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Opening Statement and Proposal McMaster University Faculty Association December 15, 2021

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Negotiating Framework

The McMaster University Faculty Association (MUFA) is a non-unionized association representing 950 active members (985 in total). MUFA is fortunate to enjoy a non-adversarial, collegial relationship with our employer, through the **Joint Administration/Faculty Association Committee (JC)**. Negotiations are governed by the JC's *Terms of Reference* and guided by the *Principles for Negotiation of Faculty Remuneration* (hereafter NPs), which open with the agreement that "McMaster University has a complement of highly qualified faculty members who are committed to the mission and objectives of the University and who work diligently to further those objectives".

According to the *Terms*, MUFA and the University Administration exchange briefs by December 15 and begin negotiating thereafter. If the two parties do not reach agreement by March 15, one of the two briefs is selected *in toto* by a previously-identified Selection Officer, whose decision is binding on both parties. Thanks to this framework, both MUFA and the Administration have historically negotiated in good faith and have presented reasonable positions.

Context for Negotiation

At the end of 2021 we are still living with the fallout of a global pandemic, which has reshaped nearly every aspect of our work. Nevertheless, McMaster retains its global reputation for innovation in teaching and learning and its world-leading research excellence, both of which are attributable in large part to the work of its faculty members. These successes have allowed the university to enrol unusually high numbers of students in the last two years, to make a strong showing on the province's performance metrics, and to report substantial increases in revenue and assets in its most recent financial report.

While the institution is in excellent financial health, MUFA members' financial and physical health are at risk after nearly two years of pandemic working conditions. While student enrolments have risen 17% since 2017 and the number of McMaster staff has climbed by 27% in that period, the ranks of MUFA faculty have actually shrunk slightly [1] in the same timeframe, as illustrated in Figure 1. In that five-year period, the ratio of students to faculty has grown from 31 students per professor in 2017 to over 38 students per professor in 2021.

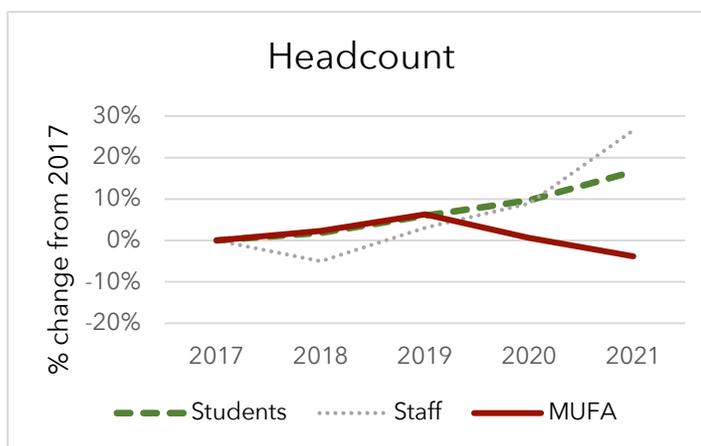


Figure 1. Change in headcount from 2017 as reported in IRA Factbook.

Furthermore, in a 2020 survey of MUFA members [2], 96% of respondents reported an increase in the number of hours worked due to the pandemic, of which the majority reported more than eight hours of additional work each week. In other words, most faculty have seen an uncompensated increase of 20-25% in their workload since the onset of the pandemic. Under the circumstances, our historic level of excellence is at risk of becoming unsustainable. Just as investing in LEED-certified buildings helps McMaster achieve its carbon-reduction goals and investing in skilled staff helps move the university towards operational excellence, a wise investment in the high-achieving faculty complement will allow McMaster to continue to excel in innovative teaching and world-class research.

Table 1 shows the average 2019-20 salaries for faculty at the Ontario G6 institutions, that is, the universities to which McMaster is most comparable. Note that while McMaster's performance is at the top of this group, the average MUFA salary aligns with the middle performers.

	Average Salary in 2019-20	Research Intensity Rank 2020	ARWU Rank 2021	THE Rank 2021
McMaster	\$162,050	1	92	69
Ottawa	\$162,375	7	>201	145
Queen's	\$162,800	5	>201	>251
Toronto	\$174,025	2	22	18
Waterloo	\$158,725	12	>151	>201
Western	\$152,700	16	>201	>201

Table 1: Average Salaries and Rankings of G6 Universities [3]-[5]

While faculty continue to work hard to achieve excellence, their income has not kept pace with the rising cost of living. Statistics Canada reports a CPI increase of 4.7% in October 2021, the highest increase since 2003 (see Figure 2), and CMHC’s Sept 2021 Housing Market Assessment

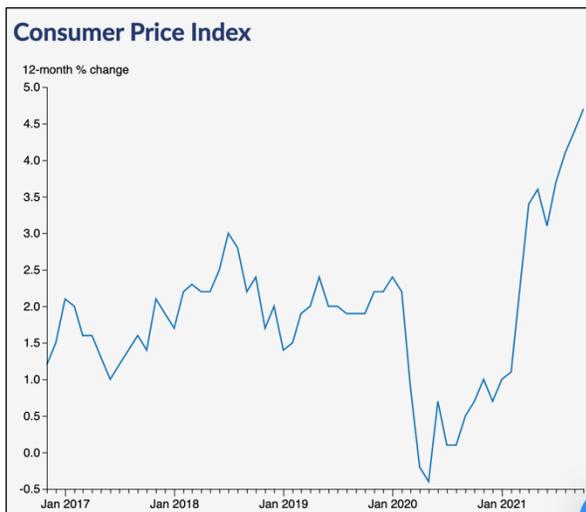


Figure 2: Change in Consumer Price Index 2017-present as reported by Statistics Canada

[6] reports that Hamilton’s housing market is in a “sustained period of overheating”, with the average single-family house price forecast [7] to jump from \$562,000 in 2018 to over \$800,000 in 2023. Housing in Hamilton has become just as unaffordable as Toronto [8], second only to Vancouver in Canada.

With the cost of living increasing rapidly in the Hamilton area, it is unfortunate that we are required to enter the “moderation period” imposed by the province’s unconstitutional wage cap legislation. We trust that the Joint Committee will work creatively and collaboratively to reward faculty for their excellent performance under adverse conditions,

in the interest of “nurturing and supporting excellence across the institution”, as promised in the *Institutional Priorities and Strategic Framework 2021-2024* [9]. MUFA therefore presents the following proposals, within the context of JC’s *Principles for Negotiation* and McMaster’s *Institutional Priorities*.

Contract

1. Length of Contract

MUFA proposes a two-year contract, from July 1, 2022 to June 30, 2024.

Salaries

2. Increase Salaries

With salary increases capped by the province, an across-the-board percentage increase would result in a larger increase for members at the higher end of the salary range than for their lower-paid colleagues. In the interest of equity, MUFA therefore proposes a flat increase of \$1700 per member for each year of the contract.

3. Index Salary Increase to Inflation if Wage Cap is Repealed

Consistent with NP2, “salaries should be protected from inflation”, MUFA proposes that, in the event that the *Protecting a Sustainable Public Sector for Future Generations Act, 2019 SO 2019, c12* is repealed, salaries shall be increased across-the-board by the current rate of

inflation, namely, by 4% in the first year of the contract, and by the inflation rate reported by Statistics Canada in the second year of the contract.

4. CP/M

As mentioned above, nearly every MUFA member has seen an unprecedented increase in workload over the last two years on account of the pandemic. We trust that the administration wants to recognize the labour of the excellent faculty members who have not only kept the university functioning, but have done so to a very high standard. We therefore propose that the CP/M pool contain 130 par units per 100 faculty members, with 120 units to be awarded at the Department level, for each year of the contract.

5. Collect and Report Salary Data for Equity-Deserving Groups

In 2015, MUFA identified a disparity between the salaries of male and female faculty members, which the administration rectified by a one-time increase to women's base salaries. It is possible that such disparities exist for other equity-deserving groups as well. In accordance with the university's commitment to inclusive excellence, MUFA proposes that the administration collect and report salary data for racialized, disabled, and Indigenous members, and for members of the 2SLGBTQ+ community.

Benefits

In our 2021 member survey, MUFA members made clear that the pandemic has taken a toll on their health, in spite of the principle (NP4) that "faculty should be protected from catastrophic expenses, such as those arising from ill health." Continuing health benefits are essential to support ongoing productivity.

6. Improve Vision Care

The substantial increase in screen time necessitated by remote work has impacted many members' vision. MUFA proposes an increase in the Vision Care benefit to \$750 per covered person every 24 months.

7. Pool Paramedical Benefits

To provide flexibility for members with diverse health needs, MUFA proposes a pooled maximum of \$3000 across paramedical providers in place of the \$500 cap on each individual provider, with no change to the mental health care benefit of \$3000 per year.

8. Provide Access to On-Campus Childcare

The new PGCLL includes space that was purpose-built for a childcare centre. Members who rely on childcare in the community are constrained by the hours and holiday schedules of those providers, and must extend their commute times to incorporate pick-up and drop-off. An on-campus childcare centre will offer flexibility to faculty who are parents. Consistent with the

Institutional Priority for “positive workplace flexibility practices”, MUFA proposes that a contract be negotiated to place a childcare centre in PGCLL as soon as possible, and that children of McMaster faculty and staff be given priority access to the resulting spaces.

9. Extend Dependent Tuition Bursary

MUFA members currently enjoy reimbursement of post-secondary tuition at Canadian institutions from an annual fixed pool. MUFA proposes that eligibility for reimbursement from this pool be extended to any post-secondary institution recognized by the CRA as eligible for a tuition tax credit, including those outside Canada.

Support for Excellence

JC has agreed in NP 11 that, “the University should assist faculty members to enhance their research and scholarship effectiveness.” Items 10 and 11 below propose concrete means by which the university can do so.

10. Enhance PDA for Pandemic Expenses

The Institutional Priority for Operational Excellence commits to “support personal well-being” for faculty; moreover, according to NP10, “faculty should be provided with resources to do their jobs effectively”. Over the course of the pandemic, faculty were required to work off-campus without adequate resources to do their jobs effectively. To compensate members for the additional expense of setting up workspaces away from campus, MUFA proposes a one-time top-up of \$2600 in addition to the base PDA for a total of \$5200 for 2022-23. Reimbursement shall be permitted for expenses incurred as early as March 2020, and unspent PDA funds shall be permitted to carry forward for three years. In 2023-24, PDA shall increase by 5% per year from the base rate for a total of \$2730.

11. Equalize Research Leaves

Teaching-Stream Faculty. McMaster’s Institutional Priorities commit to “demonstrate that teaching is valued and recognized as a professional practice”, but at present, teaching professors are entitled to only a four-month leave every seven years. MUFA proposes that Teaching-Stream faculty be eligible for leaves on the same basis as Tenure-Stream faculty, consistent with the policy for Teaching-Stream faculty at the University of Toronto [10].

All Faculty. To support faculty in maintaining productivity during their research leaves, MUFA proposes that the university pay 100% of a member’s salary during 12-month research leaves after the first leave.

Support for Faculty after Retirement

12. Offer a Retirement Package

The retirement of members who have reached pension eligibility allows for faculty renewal as senior professors are replaced with junior colleagues, and also allows for a rebalancing of the CP/M scheme. At present, Deans occasionally offer a retirement incentive, typically one year's salary, to selected members. Not only does this process lack transparency, but it is also inequitable because it is not offered or indeed available to all faculty. MUFA proposes that the university offer an equitable retirement package to all eligible members, in the form of one year's salary upon retirement.

13. Align Retiree Benefits with Active Member Benefits

The present state of benefits for MUFA employees who have retired is undesirably complex. MUFA proposes to reduce this complexity and support operational excellence by transferring retirees to a benefits plan that parallels the plan for active members.

14. Index Pension to Inflation

At present, the MUFA pension plan provides partial indexing to inflation, whereby the five-year average fund return in excess of 4.5% is used to increase payments up to 100% of the consumer price index (CPI). If the excess is larger than the current CPI, that amount is used to supplement the previous three years to achieve full indexing. In 2020, JC's Working Group on Pension found that over the period from 1997 to 2019 the compounded pensioner and supplemental increases were 28%, falling far short of the compounded CPI increase of 51% over the same period. In short, the current formula has allowed pensioners' real income to decline substantially in the years after retirement, which is not consistent with NP6, "faculty should look forward to a good pension upon completion of their academic careers". Given that 2021 is seeing unusually high inflation which is forecast to persist in the medium term, the partially indexed plan is at risk of being insufficient for retired members' needs. The current excellent financial health of the pension fund, as reported recently to the Board of Governors, makes full indexing a prudent and feasible option to ensure that pensions are protected from continuing high inflation.

In addition, the *2020 Administration – MUFA Pension Working Group* found that Full Integration of the MUFA pension plan with the recent enhancements to CPP would reduce the university's costs by an estimated \$3.3M annually while having only minimal effect on the pensions obtained by faculty at the completion of their academic careers. MUFA therefore proposes that the pension plan be (a) fully indexed to inflation and (b) fully integrated with the enhanced CPP.

References

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Appendix I

Principles for Negotiation of Faculty Remuneration

Introduction

In recognition that the negotiation of faculty remuneration at McMaster should be conducted within a collegial rather than confrontational framework, the Joint Committee agrees that it is desirable to establish commonly held principles within which such negotiations would take place. We hope that by doing so we can reach an agreement of mutual benefit by applying these principles rather than by hammering away at opposing positions until there is either enough “giving in” to reach an agreement or a stalemate forcing use of the final offer selection process. The following principles are presented for this purpose.

General Statement

Both the Faculty Association and the Administration recognize that McMaster University has a complement of highly qualified faculty members who are committed to the mission and objectives of the University and who work diligently to further those objectives. As a consequence, it is the desire of both parties that remuneration be at a level which adequately compensates faculty members for their contributions to the University. It is also the desire of both parties that the working conditions of McMaster faculty members be adequate, including both those matters which have a direct impact (e.g. class sizes) and an indirect impact (e.g. services and environment provided through the University infrastructure). In order to achieve these goals, it is important that other expenditures (e.g. for personnel services, fund-raising) be made judiciously. In the Joint Committee we are attempting to find an appropriate balance between these considerations in reaching an agreement on remuneration.

Principles Concerning Individual Compensation

1. Faculty salary and benefits should compare favourable to those in comparable jurisdictions, including specifically other excellent universities.

Maintaining a competitive salary position with other universities is important both for the morale of faculty members and for McMaster’s competitive position, i.e. being able to recruit and retain highly qualified faculty members.

2. Faculty salaries and benefits should be protected from inflation.

Erosion of salaries relative to inflation, which has occurred in a number of years due to underfunding of the universities, is bad for morale and makes the prospects of an academic career less attractive to graduate students and young PhDs.

3. Differing degrees of contribution to the University depending upon experience and individual talents should be recognized through application of the CP/M Scheme, with sufficient par units to enable the rewarding of the many excellent faculty members without penalizing other competent faculty members.
4. Faculty should be protected from catastrophic expenses, such as those arising from ill health.
5. Consideration should be given to the tax effects of the form of remuneration.
6. Faculty should look forward to a good pension upon completion of their academic careers.

Principles Concerning Working Conditions

7. Faculty members should be able to teach in an instructional environment which is conducive to the educational process.

A conducive instructional environment includes: students of high quality, class sizes which are not too large and access to instructional assistance, e.g. teaching assistants.

8. The University's operating budget should enable the appointment of new faculty, both to replace those who have retired (or resigned) and to compensate for an increased number of students.

Working conditions will be seriously undermined if the University is unable to replace retiring professors, since the remaining faculty complement will need to provide additional instruction to compensate for their loss. Similarly, additional faculty members are needed to handle the increased number of students which have enrolled at McMaster in recent years. In allocating these appointments, consideration should be given to shifting teaching and research needs across the University.

9. The University should seek to redress the erosion of working conditions which has occurred during the past few years.

The increased number of students, without a compensating increase in faculty appointments has resulted in a significant increase in student/faculty ratio during the past ten years. This has been accompanied by increased pressure on space (lecture rooms, offices and lounge space) and by fewer dollars available for instructional supplies and expenses.

10. Faculty should be provided with resources to do their jobs effectively.

Such resources include: office and laboratory supplies, access to support staff (e.g. for typing correspondence or assisting in the development of laboratory experiments), library, computing facilities and instructional assistance.

11. The University should assist faculty members to enhance their research and scholarship effectiveness.

Such assistance includes: research grants (through the Research Boards), funds for travel to conferences, funds for purchase of books and journals, and research leaves.

*Approved by the Joint Committee — January 30, 1990
Reviewed and Approved in Principle by the Joint Committee — November 14, 2001*