

Akron-AAUP: Update on Health Care & Compensation Negotiations - 09/09/10

To Our Colleagues in the Bargaining Unit:

You will recall that Akron-AAUP completed negotiations with the University this past January and agreed to a four year contract, in force from December 15, 2009 through December 15, 2013, with the following understanding guaranteed in Article 33, section 1:

“provided, however, that the parties shall negotiate for the period July 1, 2010-December 15, 2013 only with respect to mid-term increases/modifications regarding Article 16 (Compensation) and modifications regarding Article 17, Section 1 (benefits set forth therein-including benefits for eligible spouses and dependents of retirees...). . . ”

The University of Akron has clearly, and contractually, agreed to negotiate both health care and faculty compensation together.

The University Fails to Co-operate:

In preparation for the upcoming compensation and health care benefits negotiations, an Akron-AAUP health care subcommittee began meeting in late March with a UA health care subcommittee. The University is seeking to consolidate its health care plans and to move to self-insurance, among other changes. To effectuate self-insurance, the University needs to hire a third party administrator (“TPA”) to administer claims. The University resisted all efforts by Akron-AAUP to participate in preparing the Request for Proposal that was distributed to potential vendors soliciting bids on these TPA services. After those vendors responded, the University failed to provide Akron-AAUP with key information from the vendors because the vendors claimed the information was confidential. The Chapter requested the University to assist us in obtaining the necessary information and offered to sign confidentiality agreements with the vendors. This request and offer was made both verbally and on May 19th in an email from Akron-AAUP chief negotiator, Prof. Mike Cheung to Mr. Steven Nobil, the University’s chief negotiator.

On May 20th, in an email response the University’s chief negotiator, Mr. Steven Nobil, informed Akron-AAUP that the University refused to assist the Chapter in obtaining the relevant and necessary information from those vendors to analyze the responses received:

“With respect to your [the Chapter’s] willingness to execute confidentiality agreements in order to review “trade secret” information that may be contained in the responses to the University’s RFP, the University has not and will not request the vendors to share trade secrets with the AAUP.”

We then engaged in several attempts to change the University's position, including having the Chapter's counsel write the University's counsel with case citations supporting our view that **the University was acting illegally**. The University refused to change its behavior.

On July 12 the Chapter filed an unfair labor practice charge (ULP) against the University of Akron over this issue.

The University then changed its behavior and worked with the Chapter so that we could obtain the necessary information from the vendors to properly analyze their proposals. We gained access to this information only after much unnecessary delay and expense.

Our ULP still stands and has been amended to reflect the University's unreasonable delay in providing this information.

On July 29th the University unilaterally invoked mediation. Akron-AAUP has continued with mediated talks under protest. The University's goal in doing this is evidently to try to force a settlement on the issue of health care without seriously attempting also to settle the issue of compensation for 2011, 2012, and 2013.

The University's Desire to Decide Health Care Now and Compensation Later:

Throughout late spring and summer, the University's emphasis has been to negotiate health care and resolve those issues prior to November, 2010 so that changes can be implemented effective January 1, 2011. During this same time period, the University has sought to delay until next semester all negotiations regarding compensation. The University has argued that because the key aspects of compensation have been set for this academic year, there would be no harm in such a delay. More recently, the University has argued that because the Provost is new and there is no permanent Chief Financial Officer, such a delay would assist the University in better marshaling the facts necessary to support President Proenza's 2009 promise to re-orient priorities and to construct a budget built around increases to faculty compensation.

At our most recent meeting on Sept. 7th, University representatives made the remarkable, **and false**, claim that they never agreed to negotiate health care and compensation together.

The Chapter has consistently responded that the Parties agreed **in their collective** bargaining agreement to negotiate both health care and compensation together.

The Provost:

Recently, the new Provost, Mike Sherman, has become involved in our negotiations. In a small group meeting, and in across-the-table negotiations, he explained that he is committed to faculty salary increases no longer being funded by residual budgeting (whereby faculty receive what, if anything, may be left after all other spending), as the University has done historically, but by planning for salary increases, using additional marginal income to the University (i.e. growth in the University's income). If that marginal income does not materialize, then there would be internal non-academic reallocation of resources to make up for the shortfall on the academic side.

Provost Sherman told Akron-AAUP he needed more time--until the spring-- to better understand the University's finances and that he needed the University to hire a permanent CFO to assist him in the analysis and planning of the University's future. He would then be better able to provide a plan to the University community and the Board of Trustees that all could have confidence in. Such a plan would include performing the appropriate research to further develop benchmarks regarding market comparisons.

We brought to his attention that the University earlier had refused to work with the Chapter to do exactly this. To the Provost's credit, he immediately reversed that decision and agreed that his staff and the Akron-AAUP would work together on this issue.

Where we are today:

On September 7, we made a proposal across-the-table intended to accommodate the Provost and the University's concern that it is not ready truly to negotiate compensation, as well as the Chapter's commitment to abiding by the contract and negotiating both health care and compensation together. We proposed delaying negotiation of compensation issues for academic years 2011-2014 until spring of next year, and as well, delaying the implementation of structural health care changes until January 1, 2012. Our proposal simply suggests that until the University is able fairly to negotiate faculty compensation, the current health care benefits will remain unchanged. We believe our proposal cooperatively addresses the concerns of **both parties**. The University is taking that proposal under advisement and is expected to respond at our next session on September 13.

Where we go from here:

Mediated negotiations are scheduled for September 13 and 17, and October 4 and 11. If no agreement has been reached by the 11th, the fact-finding trial will take place on October 20 and 22. There is no agreement yet with the fact-finder as to when he will issue his report. That date will depend upon the number of unresolved issues he will be required to address.

Once his report is issued, each side will then have fourteen (14) days to accept or reject the report. The report is deemed accepted under the law, unless, within that two week period, one side or other rejects by at least sixty percent (60%) of **all potential voters**. The potential voters include all dues-paying members of the Chapter, and, in the case of the University, the 9 members of the Board of Trustees. A potential voter who does **not** vote is effectively voting to approve the fact-finding report. If both sides approve--or if both sides fail to reject--then the fact-finder's report becomes the contract.

If the report is rejected by either side, and we are at impasse, the University can implement its last, best offer. The Chapter can take a strike vote and call for a strike after giving ten (10) days written notice to the university.

If we are not at impasse, we can continue to bargain. The Chapter still has the right to strike upon ten (10) days written notice to the University. However, unlike the law governing the private sector under the National Labor Relations Act, in this case the University cannot lockout its employees under any circumstances.

Faculty can expect regular updates on negotiations from the Communications Committee until we reach agreement or begin the fact-finding process.

**Akron-AAUP
Communications Committee**

