BARGAINING BULLETIN

The *Fifth Collective Agreement* between StFXAUT and the Board of Governors of StFX is set to expire on June 30, 2022. A notice of the intent to engage in collective bargaining with a focus to negotiate the next collective agreement was served to the employer on April 25th. This Bulletin is to inform members of the recent failed efforts to negotiate an extension to the existing agreement.

Background:

In May 2020, following the onset of the pandemic and the projection of at least an $8 million deficit for 2020-2021(up to $35 million in one scenario), Mr. Andrew Beckett requested the StFXAUT consider measures, including waiving the 1.6% economic adjustment, a wage rollback of 5%, and a reduction in pension contributions, in order to achieve a 10% reduction in personnel costs. Once a "clearer idea of the financial picture" developed by November 2020, which included a projected $7 million deficit, Mr. Beckett once again requested the consideration of concessions. In January 2021, the Nova Scotia government announced financial relief for the University of $3.646 million, and by March 2020, the projection was for a break-even fiscal year end. The final audited financial statements for 2020-2021 show a $2.2 million surplus, despite over $8 million in debt payments.

The budget for 2021-2022 released in March 2021 includes a $4.324 million deficit. The March 2022 budget document contains a "Revised Budget" for 2021-2022 that shows a $2.357 million budget deficit and a projected deficit of $2.774 million. This document also provides a budget for 2022-2023 with a $2.354 million deficit.

The Requests:

In February 2021, Jennifer Swinemar-Murray, Director, StFX Human Resources, inquired to determine if the StFXAUT was interested in a presentation to Members on the potential to convert to the Public Service Superannuation Plan (PSSP). The presentation was to be given by Morneau Shappel, the Human Resource Consultants hired by the Administration to investigate our pension plan. The idea was to provide an overview of the costs and benefits of converting to such a plan. The Executive decided to go ahead with a presentation to the Pension Plan Advisory Committee and have its members perform their own analysis of the plan. Needless to say, the resulting comparisons of costs and benefits differed significantly.

In March 2021, Mr. Andrew Beckett contacted the StFXAUT to inquire if there was any interest in negotiating a two-year contract extension simply focused on economic adjustment, given the ongoing concerns surrounding the pandemic. Our response was that we were not prepared to do so at that time. In late December 2021, Mr. Beckett again suggested the idea of a two-year extension, given the ongoing concerns of the pandemic and the outstanding initiatives of the current Collective Agreement (MOUs on student course evaluations, automated scheduling, and gender pay equity). He suggested using Mount Allison's two-year rollover with annual increases of 1.9% and 2% as an example, as well as the agreements reached with other campus unions for extensions of 1.75 to 2% per year.

The Executive Committee agreed to commence negotiations of an extension in January 2022, with consideration of inclusion of conversion of the pension plan to the PSSP.

Public Service Superannuation Plan Trustee Inc.

The Process:
Ken MacAulay and Charlene Weaving, two former Chief Negotiators with experience negotiating with Andrew Beckett, agreed to spearhead the negotiations. The process began in February 2022 with information sharing, with both sides presenting their cost estimates and projections for both the University's financial situation and the long-term impact of a potential conversion to the PSSP. Included in the AUT's presentations were proposals to the AUT assume the risk and potential rewards of the move to the PSSP over the next 20 years.

The Positions:
The first verbal offer from the Administration was for a two-year extension with cost-of-living increases of 1.75% and 2% and an offer to move to the PSSP if the AUT absorbed all of the costs (including both the higher contributions required by members and the higher contributions by the university). The AUT offered to help pay for the PSSP conversion with a phased-in reduction in the payout for the Early-Retirement Incentive Program (ERIP). The Administration countered with a proposal to slash the payout of the ERIP.

On April 11, 2022, Andrew Beckett presented the University's first written proposal. It was for a three-year contract extension at 2% per year, an undermined increase to be negotiated for Part-Time Academic Instructors (PTAI), and a move to PSSP with a three-year phase out of ERIP. This offer represented a step backwards in terms of the tone of the negotiations to that point, especially the unexpected shift to a three-year commitment.

On April 20, 2022, the AUT countered with a written proposal for a two-year extension at 3% per year, no change to the ERIP payout during the two years, and suggested increases for PTAI of slightly more than 3%. This offer was rejected the next day with the reasoning that a two-year extension was unacceptable, 3% exceeds the University's ability to pay, the proposed increases for PTAI are not acceptable, the PSSP plan is too risky for the University as they do not believe the savings projected by the AUT will be realized, and the move to the PSSP would not happen without the elimination of the ERIP.

Throughout negotiations the AUT maintained the offer to carry the risk of the move to the PSSP as long as we receive a fair share of any future cost savings – knowing such savings would arise from a reduction in the average retirement age in future years. We also proposed to help pay for the extra costs to the University by reducing the ERIP over time (our estimate is that the ERIP is costing the University almost twice what it would cost to move to the PSSP) and accepting lower wage increases. We also presented ways to achieve the equivalent of a 3% increase for Members by means other than a direct cost-of-living adjustment.

The Impasse:
Talks stalled at this point. The University maintained the position that the most it could afford was 2% in each of the three years and that the move to PSSP required major concessions. The AUT maintained that the University could afford the 3% increase in each of two years, the move to PSSP would provide large future savings for the University, and the AUT was willing to absorb the costs and risks for a share of the savings.

The Restart:

It was at this point that Dr. Martin van Bommel, AUT President, met with Dr. Andy Hakin, University President and Mr. Andrew Beckett. The main result of this discussion was the realization by the University Administration that reaching an agreement to extend the Collective Agreement was not contingent on the move to the PSSP. As a result, the Administration was willing to return to talks. There was also a suggestion made at that time by Mr. Beckett that the Administration was willing to offer to settle for the greater of 2% or whatever Acadia receives through their binding arbitration, leaving our final agreement in the hands of an arbitrator considering conditions elsewhere.

On May 11, 2022, in the first meeting afterwards, Mr. Beckett stated that the deal could be for a two-year extension with 2% per year now that the PSSP is out of the pictures. He also wanted to bring in several language items into the negotiations – something which was never part of the process and was to be delegated to the Joint Committee once an extension was signed. He reiterated his offer to commit to the Acadia settlement. Knowing the position of the Acadia University Faculty Association was based on the economic climate last fall, it is clear this would be below the 3% ask of the StFXAUT, and rumored to likely be closer to 2% or 2.25%; thus this offer was rejected.

At this meeting, Mr. Beckett agreed to take the proposal for a 3% increase to the Human Resources Committee of the Board of Governors. On May 27, Mr. Beckett advised us that the Committee did not accept the AUT's proposals. The reasons given included:

- There are no precedents to date in the university sector for a settlement at the 3% level.
- The other unions associated with the university have settled at 2% per year.
- The on-going financial challenges of the University.
- The expectations of the Province that we will control our costs.

This response also stated that the offer from the university stands at the greater of 2% in each of the two years or the Acadia settlement amount, although the details on exactly how this would be implemented remain open.

The Conclusion:

After more than four months of negotiations, talks have stalled. The StFXAUT team put in many hours analyzing budget documents, calculating ERIP and PSSP cost projections, drafting long term cost and benefit sharing proposals for the PSSP, and determining salary comparisons with comparator institutions in the region.

We are very disappointed with the ongoing tone of negotiations we are seeing from the University Administration. Examples include the unexpected requirement for a three-year extension for any deal involving the PSSP and the overall approach to negotiating a potential move to the PSSP. These do not reflect the actions of an employer willing to partner with a union and its members in order to navigate difficult times. This is very disappointing especially given the asks they have made of members as we worked our way through COVID for the past two years.

The exaggerated budget shortfall projections are not helpful in achieving a negotiated settlement, especially when such projections continue to be proven false. Asking Members of the StFXAUT to shoulder the costs of the poor decisions by Administration is unreasonable.

The Next Steps:

Mr. Beckett continues to quote settlements reached last fall when the inflation rate was still only just over 3%. This includes the projection for the Acadia binding arbitration settlement. There has been a significant change in the overall financial picture for Members, which includes an annual inflation rate of 3.4% in 2021 and a current rate of more than 6.8% in 2022.

Mr. Beckett also refers to structural deficits and cash flow problems, stating that the University cannot afford better offers. He fails to admit the deficits are primarily the result of the overbuilding of residences, which should be funded by ancillary services, and that the operational budget is actually in surplus despite paying more than $2 million annually to servicing debt. He also refuses to acknowledge how the most recent deferred maintenance grant from the government has relieved some of the financial pressures on operations.

Mr. Beckett does admit that over the past 5 years, other expenditure items have grown at a rate that is significantly higher than that of the expenditures on academics in general and on StFXAUT salaries in particular. This ongoing situation reflects on the priorities of the present administration.

So we will be moving into collective bargaining for the next Collective Agreement in the late summer and early fall. We delivered a notice to bargain at the end of April, which includes the provision that the Collective Agreement and all subsequent Letters and Memoranda of Understanding in effect at the time of the expiration of the Collective Agreement remain in effect throughout negotiations. We will continue to draft and revise language over the next few months to address all of the issues brought to our attention over the past few years. We will also be analyzing the results of the survey and meeting with individuals and groups to ensure we are representing your collective interests in the best manner possible.