
Bargaining in Times of Economic Uncertainty

April 29, 2020

Sarah Lanius

Field Service Representative, AAUP



Michael Mauer, Esq.

Senior Labor Advisor, AAUP



In this presentation, we will...

- Provide guidelines for bargaining the impact and implementation of changes related to the COVID-19 pandemic
- Examine strategies for bargaining during times of economic uncertainty, including:
 - Extending your existing CBA
 - Focusing and narrowing your bargaining platform
 - Incorporating trigger language or reopeners for economic issues
- Cover specific topics you may want to include in your upcoming negotiations

The Impact of COVID-19 on Higher Education Institutions



KGUN 9 ON YOUR SIDE > NEWS > CORONAVIRUS

UArizona announces pay cuts, furloughs for all faculty, staff

FINANCE



Major Cost-Cutting Begins in Response to Covid-19, With Faculty and Staff Furloughs and Pay Cuts

The long-term economic impact of the pandemic is uncertain. But colleges are taking steps now to offset deep revenue losses.

By Eric Kelderman | APRIL 18, 2020

UW Regents Open Door To Employee Furloughs Measure Comes Days After UW System Projects \$170M In Losses Related To COVID-19 Outbreak



UIC United Faculty's Official Statement on UI Policies Issued March 11, 2020

We Are Not Disposable: Don't Let Rutgers Purge Dedicated Teachers!



Education

Amid Backlash, VSC Chancellor Withdraws Plan to Close Three Campuses

What does Bargaining Look Like in this Context?

Employer's Goal

Flexibility

Union's Goal

Security

The Taxonomy of Bargaining

- Timing
 - Bargaining for a renewal contract vs. midterm bargaining
- Substantive
 - Bargaining over whether the employer can do x
- Impact and Implementation (“I and I”)
 - Bargaining over *how* the employer does x ; how does the change potentially affect the “terms and conditions of employment?”

Impact Bargaining

- Determine the existence / scope of your bargaining rights
 - “management rights” provision in current contract?
 - “zipper clause” in current contract?
 - provisions for midterm negotiations or reopener in current contract?
 - statutory provisions?
- Impact and implementation
 - triggered by *timely* bargaining request

Impact: Plan B?

Options in the absence of impact bargaining rights

Contractual mechanisms: “meet and confer”, “joint consultation”, etc.

Allying with faculty senate

Applying political pressure (to administration, to board, to potential allies)

Preparing for Bargaining

Consider your options

Should you bargain as scheduled?

Should you extend your CBA and delay negotiations?

Gather information

What do you need to know?

What information will help you make predictions about the future?

Set your priorities

What are your membership's top priorities?

How likely are you to make gains in these areas in this context?

To bargain or not to bargain?

Extending
your CBA

Limited
scope
bargaining

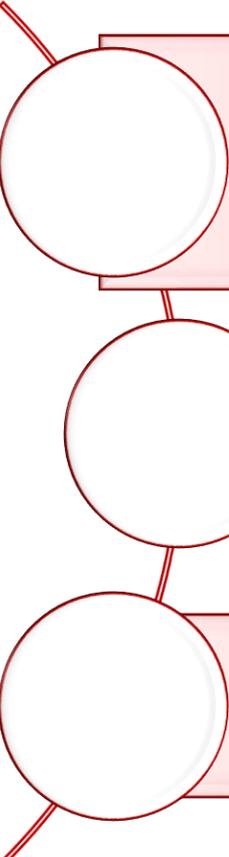
Full
bargaining



Information Requests: Uses

- The practical value of information requests
 - Information needed for bargaining: offensive and defensive
 - Information needed for organizing: members, community
- The tactical value of information requests
 - Fire a warning shot

Information Requests: Tools



Statutes

- Public sector enabling statute: “duty to bargain in good faith”; unfair labor practices
- Disclosure laws

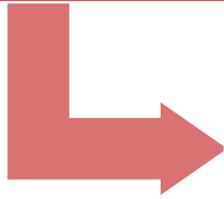
Contract provisions

Regulatory agency reporting requirements

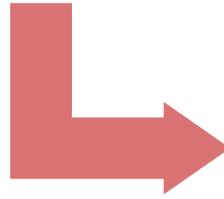
- Federal, state, local: IRS, Department of Education, etc.

Setting Priorities

What are your membership's top priorities?

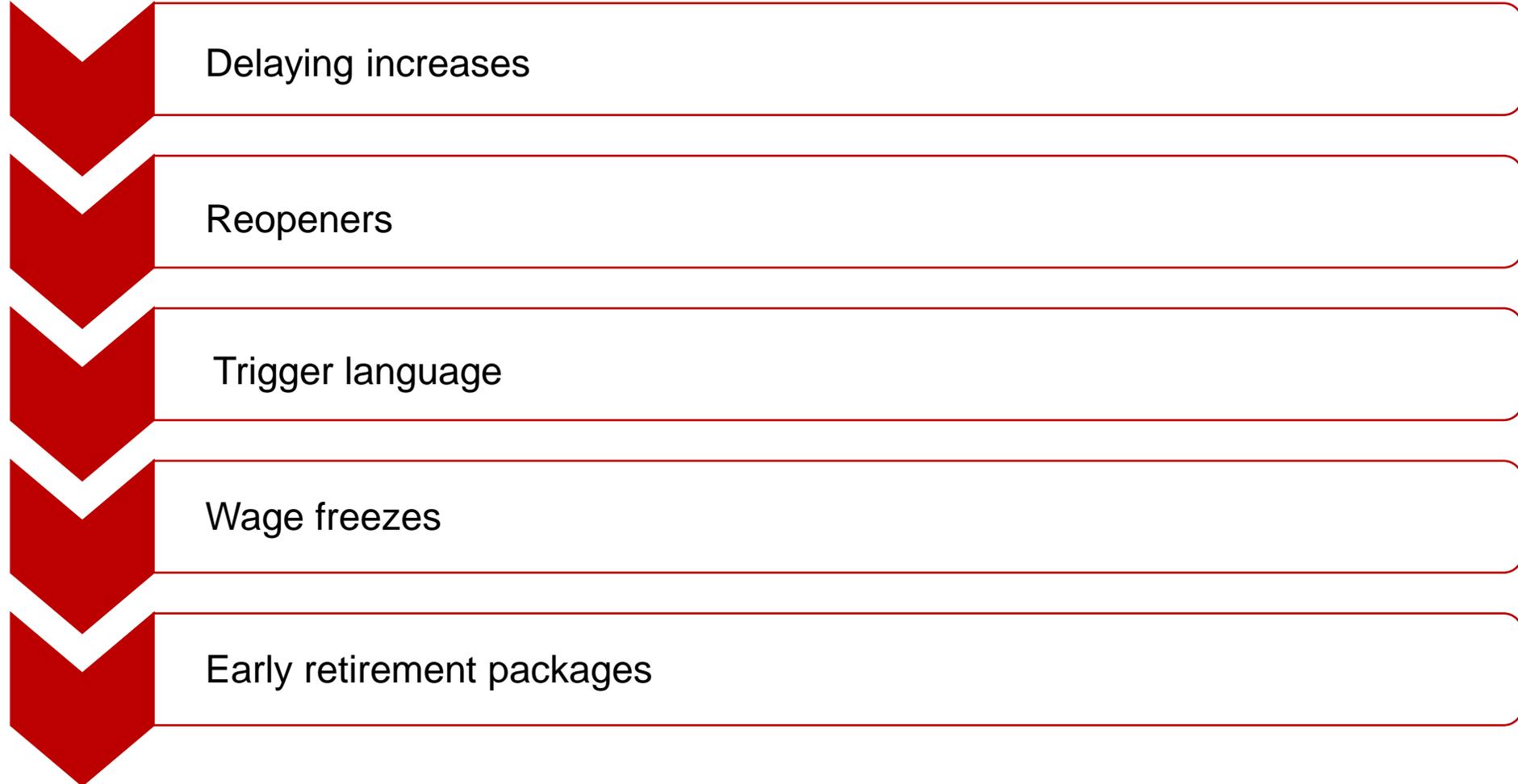


How likely are you to make gains in these areas?



What will the administration's bargaining agenda be?

Table Tactics: Approaches to Economics



Delaying Increases

For example, let's say members typically see an across-the-board increase on September 1 (month 1 of your CBA), and you are considering delaying that increase until March. The current monthly payroll is \$500,000 and the roll-up costs are 25%.

Total cost of a 2% increase on September 1:

$$\$500,000 \times .02 \times 1.25 \times 12 = \$150,000$$

Total cost of a 2% increase on March 1:

$$\$500,000 \times .02 \times 1.25 \times 6 = \$75,000$$

Reopeners

“This Agreement shall be reopened in 2021 for negotiations on Article 12, Salary and up to two (2) additional articles designated by each party. No other articles may be opened for negotiations at that time unless mutually agreed to, in writing, by the parties.”

Trigger Language

“On July 1, 2020, all bargaining unit members shall receive a cost of living increase of one and a half percent (1.5%).

On July 1, 2021, all bargaining unit members shall receive a cost of living increase of one and a half percent (1.5%).

On July 1, 2022, all bargaining unit members shall receive a cost of living increase of two percent (2%).

If, at any point during the life of this Agreement, [Institution] experiences a loss of income of at least ten percent (10%) that is sustained for three (3) consecutive months, the parties will re-open this Agreement to negotiate over the remaining scheduled increases.”

Wage Freezes

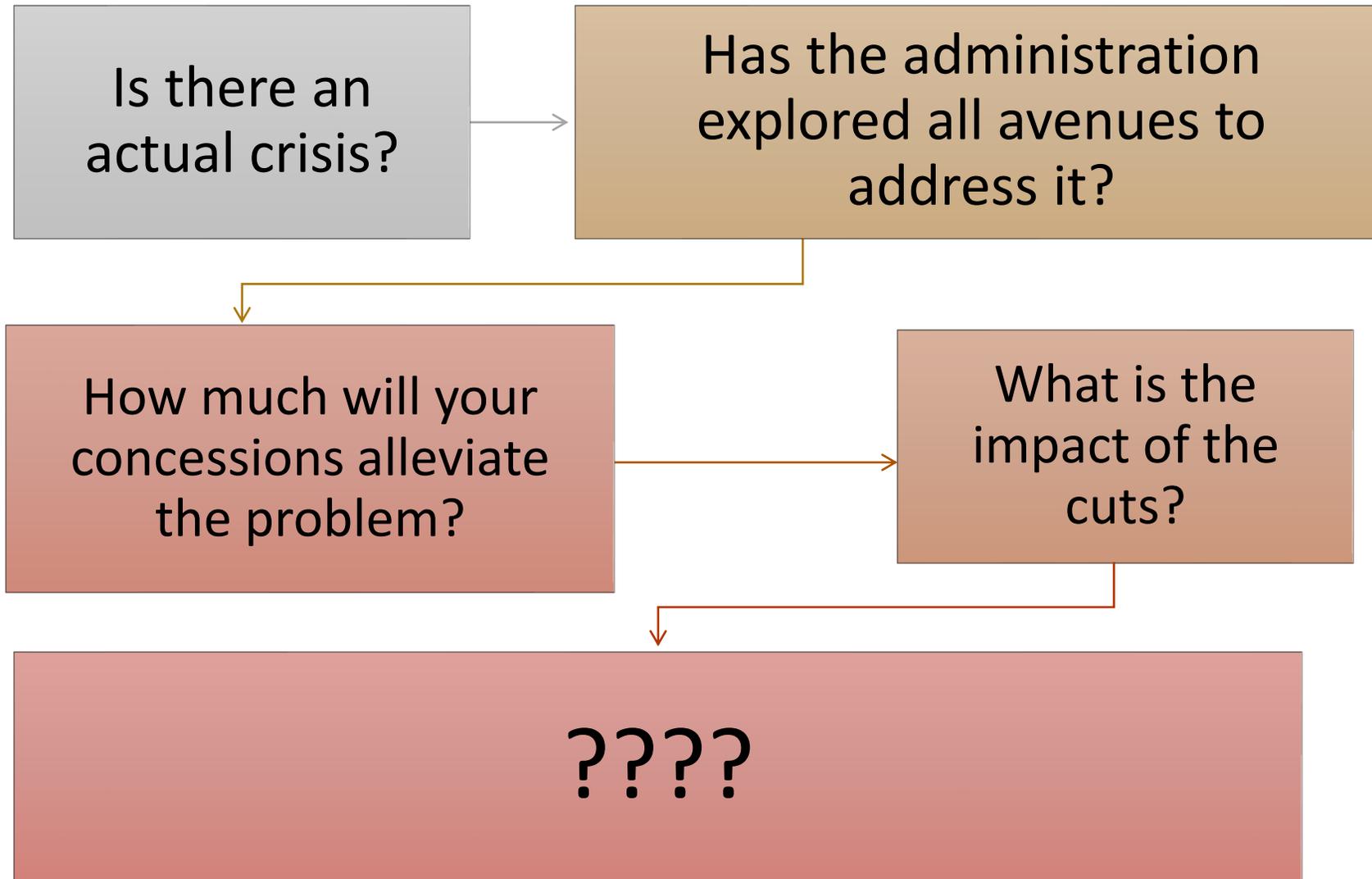
“There will be no Cost of Living Adjustment for the duration of this Agreement.

An equivalent of two percent (2%) of bargaining unit wages will be split equally among all bargaining unit employees and paid to each bargaining unit employee in one lump sum payment on September 1, 2021.”

Early Retirement

- Expand retirement eligibility
- Seek a phased retirement plan
- One-time bonus for accepting early retirement
- Expand or increase any retirement benefits currently offered in your CBA

Should You Accept Cuts?



Bargaining Healthcare

“a) In Plan Year 2021, the Employer agrees to pay for an increase of up to nine percent (9%) over the full premium costs of the previous year’s health plan(s) coverage for workers and their dependents.

b) If the rate increases proposed by the plans exceed the prescribed limits set in subsection (a), above, the Insurance Committee referred to in Section 9 will jointly evaluate options for changing plan design, or changing carriers or plan offerings in order to stay within the prescribed premium rate increases for each or either plan.”

Other Topics to Prioritize



Thank you!

www.aaup.org

Sarah Lanius

slanius@aaup.org

Michael Mauer

mmauer@aaup.org