
THE UNIVERSITY OF BRITISH COLUMBIA



Human Resources
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Date: December 20, 2006

To: All Management & Professional (M & P) Staff

From: Linda McKnight, Director, HR – Advisory Services

CC: MADHU
HR Networks, HR-Executives, HR Advisory Services

Re: Resolution to AAPS Salary Administration Grievance

On behalf of the University, we are very pleased to advise all Management and Professional (M & P) staff that we have reached a settlement with the Association of Administrative and Professional Staff (AAPS) with regard to the salary administration plan grievance. We believe this is a fair and balanced result that meets the University's commitments to the management and professional leaders of the University.

Since 2000, notwithstanding the tight government constraints, the University has provided M & P staff with several million dollars for: ongoing market increases to specific job families; pay equity adjustments; progression to midpoint; and merit. As a result of this Resolution, we can now address all job families with market issues.

Highlights of the Resolution

- AAPS and the University jointly agreed to all aspects of this Resolution.
- The University will pay approximately \$6M in retroactive salary payments back to July 1, 2005.
- The University will pay approximately \$6.7M in annual recurring salary increases, effective July 1, 2007.
- All M & P job families will be compensated at or very near market (as determined by the 2004 joint salary survey and supplemental market data) by July 1, 2007. Note that general wage increases negotiated in the recent round of collective bargaining will move the salary minima, midpoints, and maxima up each year after 2004 (for 2005 – 2009 by 1.5%, 2%, 2%, 2% and 2% respectively) maintaining relative market competitiveness.
- In excess of 1,200 M & P staff will receive salary increases.
- Merit increases earned over the period in question will be applied on top of the relevant target rates.
- All M & P staff have the potential to receive greater future merit increases due to the increased maxima of their Salary Grades.
- AAPS and the University have agreed to the method of obtaining and implementing future salary surveys under the current Letter of Agreement regarding the Salary Administration Plan. This will streamline and clarify the parties' obligations for the future.
- The Resolution is subject to PSEC approval. PSEC is the Provincial Government entity that controls public sector compensation. The University has agreed to seek PSEC approval and to support this Resolution.

The Process Leading to the Resolution

The University presented a comprehensive settlement proposal to AAPS in October. AAPS rejected the University's offer and the parties commenced arbitration on December 4, 2006 before Arbitrator Donald R. Munroe, QC. Throughout the week Mr. Munroe heard considerable evidence from the parties, including from Dr. George Mackie (Vice President, Academic and Provost pro

tem), Dana Merritt (Associate Vice President, Finance), Michelle Berner (Director, HR, Total Compensation), and various compensation experts.

The Positions of the Parties in Arbitration

AAPS was seeking a solution that would have cost the University approximately \$16.5M in recurring monies effective July 1, 2007, and approximately \$45M in one-time retroactive monies for the period from October 2004 through June 30, 2007.

AAPS was seeking a “payline” approach that would have provided increases to all AAPS members, regardless of whether or not they were already being paid at market. They were also seeking that implementation of the “payline” approach would maintain an individual’s “compa ratio” (or relative placement on the salary range). The University was fundamentally opposed to both components of this approach for two reasons: first, it far exceeded the University’s ability to pay; and secondly, the payline approach was inimical to the University’s obligations under the Letter of Agreement in that scarce resources would have been used to provide increases to positions already compensated at or above market, and positions behind market would have stayed perpetually behind market. The Salary Administration Plan Letter of Agreement was never intended to provide what amounts to a general wage increase.

The University proposed the solution that it tabled in October, because in the University’s view, this proposal was consistent with the agreement of the parties as reflected in the Letter of Agreement relating to the Salary Administration Plan.

This solution ensures that scarce resources are used effectively by providing that all job families are paid at or very near market (according to the most recent joint salary survey and supplemental data) by July 1, 2007. Further, the University’s solution is within the University’s ability to pay, which is, in the University’s view, the governing factor in the Letter of Agreement. The University led considerable evidence about its current strained financial situation and the difficult choices that the University must make in these circumstances. AAPS did not dispute the substance of this evidence.

On Friday December 8th, after four days of evidence, Mr. Munroe encouraged and assisted the parties in finding a mutually agreeable resolution. AAPS accepted the University’s proposal with a few additions, including an additional \$300,000 in recurring salary increases.

Human Resources intends to provide comprehensive communications to AAPS members concerning the details of the settlement on the HR website, along with an e-mail contact, as soon as we hear that the settlement has been approved by PSEC.

Funding

If PSEC approves the settlement (and we hope they do), they will not be funding it. The University will have to find the money. However, the University has agreed that retroactivity and recurring increases for GPO will be funded centrally and retroactivity and recurring increases for non-GPO will have to be paid for within the existing applicable non-GPO budgets.

Payments to AAPS members

Over the next number of weeks we will be working with our programmers to prepare for implementation of this settlement. If and when we receive PSEC approval, the University will act quickly to implement the settlement and will advise you accordingly. We expect implementation of retroactive pay to be completed by mid-March.

Moving Forward

Resolution of this very important matter has taken longer than any of us had hoped for; however, we are very satisfied with the result and want to acknowledge your patience while we have worked through the complexity of finding a solution. The mutually agreed upon Resolution is fair and equitable, meets the commitments the University has made to AAPS, and recognizes the significant contribution that M & P staff members make to the effective operation of the University.