

**UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES**

**UNITED FACULTY OF FLORIDA,**

**Union,**

**v.**

**CASE NO.: SM-2013-045**

**UNIVERSITY OF CENTRAL FLORIDA  
BOARD OF TRUSTEES,**

**Employer.**

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**UNIVERSITY OF CENTRAL FLORIDA’S STATEMENT REGARDING  
ISSUES AT IMPASSE AND PROPOSED RESOLUTION**

The collective bargaining team for the University of Central Florida Board of Trustees’ (“UCFBOT”) submits this written statement to the Board’s Compensation and Labor Committee to outline the impasse issues and provide its recommendation for impasse resolution.<sup>1</sup> The contract articles at impasse are Article 3 – UFF Privileges and Article 23 – Salaries. For the below stated reasons, UCF’s bargaining team requests that the UCFBOT adopt the proposed resolution.

**I. EXECUTIVE SUMMARY OF IMPASSE ISSUES**

On July 16, 2013, UCF and the UFF resolved the current three year Collective Bargaining Agreement (“CBA”) for 2012-2015 through the impasse resolution process. On August 5, 2013, the parties held their first negotiations for 2013-2014. By mutual agreement, the Articles considered were Article 3—UFF Privileges and Article 23—Salaries. The Parties held three (3) collective bargaining sessions over the course of two (2) months.<sup>2</sup> During negotiations, the UFF submitted only one written proposal regarding Article 23. It asked for a three percent (3%) merit increase and offered one percent (1%) in Administrative Discretionary Increases (“ADI”). UCF offered two (2) Article 23 proposals and one (1) Article 3 proposal. UCF’s final salary proposal provided for a one percent (1%) across the board salary increase in exchange for three quarters of one per cent (.75%) ADI. The BOT team’s Article 3 proposal offered to restore released time to the UFF at .75% of its prior rate. When the BOT made it clear that its offer of a salary increase

<sup>1</sup> Additional documents and exhibits may be submitted to the Board of Trustees at the impasse hearing.

<sup>2</sup> Collective bargaining sessions occurred on August 5, 21, and September 11, 2013. Minutes and Proposals from each collective bargaining session are attached as supporting documents.

and released time was made *in exchange for* adequate release time, the UFF declared impasse on September 11, 2013.

## **II. INTRODUCTION AND PROCEDURAL BACKGROUND**

The University of Central Florida (“UCF”) is one of twelve (12) locally governed schools within the State University System of Florida (“SUS”). Pursuant to Amendment 11 to Article IX of the Florida Constitution UCF is governed, like all SUS institutions, locally by a Board of Trustees. Each respective Board of Trustees also serves as the public employer for collective bargaining purposes.

Prior to the 2003 decentralization of the Florida Board of Regents (commonly referred to as the “devolution”), a universal collective bargaining agreement between the Board of Regents and the United Faculty of Florida (“UFF”) applied to all state universities. Since devolution, UCF and UFF successfully negotiated two (2) comprehensive collective bargaining agreements (2004-2007 and 2010-2012), completed three (3) reopener negotiations (2005-2006, 2006-2007, and 2009-2010), and resolved the 2012-2013 contract through the impasse resolution process on July 16, 2013.

Subsequent to that impasse resolution, UCF and UFF scheduled contract negotiations for 2013-2014. The Parties held three (3) collective bargaining sessions over the course of two (2) months.<sup>3</sup> During negotiations, the UFF submitted only one written proposal regarding Article 23 and did not offer any counter proposals. UCF offered two (2) Article 23 proposals and one (1) Article 3 proposal. However, the UFF did not accept the proposed language and declared impasse on September 11, 2013. Outlined below is the UCF’s collective bargaining position on the article currently at impasse and the reasoning behind its proposals.

## **III. ISSUES AT IMPASSE**

### **Article 3 – UFF Privileges**

*Recommendation – UCF recommends maintaining Article 3 as written in the 2012-2015 CBA.*

UCF ***only*** proposed modifying Article 3, with the inclusion of three quarters of one percent (.75%) of released time, if the UFF agreed to adopt the Administrative Discretion Language as proposed in Article 23.<sup>4</sup> However, the UFF would not permit ADI without a guarantee that UCF would reintroduce “released time” for faculty members to the full amount allowed in previous contracts and grant a three percent (3%) wage increase.

Released time refers to compensation paid, equivalent to that given for teaching one (1) course, to employees for carrying out the UFF’s obligations, collective bargaining, and administering the CBA. In essence, and in the simplest terms, employees are paid to conduct

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<sup>3</sup> Collective bargaining sessions occurred on August 5, 21, and September 11, 2013. Minutes and Proposals from each collective bargaining session are attached as Exhibits.

<sup>4</sup> This would provide four units of released time to the UFF in the Fall and Spring semester and three during the summer.

UFF business instead of teaching an actual course. The UFF took this position despite the fact that UCF offered a one percent (1%) wage increase, and this very Committee removed released time from the CBA during the July 16, 2013 impasse hearing.

UCF believes this elimination should remain. Economically, released time does not make any sense. Economics aside, the UFF fails to set forth any valid reason as to why UCF must provide released time. UCF takes great pride in recruiting and hiring faculty based upon excellent credentials and their ability to teach students. It is UCF's intention to maximize classroom time for the faculty members, rather than having paid faculty spend time tending to union business. There is no evidence that the union or its membership requires released time, and instead, the funding and time should remain allocated towards teaching.

Without adequate authority to implement the ADI, the one percent (1%) wage increase and the 11 units of released time are not included in UCF's impasse recommendation and remain unavailable as part of the impasse resolution.<sup>5</sup>

### **Article 23 – Salaries**

*Recommendation – UCF recommends adopting Article 23 as proposed, which excludes the Administrative Discretion Increases and the one percent (1%) across the board salary increase.*

UCF set forth two proposals regarding Article 23, including various wage increases and an unsuccessful attempt to gain authority to implement Administrative Discretion Increases. Specifically, UCF's proposals reflected language for Promotion Increases, Legislatively Mandated salary increases, Incentive Award Programs, and Excellence Awards. The UFF did not object to the inclusion of these increases. However, in addition to the above funding proposals, UCF also offered to provide a one percent (1%) across the board salary increase for all unit employees with a satisfactory or above evaluation, and three (3) units of release time ***in exchange for*** a contract provision allowing for the three quarters of one percent (.75%) Administrative Discretion Increases ("ADI").

The UFF's proposal contains the same pay actions. The two critical differences between the University's and the UFF's salary proposals are in the amount of salary increase and the amount of ADI. The only proposal that the UFF placed on the table contained a three percent (3%) salary increase and one percent (1%) ADI. The University's contains a one percent (1%) salary increase and three quarters of one percent (.75%) ADI.<sup>6</sup>

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<sup>5</sup> "Administrative Discretionary Increase" language is defined as a permissive subject of bargaining; therefore it cannot be imposed through the impasse resolution process.

<sup>6</sup> Although it never put a counter-proposal on the table, the UFF verbally provided the university with three options for salary increases and ADI before declaring impasse. For a three percent (3%) salary increase, the union would allow one percent (1%) ADI. For a two percent (2%) increase, it would agree to a three quarters of one percent (.75%) ADI. For a one percent (1%) increase, it would only allow one half of one percent (.5%) ADI.

The ability to provide ADI is critical to the operation of the University. ADI allows the University *the spending authority* to make counter-offers to verified employment offers and as a result, retain valuable faculty, to compensate faculty for special achievements, to address inequities due to compression or inversion and to address equity and market equity considerations. Such wage actions retain successful faculty and correct inequities. The University community; including faculty, staff and students are adversely impacted by the refusal to permit a reasonable level of authority for administrative discretionary increases. Without ADI, UCF risks losing valuable faculty and will be unable to address inequities in compensation.

The amount of ADI sought by the University is necessary because UCF has been effectively operating without ADI since August 31, 2012. The small amount of ADI permitted by the union (.5%) in exchange for a one percent (1%) salary increase would be inadequate to meet the pent-up demand. However, recognizing the UFF's hesitance to provide ADI, the university limited its timeframe to August 8, 2103 through August 31, 2014.

The Public Employee Relations Act identifies factors to be considered during the impasse resolution process. The relevant factors include a comparison to similar public employee workforces (local and statewide), interests and welfare of the public, and availability of funds.

In analyzing UCF's position with respect to both the proposed salary increase and the ADI, each factor supports the University's position. In order to obtain an appropriate level of administrative discretionary increases, the UFF demanded all of the wage actions listed above (see p. 1-2) and a three percent (3%) merit increase. The UCF negotiating team asserts that in the current state of availability of funds, this demand is not fiscally responsible.

As the Committee recalls, UCF recently faced unprecedented revenue shortfalls and budget reductions. During the last several years, the State of Florida cut \$52.6 million from UCF's annual operating budget, the second largest cut of any SUS institution. The cuts were the culmination of record reductions in state funding, amounting to forty-nine percent (49%), nearly \$150 million, of the University's budget during the past six (6) years. Consequently, these funding cutbacks and budgetary shortfalls severely restrict the University's funding ability.

Although the legislature restored the \$52.6 million this year, the University has by no means been made whole. In an effort to protect the academic units as much as possible, the University cut college's budgets by approximately two million dollars. The remaining \$50.6 million was absorbed by central administration, primarily by draining the University's reserves and paying for recurring expenses with non-recurring dollars. Those reserves must be restored for the University to function in a fiscally responsible manner.

While the University has received some additional funding in the form of tuition increases and one-time awards of performance based funding this year, it has also faced unexpected new expenses. For example, a major classroom building on campus has reached a stage of such disrepair that it will require approximately five to seven and one half million dollars (\$5-\$7.5 Million) to repair and these repairs can no longer be delayed. Since the state is no longer providing money for capital expenses, those costs will have to come out of our operating budget.

Also, the University will have to absorb as yet undetermined costs for the implementation of the Affordable Care Act (“ACA”). With eight hundred (800) employees currently eligible for benefits under the ACA, those costs could be substantial. It is because of unexpected expenses such as these, that the rebuilding of our reserves is a critical priority.

Unfortunately, UCF is not the exception when discussing financial difficulties. While not all universities received cuts of UCF’s magnitude, all universities experienced drastic funding reductions. Like UCF, many offered little to no salary increases. Others, such as Florida International University, that have provided salary increases have “purchased” the ability to offer raises in various ways such as by eliminating faculty sick leave pay-out. In terms of overall compensation, UCF is well within the norms for similarly situated employers. Given the severe financial constraints within which the University has had to operate, the Administration determined that it is not fiscally responsible to offer additional economic benefits to employees in 2013-2014. Accordingly, the first factor supports UCF’s position.

In regards to ADI, every university in the State University System, with the exception of UCF, has the contractual ability to make administrative discretionary increases, many of which have no recurring wage increase offered in exchange for the right and no spending cap on its use. Stated alternatively, no State University System institution provides released time in the absence of a corresponding contractual right to provide ADI. As a result, the second factor supports the UCF’s position.

ADI allows for faculty retention and the ability to repair wage inequities. Such discretion fosters improved service to the public and permits UCF with a greater opportunity to retain faculty members whose services are desired elsewhere. Therefore the third factor of the interest and welfare of the public supports UCF’s position on Article 3 and 23.

Although an agreement was not reached, the UFF’s own wage proposal, presented on August 5, 2013 (the only written wage proposal made by the UFF during the negotiations), included a provision allowing for administrative discretionary increases, *but only if* the University provided a three percent (3%) merit increase. In essence, the UFF’s only official proposal demanded released time and a three percent (3%) across the board increase to allow the University to make reasonable administrative discretionary increases. The UFF proposal was not economically acceptable, but the inclusion of ADI indicates a fundamental understanding of its necessity and the UFF’s willingness to accept such increases.

Without adequate authority to implement the ADI, the one percent (1%) wage increase and the three (3) units of released time are not included in UCF’s impasse recommendation and remain unavailable as part of the impasse resolution.<sup>7</sup>

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<sup>7</sup> “Administrative Discretionary Increase” language is defined as a permissive subject of bargaining; therefore it cannot be imposed through the impasse resolution process.

**IV. Recommendation for Board Action**

UCF's proposal reflects current market conditions, and when considered as part of the CBA as a whole, is a more than reasonable position. The University recommends that the Board of Trustees resolves the impasse in the following manner:

- Maintain Article 3, as written in the 2012-2015 CBA.
- Adopt Article 23 as submitted, which excludes the Administrative Discretion Increases and the one percent (1%) across the board salary increase.

Respectfully submitted,

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