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DURHAM, N.H. -- The University of New Hampshire announced today that the Executive Committee of the University System of New Hampshire Board of Trustees voted Monday, April 11, 2011, to reject the fact-finder report regarding negotiations between the university and the American Association of University Professors (AAUP). The report was issued March 31 by John Cochran, the fact-finder jointly engaged by the two parties. In accordance with N.H. statute, the parties had 10 days to consider the report and decide upon it before its contents became public.

According to Candace Corvey, UNH lead negotiator, there were many aspects in which the fact-finder favored the university’s arguments and positions, but that on the whole it was not acceptable. “The law governing this process requires that each side either accept or reject the report in full. It is not an option to select only those recommendations that favor your own side,” she said. Corvey indicated that the university is pleased the fact-finder recommended the union accept all the health benefits changes proposed by UNH and reinforced the importance of performance-based compensation, but that “…the magnitude of the overall salary increase recommended in the report is completely unacceptable in the current economic climate.”

The AAUP had proposed a 12.5 percent increase over three years, of which only 1 percent would be associated with merit pay. UNH had proposed a 6.5 percent increase over the same period, of which 4 percent would be distributed based on merit. That offer was contingent on state funding to USNH of $100 million a year in FY12 and FY13. The fact-finder recommended 8.75 percent for FY11-FY13, of which 3.75 percent would be merit-based.

“The university’s salary proposal was always necessarily contingent on adequate state funding,” said Corvey. “The fact-finder considered many economic factors including what was known about state funding prospects back in early February. Even then there was great cause for concern, but the developments since that time surrounding the budget passed by the N.H. House have brought the matter to crisis proportions.” The House budget calls for a $45 million reduction to the $100 million state appropriation to USNH. This cut would reduce funding to UNH by $30.5 million. Corvey indicated that the AAUP faculty salary base at UNH is $60.3 million. “An 8.75 percent increase for FY11-FY13 would mean additional faculty salary costs to UNH of $5.3 million by the end of the next biennium, and would have significant financial implications for the salaries of other employee groups,” she said.

Dick Cannon, UNH vice president for finance and administration, said, “The university is developing plans to cope with what is likely to be an unprecedented reduction in state support. Our primary goal is to preserve the quality of our programs and the affordability of UNH for our students and their families.”

He indicated that cuts in health and retirement benefits are among several strategies designed to minimize job loss. “Our academic and administrative services are already quite lean, and we worry about the impact on quality if we must reduce staffing,” he said.

According to Cannon, UNH already spends two-thirds as much to deliver a credit hour than its usual comparator institutions, yet it manages to remain in the top 10 percent nationally in graduation performance. “If the state funding to UNH is ultimately reduced by $30.5 million, we may need to cut more than 200 positions (7 percent of the workforce) by not filling vacancies, providing incentives for voluntary retirement and instituting layoffs to achieve a balanced budget in FY12 and FY13,” he said.

Corvey indicated that the next step in the process is for the parties to re-open negotiations. “We will move as quickly as possible into a new phase of talks and try hard to achieve an agreement that is fair and affordable in light of the facts now at hand,” she said.