January 25, 2016

Dear Trustees,

As you know, the United Faculty of Florida (UFF), which represents about one-third of the faculty, declared impasse after bargaining the most recent annual reopener of salary without reaching agreement. The Special Magistrate appointed by the State to hear both parties’ positions, made a recommendation on December 28, 2015 to resolve the impasse, which is enclosed for your review and consideration. The University proposed a 2.5% merit pool effective January 1, 2016. After determining that the impasse relates only to differences regarding the salary increase, the Special Magistrate recommended that, in addition to the 2.5% merit pool, the University provide a 2.75% across-the-board raise and that both increases be effective August 1, 2015. As required by the statute that governs the impasse, this letter provides my recommendation to you on how to resolve the impasse.

The University’s faculty are vital to UF’s strategic goals for advancement and we need to support them. We have many faculty, long-standing and new, and in the bargaining unit and out, who are highly accomplished leaders in their disciplines, driving UF’s contributions to education, research, innovation, and economic development for the betterment of Florida, the nation and the world. If the Board adopts the administration’s proposed raise, UF will have provided raises to our in- and out-of-unit faculty of 11 percent over the last 3 years. This is 4.8 percent more than the average raise provided by all public universities across the country over the same three-year period.

Beyond this, we have established strategic goals to compensate our faculty commensurate with UF’s national peers and to develop the additional recurring resources, through endowment growth and other sources, that will allow us to do so. This will require some time, as the resources available to UF significantly lag that of our Association of American Universities aspirational peers. In the meantime, we must continue our excellent record of responsible fiscal policies or we will be unable to meet our goals for the advancement of the University and its faculty.

The total cost of implementing the Special Magistrate’s recommendation for all faculty, in and out of unit, is $40,995,753 on an annual, recurring basis. This is $21,565,721 more than the University’s proposed raise. The Special Magistrate recommended raises be given to faculty in the bargaining unit and that funds for the raise be drawn from one-time monies in the University’s operational
reserves. In order to meet the Special Magistrate’s recommendation, $10 million of these one-time funds would need to be withdrawn year after year for this recurring raise, and that would deplete the reserves. The University would also need to divert other funds that are currently committed in College, Department and other unit budgets, necessitating cuts. Major cuts at this time would impede advancement.

The University’s sustainable position for advancement over the last 12 years of both good and bad economic times has depended on our commitment to live within our means and avoid use of one-time funds for significant recurring obligations. Prudent management of University resources has permitted us to handle some of the more critical one-time needs in difficult circumstances.

The University’s proposed raise rewards our faculty for their merit within the University’s financial means. Consequently, I recommend that the Trustees resolve the impasse by adopting the University’s proposed raise of 2.5% merit effective January 1, 2016.

Sincerely,

W. Kent Fuchs