

The Board's Opening Statement, designed to provide context for its proposals in Collective Bargaining with AASUA, says:

- Faculty salary at the ranks of Assistant and Associate do not compare favourably with our U15 comparators; as of 2018/19, average salaries are approximately 4% and 7% lower and rank 9th and 11th respectively among the U15;
- Faculty salary at the rank of Professor is approximately 3% higher on average than our U15 comparators and ranks 6th among the U15, as of 2018/19;
- The total cost of the benefits plan, currently 100% funded by the University, continues to grow above the rate of inflation. This pattern of increasing expenditures is not sustainable; changes to the plan and/or proportionate sharing of costs are required to continue to be able to offer a competitive benefit program for academic staff.

I realize that there is much that is objectionable in the Board's opening proposal. But given that I have been keeping track of average faculty salaries at the UofA and in the rest of the U15 since the year 2000, and given that this comparison has historically driven AASUA's ATB proposals, and given that I am co-Chair of the joint AASUA-Administration Academic Benefits Management Committee (ABMC) and have access to the up-to-date Benefit Plan data, I thought I might comment on the above specific statements.

Anyone can hold whatever opinions they want. But no one is entitled to their own set of facts. Here are the facts.

**Average faculty salaries at the UofA do not compare favourably with our comparator group in the U15 regardless of rank.** Period. Worse yet, the trend in recent years is decidedly alarming. **The gap between average faculty salaries at the UofA and our comparator U15 group has been steadily widening since about 2015 any way one looks at it.**

The Board's Summary above relies on 2018/19 data. While I dispute the Board's characterization of faculty salaries made for those particular years, the most recent Statistics Canada data is for 2019/20. I will use the most recent data.

Below is a Table of 2019/20 average faculty salaries (by rank as well as overall institutional average) for all the U15 universities in Ontario and BC, and at the UofA (according the UCP ordered MacKinnon Blue Ribbon Report, this is our comparator group. Note that Western University has not yet reported their 2019-20 salary data. However, in recent years, Western's average faculty salary has been slightly lower than ours).

2019-20 Statistics Canada Data (Preliminary)								
	Asst	Asst #	Assc	Assc #	Full	Full #	Total #	Average
Toronto	133750	531	171625	615	219950	954	2100	184001
UBC	126325	381	149950	561	199300	828	1770	167950
Waterloo	120775	231	159200	411	198725	480	1122	168198
Queen's	135750	183	162200	225	181425	330	738	164238
Ottawa	125700	195	153500	435	187875	474	1104	163349
McMaster	112275	231	164950	213	200075	306	750	163057
Western								
Alberta	111025	261	135300	414	186425	726	1401	157271

It is fair to ask what is the appropriate average salary for faculty at the University of Alberta. Determining the answer to this question allows for rational long-term budget planning in the context of addressing the issues of recruitment and retention of the research and teaching faculty that are commensurate with the Board-approved academic aspirations of the UofA to be a world-class public research and teaching university.

**In the early 2000s, AASUA and the Board came to an agreement that the average faculty salary at the UofA should be in the top three in the institutional group listed in the above Table.** This compact between the Board and AASUA meant that in exchange for committing to a specific average faculty salary target, the Board would get the time to make the nondisruptive gradual budgetary adjustments required to achieve this target, and AASUA got the assurance it needed that it didn't have to demand immediate salary comparability in each round of collective bargaining. I suggest that this is precisely the way collegial collective bargaining ought to work. And work it did. By 2010, and continuing on to 2015, average faculty salaries at the UofA were unambiguously in the top three in the institutional list in the above Table. However, since about 2015 average faculty salaries have been continuously losing ground with respect to our peer group.

In terms of *overall* average faculty salaries, as of 2019/20, UofA is in the number 7 position in this institutional group. Specifically, Assistant Profs, Associate Profs, and Profs are in positions 7, 7, and 6, respectively, in this institutional group.

The above is an *institutional* comparison. Let us consider what the *overall* Ontario and BC U15 average faculty salary is (this is *the* comparison group that the MacKinnon report suggests is most relevant).

Below is a Table comparing the average faculty salaries for all ranks and overall, and *overall*, by gender (male or female - Note: Statistics Canada does not break down rank salaries by gender) for the combined and averaged Ontario/BC U15 universities, and the UofA based on 2019/20

Statistics Canada data. The UofA numbers are the same as those listed in the first Table above. The combined Ontario/BC U15 average is NOT an institutional average but is weighted by the number of faculty at each rank at each institution.

	<b>combined Ontario/BC U15 average salary</b>	<b>UofA average faculty salary</b>	<b>UofA as a percent of U15 average</b>
<b>Professor</b>	<b>201,775</b>	<b>186,425</b>	<b>92.5</b>
<b>Associate Professor</b>	<b>159,961</b>	<b>135,300</b>	<b>84.6</b>
<b>Assistant Professor</b>	<b>126,906</b>	<b>111,025</b>	<b>87.5</b>
<b>Male</b>	<b>171,956</b>	<b>164,950</b>	<b>95.6</b>
<b>Female</b>	<b>154,006</b>	<b>148,525</b>	<b>96.4</b>
<b>Average faculty salary</b>	<b>170,916</b>	<b>157,271</b>	<b>92.0</b>

As the above Table shows, Professors, Associate Professors and Assistant Professors average salaries at the UofA are about 92.5%, 84.6%, and 87.5%, respectively, of the combined Ontario/BC U15 averages. While there is some variation, each rank is below the respective combined Ontario/BC U15 average. **That is, even using the MacKinnon report comparison group, UofA faculty at every rank are under compensated in terms of salary.**

Overall, the average salary of male profs at the UofA is about 95.9% of the male average salary in the combined Ontario/BC U15 average. Average salary of female profs at the UofA is about 96.4% of the female average for the combined Ontario/BC U15 average. As it turns out, the 2019/20 male average faculty salary at the UofA *slightly decreased* from the 2018/19 male average faculty salary. The 2019/20 female average faculty salary at the UofA *increased by about 4.5%* over the 2018/19 female average faculty salary. I attribute the female average faculty salary increase to the gender-based salary remedy negotiated by AASUA in the last round of collective bargaining. Finally, it is important to note that the male/female numbers for the other institutions includes "ranks below assistant prof" and the UofA doesn't have anybody in that category in its Statistics Canada reporting. This means that the cohort associated with the gender salary data is not identical to the cohort associated with the rank salary data.

**Irrespective of the measure of comparison used, and contrary to the assertion by the Board, no faculty rank at the UofA has an average salary above either the number 3 position in the institution comparison (the mutually agreed historical objective) or above the combined Ontario/BC U15 average faculty salary (the MacKinnon report comparison group).**

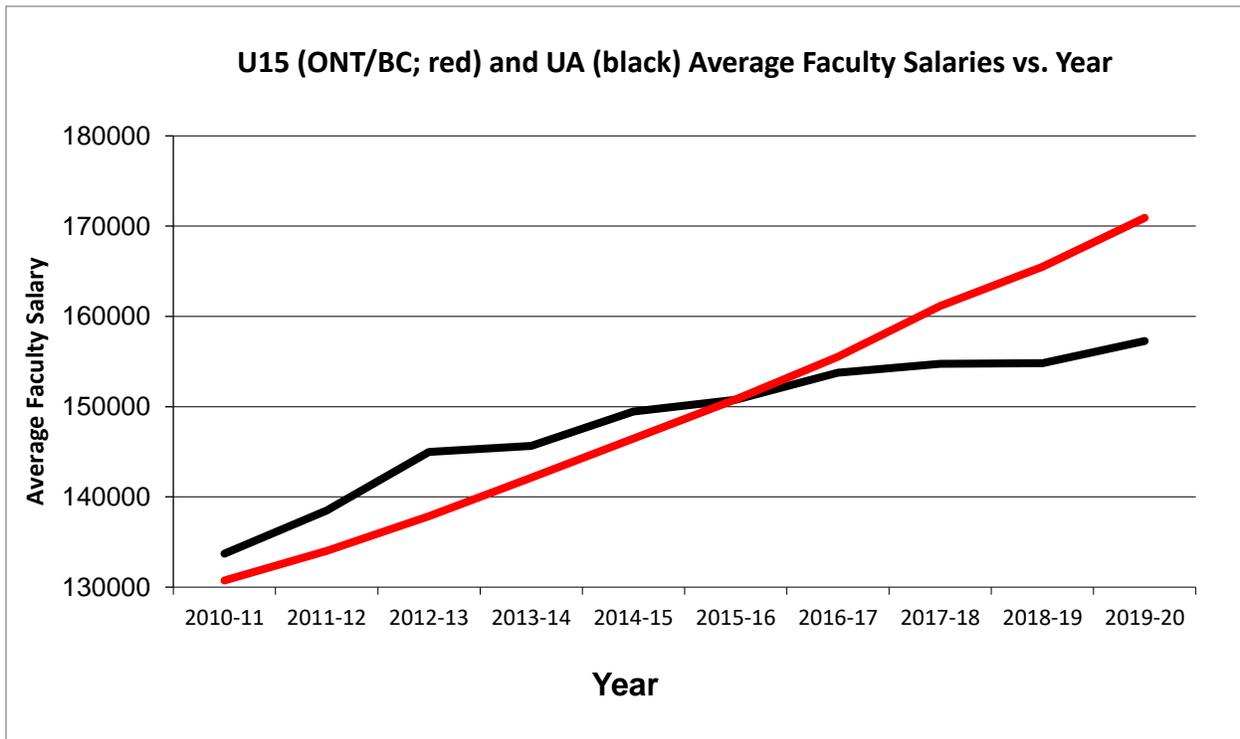
The Board's attempt to misrepresent the numbers in its so-called Opening Statement is a clumsy transparent attempt to create division within AASUA. To set one group up against another. To divide and conquer. Let's not succumb to the temptation to throw each other under the bus. Reason will only prevail if we are solidly committed to each other and resolute in our collective determination.

So, what would it take to achieve either the historically agreed top-three institutional ranking for average faculty salary, or to achieve equality with the combined Ontario/BC U15 average faculty salary?

- Based on the 2019-20 data, for UofA to achieve the number 3 *institutional* position in the U15 salary grid it would take about a 9.1% ATB salary increase effective July 1, 2020 (or about 11.4% increase effective July 1, 2021 assuming 0% ATB for July 1, 2020).
- For UofA to have the same average faculty salary as the combined Ontario/BC U15 average faculty salary it would take about a 10.7% salary increase effective July 1, 2020 (or about a 12.7% increase effective July 1, 2021 assuming 0% ATB July 1, 2020).

AASUA's negotiating position has always been and remains that the ATB will be applied equally to all constituencies. No one will be left behind! I also hope that this discussion underscores the reasonableness of the modest 3% ATB ask that is in AASUA's opening proposal when considered against long standing compensation objectives.

The figure shown below is a chart showing the comparison between overall average faculty salary at the UofA (the black line) and the combined Ontario/BC U15 average faculty salary (the red line) over the nine-year period 2010-11 till 2019-20. The figure shows the alarming deterioration that has occurred since about 2015. The slight uptick that has occurred from 2018-19 to 2019-20 is a consequence of the gender-based faculty salary remedy achieved in the last round of collective bargaining by AASUA.



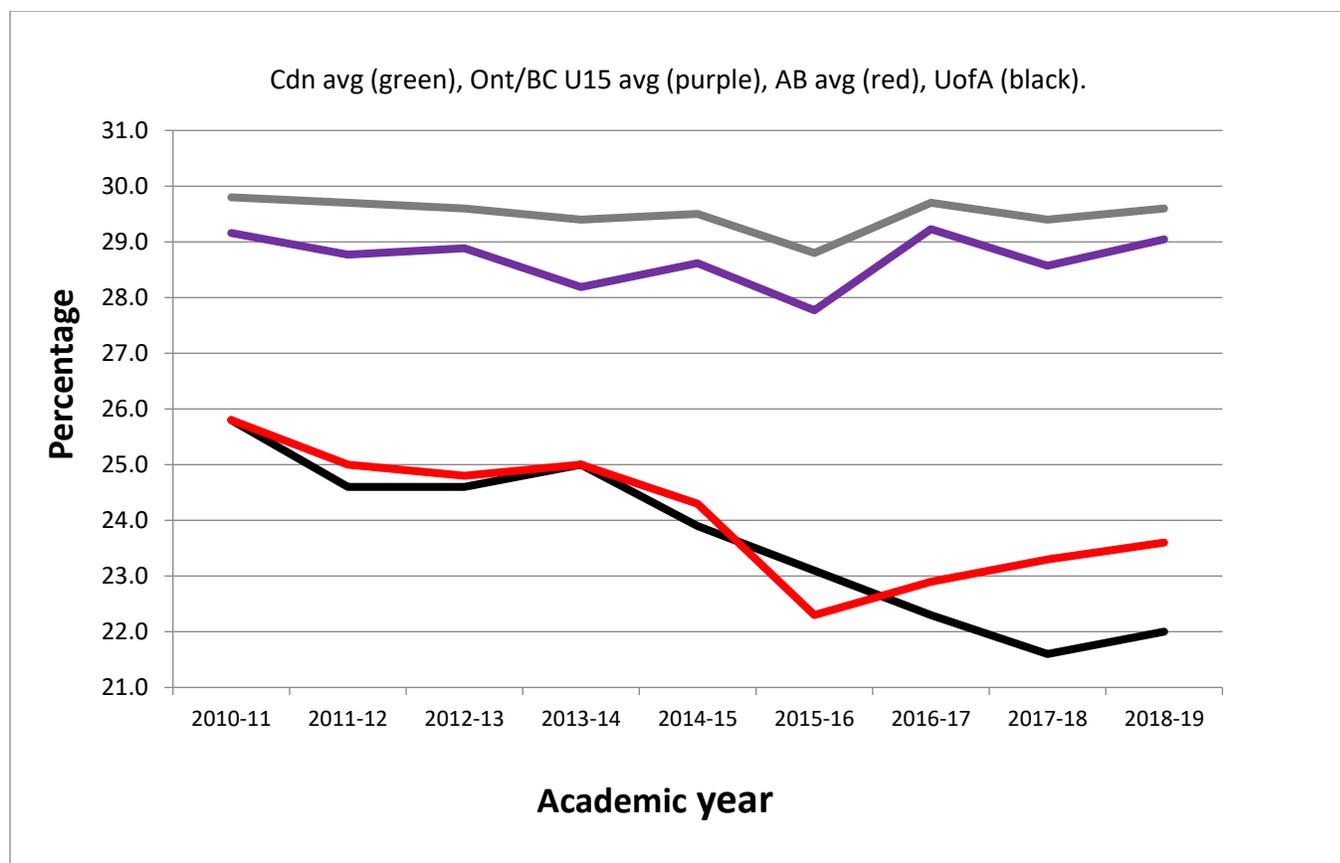
The Board's assertion that annual cost increases associated with the Academic Benefit Plan are out of line with inflation and thus unsustainable is not true. Our Benefit Plan is well run and joint management via ABMC has been a huge unmitigated success. **Over the last three years, the average annual cost increase in the Benefit Plan has been about 3.7% annually.** And, in fact, last year it was less than 2%.

AASUA has never, *not once*, rejected any proposal at ABMC that permitted cost savings while maintaining and enhancing the Benefit Plan. The Board's proposal amounts to the outright abandonment of successful collegial governance of the Benefit Plan that the ABMC structure provides and tries to claw back Member compensation, in the form of Benefits, that AASUA has bargained for over many, many years. Members have made it very clear that the Benefit Plan is very important to them and their families.

The Board's opening proposal reveals the truth about where the real savings is to be accrued in whatever restructuring scenario the Board chooses to pursue. The so-called reduction in administrative costs by "returning" academic "leaders" to the classroom is a drop in the proverbial bucket to the overall compensation claw back the Board is proposing in this opening proposal.

The Board's Opening Statement suggests that since compensation is a significant budget item it is only fair and reasonable that Academic compensation take its fair share of any Operating Budget reduction. As I will show now the truth is quite different. **Expressed as a percentage of operating budget expenditures, the UofA allocates far less than ANY comparable U15 university to academic (here we mean teaching) staff compensation.**

Shown below is a comparison chart that shows the percent of the Operating Budget allocated to Academic Salaries for the UofA (the black line), the average overall for all "universities" in Alberta (the red line), the overall average for all "universities" in Canada (the green line), and the average allocation associated with the combined Ontario/BC U15 universities (the purple line; the universities listed in the first table above) over the eight-year period 2010-11 till 2018-19 (the most recent year data is available). The data comes from the Canadian Association of University of Business Officers (CAUBO, which is a creation of the Universities themselves) and the data is supplied by university administrations directly.



The above figure shows that the UofA allocates far less of its Operating Budget to Academic compensation than either the overall Canadian average (the green top most line), which is between about 29% and 30% of the operating budget, or the combined Ontario/BC U15 average (the second from top purple line), which is between about 28% and 29%.

Indeed, in almost every year the UofA allocates a smaller percentage of its Operating Budget to Academic compensation than the average allocation across “universities” in Alberta.

Alarming, the gap between UofA and the other universities in Alberta in the percentage allocation of the Operating Budget to Academic compensation has been widening since 2015-16. The simple fact of the matter is that Academic compensation at the UofA consumes far less of the Operating Budget than any comparison group one might choose.

But there is another perhaps more important point that can be made based on the figure immediately above *and* the *first* figure included further up in this document (showing the comparison between overall average faculty salary at the UofA and the combined Ontario/BC U15 average faculty salary over the nine-year period 2010-11 till 2019-20).

From the first figure we see that over the five year period 2010-15 average faculty salary at the UofA was competitive with the combined Ontario/BC U15 average faculty salary. Indeed, during

this period of time UofA average faculty salary was in the top-three institutionally in the U15 (as per the understanding/agreement between AASUA and the Board). Additionally, and very importantly, we see from the second figure that this exactly correlates with the period of time that the percentage allocation in the UofA Operating Budget to Academic compensation closely tracks the average allocation within the overall “university” sector in Alberta. But starting in 2016-17 we see *both* the marked divergence at the UofA away and lower from the Alberta average in Operating Budget allocation toward Academic staff compensation *and* the marked divergence and lowering of UofA average faculty salary in comparison to the combined Ontario/BC U15 average faculty salary. I suggest these two trends are not only strongly correlated statistically, there is a direct causal connection.

**Further, I suggest that until the percentage allocation of the Operating Budget devoted to Academic compensation at the UofA begins to align with the combined Ontario/BC U15 average allocation (remember this is the Mackinnon comparison group), Operating Budget allocation toward Academic staff compensation must be protected at minimum, not reduced, and indeed, as the data suggests, increased.**

Percentage allocation of the Operating Budget to Academic staff compensation may seem like an abstract statistic. Allow me, for only one year, to spell it out what it means in actual Operating Budget dollars.

We begin by noting that in 2018-19, total Operating Expenditures at the UofA were about \$1.162B.

- **If in 2018-19 the UofA had allocated the same percentage of its Operating Budget as the 2018-19 combined Ontario/BC U15 average allocation (the MacKinnon comparison group) toward Academic staff compensation, approximately an additional \$81.9M would have been spent on Academic staff compensation at the UofA in 2018-19.** This adds up over time to significant sums. Over the eight-year period 2010-11 till 2018-19, had the UofA had allocated the same percentage of its Operating Budget as the combined Ontario/BC U15 average allocation toward Academic compensation, approximately an additional \$489M would have been spent on Academic staff compensation at the UofA over the eight-year period 2010-19.
- **If in 2018-19 the UofA had allocated the same percentage of its Operating Budget as the 2018-19 overall Canadian “university” average allocation toward Academic staff compensation, approximately an additional \$88.3M would have been spent on Academic staff compensation at the UofA in 2018-19.** Over the eight-year period 2010-11 till 2018-19, had the UofA had allocated the same percentage of its Operating Budget as the overall Canadian average allocation toward Academic staff compensation, approximately an additional \$565M would have been spent on Academic staff compensation at the UofA over the eight-year period 2010-19.

- **If in 2018-19 the UofA had allocated the same percentage of its Operating Budget as the 2018-19 overall Alberta “university” average allocation toward Academic staff compensation, approximately an additional \$18.6M would have been spent on Academic staff compensation at the UofA in 2018-19.** Over the eight-year period 2010-11 till 2018-19, had the UofA had allocated the same percentage of its Operating Budget as the overall Alberta average allocation toward Academic staff compensation, approximately an additional \$47M would have been spent on Academic staff compensation at the UofA over the eight-year period 2010-19.

**The truth is that UofA Operating Budget dollars, which at other U15 institutions would have been spent on Academic staff compensation, here at the UofA has not been invested in front-line teaching and research. It has been re-directed toward other institutional priorities.**

**Budgets are about priorities. Budgets are about making choices. The evidence clearly shows that providing fair and competitive compensation to Academic staff, using measures of comparability that even the MacKinnon report suggests are appropriate let alone what the Board and AASUA agreed to long ago, via a budgetary allocation that is no more generous than our Ontario/BC U15 comparator group or even in comparison with the other universities within Alberta, is not a priority to the Board.**

These are the facts.

Respectfully submitted,  
Gordon Swaters, AASUA Lead Negotiator