

MRFA Dues Increase Q&A Reference Document for Members

Q1: Why is this necessary now? What has changed?

A: As a result of the need for provincial compliance with recent Supreme Court of Canada decisions (esp. Saskatchewan Federation of Labour v Saskatchewan, 2015), Alberta's Post-Secondary Learning Act was amended in spring 2017 to remove compulsory binding arbitration as the final dispute resolution mechanism in collective bargaining for academic staff. This change, accompanied by the move of our labour relations provisions to the Labour Relations Code, restored the right to strike and of the University (as employer) to lock-out. Although voluntary binding arbitration remains an option under the Code in the case where bargaining and mediation have failed to produce an agreement, this voluntary option must be agreed to by both parties on a round-by-round basis – parties do not have unilateral recourse to arbitration. In essence, this provincial change restores the negotiations regime as it existed at Mount Royal prior to 2004.

Although collective bargaining processes overwhelmingly lead to agreements without strikes or lockouts, it is critically important that our Association takes the necessary steps to prepare for these eventualities. This includes:

1. financial preparedness, two key aspects of which are joining the Canadian Association of University Teachers (CAUT) [Defence Fund](#) and building our own MRFA Contingency Fund;
2. other preparation, which the Executive Board is overseeing and implementing, including through an ad hoc Labour Code Transition Committee. Being well prepared includes building stronger local and provincial alliances, and overlaps with the already-identified need to build MRFA staff support for our labour relations work.

Our objective during bargaining is to achieve a good Collective Agreement without resorting to strike action, as much as possible by following an interest-focused process at the table. Nevertheless, being visibly well prepared for strike or lockout imparts credibility and strength to our Negotiating Team. Careful strike preparation helps to reduce the likelihood of labour disruption, which includes the scenario in which the employer locks employees out to force a settlement. In short, *without our having access to strike/lockout funds, our team's capacity to bargain a good agreement on our collective behalf is impaired significantly.*

For clarity, note carefully that grievances (i.e. alleged violations of the Collective Agreement) can still be advanced unilaterally, by either party, to “rights arbitration” as the final dispute resolution step, when not settled internally between the MRFA and the University at earlier steps. Compulsory binding arbitration has been removed only as the final dispute resolution mechanism during the bargaining of a new or revised Collective Agreement – i.e. “interest arbitration”.

Q2: What is the average dues rate for other Canadian associations of comparable size who are members of the CAUT Defence Fund, and how does the MRFA compare?

A:	average rate:	1.25%	(see CAUT Dues Rate Chart on page 5)
	MRFA dues rate – currently:	1.0%	
	MRFA dues rate – proposed:	1.5%	

Q3: Why would we seek to have a dues rate that is higher than average?

A: Comparable associations outside of Alberta have had the right to strike for a long time, whereas the MRFA has not; they have had many years to develop a strike fund whereas we need to build a substantial fund in a relatively short amount of time. Here in Alberta, faculty associations at other institutions are also in the process of reviewing and raising their rates.

Further, Mount Royal University has a very high contract-to-full-time ratio. It fulfills most of its credit instruction through contract academic staff appointments, which are compensated at roughly one third the rate of full-time appointments, compared in aggregate. This means that, at Mount Royal overall, academic staff wages are low, and Association dues revenue is correspondingly low even while the Association strives to maintain a high quality of representation and service to our members.

Q4: Who decides on a dues rate change, and how?

A: The MRFA Executive Board does not have the authority to alter our dues rate. Only the Membership can do this, pursuant to Articles 6.1 (Change of Dues) and 7.4 (Special Meetings) of our Bylaws. This requires amending our Bylaws through a democratic process at a Special Meeting (or at the AGM). Voting is planned to take place at the Special Meeting through paper balloting. However, because we understand that not all members who will want to vote will be able to attend the meeting, for example due to teaching commitments, we plan to provide a mechanism for voting in the Faculty Centre at alternative times. Plans for this procedure, along with the meeting agenda package, will be posted closer to the date of the Special Meeting.

Q5: How did the Executive Board arrive at the proposed member dues increase to 1.5% from 1.0%?

A: The Executive considered the following items, and associated estimates of their annual costs, to determine the corresponding dues rate proposal (see page 7 for more details):

CAUT Defense Fund membership dues	53,000
Increase in budgeted allocation to MRFA Contingency Fund	105,000
Notes: (1) this would increase the total budgeted allocation to 145,000 per year from the 40,000 already budgeted for 2017-2018; (2) this rate has been chosen such that the Contingency Fund target balance is reachable in a little over a decade; (3) some portion can eventually be reallocated to support membership in a provincial association, at some point in the future when a suitable option becomes available	
Eventual Professional Officer Salary	112,500
Note: to be allocated to the Contingency Fund in the interim. This would temporarily increase the initial total budgeted allocation rate to 257,500 per year	
Membership in the Alberta Federation of Labour	11,200
Total	281,700

This total increase represents 50.1% of current estimated 2017-2018 member dues revenue at the current 1.0% rate.

Q6: Can't we achieve most of (or all of) this goal by cutting other expenses and reallocating those funds instead?

A: No. Through efforts over the past 18 months, in anticipation of the change in our bargaining context, the Executive Board has already cut other expenses and made strategic reallocations to support our goals, while protecting the integrity of core services as much as possible. The 2017-2018 MRFA budget, approved by the membership at the May 2017 Annual General Meeting, is the culmination of these efforts. Please see the answers to subsequent questions for more information.

Q7: But doesn't a large portion of my dues go to supporting social activities and the annual professional development Retreat?

A: No. Spending on social activities and related expenses has always been a very small fraction of our budget, and this has been reduced even further in the Membership-approved 2017-2018 budget (see the details in the percentage breakdown on pages 8-9). We have also lowered PD retreat costs, and raised the per-attende registration fee, without experiencing lower attendance or compromising quality. The combined cost of supporting the retreat together with other PD activities throughout the year is less than 3% of dues revenue. Surveys of our Membership, including the Professional Development Committee survey in 2014, the Faculty Centre survey in 2016, and the first annual Member Census in 2017 consistently show very high levels of member satisfaction with our Faculty Centre, the PD retreat, and the services provided by the MRFA overall. We believe that the clear benefits of social and PD activities in fostering a more cohesive and engaged membership justify these modest costs, whereas reducing them further would not materially affect the overall dues increase being proposed. Please see the answers to subsequent questions for more information and a detailed breakdown of expense categories.

Q8: How are Member dues currently spent?

A: See the summary chart below and detailed chart on pages 8-9

Expenses as portion of Dues Revenue			
Total Member Dues Revenue	562000		
Total Compensation	297,000	52.8%	
Total Professional Development (for staff and executive officers)	3,700	0.7%	
Total Negotiated Expenses	0	0.0%	
Total Awards, Scholarships and Contributions	18,500	3.3%	
Total General Expenses	26,000	4.6%	
Total Committee Expenses	39,500	7.0%	
Total Office Expenses	30,080	5.4%	
Total Faculty Centre Expenses	5,100	0.9%	
Total Operational Expenses	142,100	25.3%	
Total	561,980	100.0%	

Q9: What is the current and target balance for the MRFA Contingency Fund?

A: The current balance is 462,062 and the target is 2,100,000 (see page 10 for more details on how the target balance was determined by the Executive Board). Under the proposed dues increase and related assumptions it will take roughly 12 years to reach the target balance, or longer if the fund is drawn down in the interim (e.g. due to grievances being advanced to rights arbitration).

Q10: What benefits does the CAUT Defence Fund Provide during strike/lockout, and how will the MRFA Contingency Fund Provide enhanced support?

A: Strikes and lockouts can be very expensive for associations. During job action members are not paid by the University. Without the ability of our Association to provide strike pay to members, our capacity to withstand a lockout would be poor. Beyond strike pay, costs include alternative headquarters (our office and facilities would likely be inaccessible during a strike or lockout), expenses for administrative, logistical and communication support, coverage of members' employer-paid benefit premiums, etc. The CAUT Defence Fund provides a variety of financial supports to member associations leading up to, and during, labour disruptions. A full description is available on the [Fund's website](#). Most significantly, it provides funds to support strike pay at a rate of \$84/per day after the first four days on strike. The MRFA

Contingency Fund has a variety of purposes as described in Bylaws Article 15.5 (not limited to strike/lockout expenses), but a primary purpose of an enhanced fund will be as a strike/lockout fund. The Contingency Fund will be used to supplement strike pay above the CAUT Defence Fund rate, and to help cover related costs. In effect, a large portion of the money members save in the MRFA's fund will be paid back directly to them through strike pay in the event of strike or lockout, when they participate actively in Association-coordinated job action.

Q11: What will be the effect on my pay of a dues rate increase from 1.0% to 1.5%?

A: The MRFA dues rate is applied to gross pay, i.e. before deductions. For example, a full-time faculty member paid at Step 8 of the Associate Professor grid (e.g. with a PhD, tenure and approximately 10 years of experience, assuming no supplements or stipends for service as Chair, etc.) would see about a \$22.68 increase in deduction per bimonthly paycheck, up from \$45.36. Note, however, that union dues are deductible from taxable income. While the federal and provincial tax paid per person varies based on a variety of factors, the actual difference between the 1.0% and 1.5% dues rate in terms of take-home pay is likely closer to \$17.

The previous rough estimate would drop to about a \$12 difference in take-home pay for a newly-hired full-time colleague just starting out at the lowest step of the Assistant Professor grid.

As another example, a contract faculty member paid at Step E3 of the contract Lecturer grid (e.g. with a PhD and 15 to 19 semesters of MRU teaching experience) would see an estimated difference in take-home pay of about \$28 over an entire semester, for a contract to teach a single course with 3 hours of lecture per week (48 SICH).

Q12: Does preparing now signal that the MRFA leadership wants a strike in the upcoming round of bargaining?

A: No. Like paying insurance premiums for homeowners insurance, the real issue is one of responsible preparation for eventualities with which we hope it won't be necessary to contend. The question to be put before the Membership at the September 29 Special Meeting is not about whether or not we should go on strike. It would only ever be meaningful to put a strike question before our members if we were at the table, and there were clearly-identified issues about which there was impasse. Alberta's Labour Relations Code contains specific requirements for the timing and conduct of a strike vote, and there are many conditions to meet before this can happen. Any future job action would only be taken after the Membership had collectively taken this decision through a democratic process, based on the specific issues in dispute. To the contrary, the interest-focused process that has been followed by both parties over successive rounds of negotiations, in which the teams work together to search for constructive, mutually-agreeable solutions to matters of common interest, has been essential to much of the progress we've made in our Collective Agreement. As always, we are committed to entering into the upcoming round of bargaining in good faith.

Dues Rate Comparison Chart

Please note carefully: this data is taken from CAUT's annual dues rate survey, which expresses dues rates using the "mil rate" format (i.e. as thousandths) instead of as percentages.

	Dues Rate*	Faculty Count**	
Algoma	16.5	60	
Brescia	10	81	
NS Art and Design	15	100	
Mount Allison	14	135	
Brandon	10	225	
PEI	9	259	
Acadia	12.5	270	
Mt. St. Vincent	11.5	300	
St. Francis Xavier	8	367	
Northern BC	15	371	
Moncton	10	384	
Winnepeg	12	385	
Regina	11.5	503	
Laurentian	13.4	507	
Windsor	9.85	524	
Brock	13	594	
Wilfred Laurier	9.5	680	
Trent	13	700	
Guelph	11.46	800	
Carleton	11	878	
Laval	15	940	FT only
New Brunswick	12	950	FT only
Dalhousie	12.5	999	
Saskatchewan	8.5	1134	
Manitoba	11	1150	FT only
Ottawa	10	1250	
Western Ontario	10	1396	
University of Ontario	10	1550	
Memorial	9.5	1764	
Concordia	10	2033	
Queen's	10	3421	
York	11	4000+	
Atlantic	10	NA	

Comparable universities (associations with 700-1000 members & right to strike)			
Trent	13	700	
Guelph	11.46	800	
Carleton	11	878	
Laval	15	940	
New Brunswick	12	950	
Dalhousie	12.5	999	
Average	12.49333		

Cape Breton	10	NA	FT only
Nipissing	10	NA	
Royal Roads	10	NA	
St. Jerome	10	NA	
Lakehead	10.5	NA	
Osgood	11	NA	
Average	11.21		

Outliers and those who are not members of the CAUT Defense Fund not included in average:

McGill	6.5
McMaster	5
St. Boniface	5
Simon Fraser	6.85
Victoria	5
Waterloo	5.25
BC	6.78
CMCFA/APCMC	8
St. Mary's	10
Toronto	7.5

Alberta Universities not included in average either as they did not have the right to strike

*Dues rates as reported in CAUT Dues Rate survey

**Faculty counts as made available on University websites

Breakdown of Dues Rate Increase Estimates

CAUT Defense Fund Membership Dues

Initial cost of 30\$ per every dues paying member

Cost	Number of members	Total Initial Fee
\$ 30.00	800	\$ 24,000.00

Initial cost of 20\$ per every dues paying member (if we join soon enough*)

Cost	Number of members	Total Initial Fee
\$ 20.00	800	\$ 16,000.00

* Joining earlier than needed would mean additional monthly dues (see below); note the six month qualifying period

Annual dues

Cost	Number of members	Total Monthly Fee	Annual Cost
\$ 5.50	800	\$ 4,400.00	\$ 52,800.00

Professional Officer Salary (proposed new MRFA staff position to support labour relations work)

Based on salary range for similar positions at faculty associations in Western Canada plus additional cost of benefits and in lieu of pension amounts.

Minimum	Maximum	Average	Benefits and in Lieu of Pension	Total initial compensation for Professional Officer
\$62,391	\$136,500	\$92,776	\$7422.08 + \$12,337.22	\$112,535.30

Alberta Federation of Labour

Membership Fees: \$1.17/member/month = \$11,232.00 annually

Breakdown of Association Expenditures from Member Dues

Note: other revenue sources are removed from expense categories as appropriate in the chart below so as to only show the portion of member dues allocated to specific areas. (i.e. net cost of retreat and net cost of food and beverages). Note also this is based on the 2017-2018 approved budget.

MRFA expenses as a percentage of member dues		
	17-18 Budget	
Net cost areas highlighted as credited by other revenue sources (also Highlighted)		
Revenue		
Dues - Regular Membership (based on anticipated dues for 2017-2018)	562,000	
Dues - Social Membership	2,500	
Dues - Associate Membership	400	
Faculty Centre - food, beverage and rental revenues	15,000	
Faculty Centre - cleaning allowance	4,000	
Negotiated - Education grant (18.2)	64,000	
Negotiated - Contract Service Honoraria (14.15)	20,000	
Professional development - spring retreat registrations (Based on 2017 Retreat)	9,000	
Professional development - donation from Board of Governors	10,000	
Interest	1,500	
Total Revenue from member dues only	562,000	
Expenses		
Staff salaries and benefits	165,000	29.4%
Executive and Negotiating Committee reassigned time/stipend	132,000	23.5%
Total Compensation	297,000	52.8%
Books and subscriptions	1,200	0.2%
Staff professional development	1,500	0.3%
Officer professional development (labour relations training)	1,000	0.2%
Total Professional Development	3,700	0.7%
Education grants*	64,000	11.4%
Contract Serice Honoraria	20,000	3.6%
Total Negotiated Expenses - Net 0 Every year or over time as surplus is spent	0	0.0%
Awards	3,500	0.6%
Student scholarships	6,000	1.1%
Retirement contributions	2,000	0.4%
Memorial contributions**	2,000	0.4%
Compassionate Fund	5,000	0.9%
Total Awards, Scholarships and Contributions	18,500	3.3%
Executive Board	1,000	0.2%
Political action and advocacy	4,000	0.7%
CAUT Academic Freedom Fund	1,000	0.2%
Travel and conference	13,000	2.3%
MRFA meetings, AGM, BBQ, events, kids' holiday party	7,000	1.2%
Total General Expenses	26,000	4.6%

Advocacy Committee	2,000	0.4%
Professional Development Committee (Net cost 34k budget-10k BoG-9k members)	15,000	2.7%
Professional Standards and Governance Committee	1,000	0.2%
Negotiating Committee	10,000	1.8%
Communications Committee	1,000	0.2%
Social Events Committee	7,000	1.2%
Other committees	3,500	0.6%
Total Committee Expenses	39,500	7.0%
Copier/printing	4,000	0.7%
Phone/postage/courier/supplies	4,500	0.8%
Web page/surveys/LabourWare	10,000	1.8%
Online DMS Software and Server	10,080	1.8%
Bank charges	1,500	0.3%
Total Office Expenses	30,080	5.4%
Supplies/maintenance	4,000	0.7%
Food	10,000	1.8%
Liquor	5,000	0.9%
Friday socials and bar snacks	500	0.1%
Cleaning	4,000	0.7%
FCC Mileage	3,000	0.5%
Insurance	2,000	0.4%
Credit to these Expense Accounts for Social & Associate dues, Food/Bev Revenues, a	-23,400	-4.2%
Total Faculty Centre Expenses	5,100	0.9%
Contingency Fund***	40,000	7.1%
Building Fund	0	0.0%
Professional fees (legal / audit)	22,000	3.9%
CAUT dues	80,100	14.3%
CAUT Defense Fund****		
Total Operational Expenses	142,100	25.3%

Determination of Target Balance for MRFA Contingency Fund and Length of Time to Reach Target Balance

The length of time it will take to reach the target balance depends on several variables. Assuming that the membership approves the recommended 1.5% dues increase, that we do not join a provincial organization in the near future and that we do hire a Professional Officer in 2018-2019, we would have approximately 145,000 to put in our Contingency fund each year. It would take roughly 12 years to reach the target balance.

Note that qualifying for strike pay requires active participation in Association-coordinated job action.

Contingency Fund Target Balance	2,100,000
Basic grievance and rights arbitration reserve portion (based on sufficient funds for 5 yrs, with 1 arbitration/yr @ 50k ea)	250,000
Basic strike/lockout reserve portion (based on headquarters, staff and strike pay estimates for a 3-week job action)	850,000
Headquarters (\$21/sq ft x 4000 sq ft Calgary average lease)	115,600
Staff (prorated amount of annual staff salaries)	9,600
Strike pay (\$100/day first 4 days, \$16/day 11 days, 800 members)	460,800
Coverage of faculty benefits premiums – MRU portion (8%)	264,000
General reserve portion (for all other purposes under Bylaws Article 15.5; also helps to ensure the Fund will not be empty after a strike/lockout is concluded or if the strike/lockout is longer than 3 weeks)	1,000,000

Strike pay provided by CAUT Defence Fund:

- \$84/day/member after the first four days on strike
- 11 days of job action work for a 3-week strike, for 800 members, yields 739,200 in support
- Also:
 - Provides additional financial support for other bargaining/strike/lockout-related activities including mediation and interest arbitration
 - Provides lobbying support, flying pickets, etc.
 - Can provide interest-free loans and lines of credit in some situations