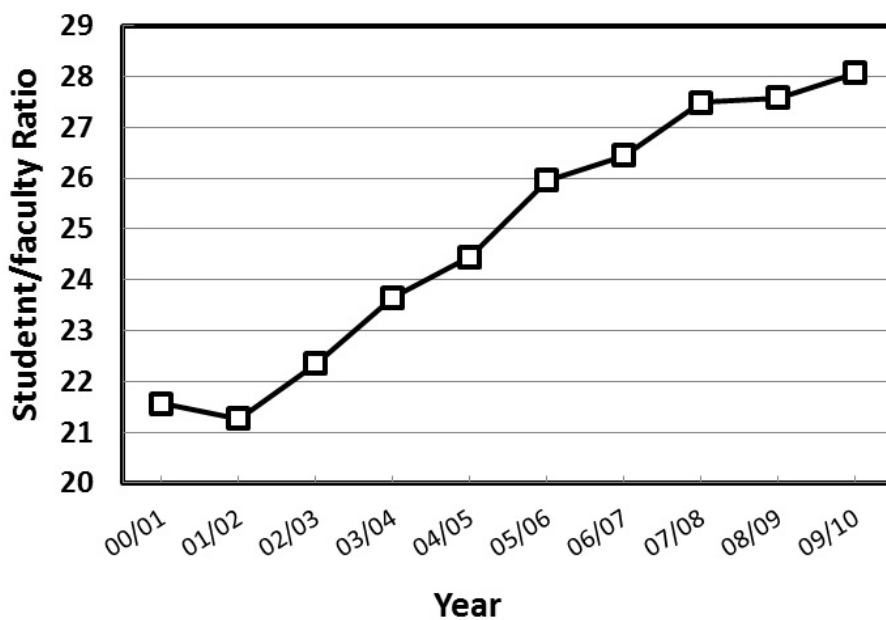


Figure 2. Increase in Student (FTE)/Faculty ratio at McMaster. Source (enrolments-McMaster annual reports, faculty -McMaster Office of Institutional Research and Analysis)

Appendix 4

Year	UNIVERSITY	Total Faculty	Average Salary	Median Salary	10th Percentile	90th Percentile
Ontario (PhD Universities for which data is available)						
2008-9	McMaster University	714	114840	117150	74350	147075
2008-9	Brock University	561	107845	104000	78100	141400
2008-9	Carleton University	693	109525	110475	80250	140100
2008-9	Guelph	774	111396	111275	85950	136525
2008-9	Ottawa	1026	103794	100750	76000	136250
2008-9	Queen's University at Kingston	690	118907	118900	90000	144625
2008-9	Toronto	2052	129092	126425	84750	175550
2008-9	Trent University	246	115636	108300	86700	153375
2008-9	Waterloo	945	117033	117925	80000	148750
2008-9	Western Ontario	999	111253	105100	75500	150000
2008-9	York University	1368	116743	113375	84650	150100
2008-9	Laurentian University / Université Laurentienne	372	107602	104850	75975	144525
2008-9	Windsor	501	108190	103200	79800	145775
2008-9	Ryerson	693	108520	107200	84875	134150
Average salary			112884	110638	81207	146300
Average salary (without McMaster)			112734	110137	81735	146240
Average (weighted for faculty numbers)			114954	112831	81506	149575
Average (weighted for faculty numbers-without McMaster)			114962	112549	81973	149739
Toronto Area						
2008-9	McMaster University	714	114840	117150	74350	147075
2008-9	Toronto	2052	129092	126425	84750	175550
2008-9	York University	1368	116743	113375	84650	150100
2008-9	Ryerson	693	108520	107200	84875	134150
Average salary			117299	116038	82156	151719
Average salary (without McMaster)			118118	115667	84758	153267
Average (weighted for faculty numbers)			120531	118595	83201	158182
Average (weighted for faculty numbers-without McMaster)			121518	118845	84738	160110
Bovey 6						
2008-9	McMaster University	714	114840	117150	74350	147075
2008-9	Guelph	774	111396	111275	85950	136525
2008-9	Queen's University at Kingston	690	118907	118900	90000	144625
2008-9	Toronto	2052	129092	126425	84750	175550
2008-9	Waterloo	945	117033	117925	80000	148750
2008-9	Western Ontario	999	111253	105100	75500	150000
Average salary			117087	116129	81758	150421
Average salary (without McMaster)			117536	115925	83240	151090
Average (weighted for faculty numbers)			119355	117861	82061	155672
Average (weighted for faculty numbers-without McMaster)			119945	117953	83069	156797
G6 of the G13						
2008-9	McMaster University	714	114840	117150	74350	147075
2008-9	Ottawa	1026	103794	100750	76000	136250
2008-9	Queen's University at Kingston	690	118907	118900	90000	144625
2008-9	Toronto	2052	129092	126425	84750	175550
2008-9	Western Ontario	999	111253	105100	75500	150000
2008-9	Waterloo	945	117033	117925	80000	148750
Average salary			115820	114375	80100	150375
Average salary (without McMaster)			116016	113820	81250	151035
Average (weighted for faculty numbers)			117829	115922	80625	154877
Average (weighted for faculty numbers-without McMaster)			118203	115768	81409	155853

Appendix 5

Changes in Total Academic Rank Salary, MTCU Transfers and Student Fees Relative to 2001/2002 Base Year

Total academic rank salaries are calculated from information provided by the Office of Institutional Research and Analysis. Ministry of Training Colleges and Universities (MTCU) transfers and fees are provided by OCUFA using institutional reported data.

Changes in Revenue and Salaries

