

Rationale:

As members of the Eastern Illinois University community, UPI-represented employees are asked to join with other employee groups and help the University sustain operations through unprecedented financial challenges. Other employee groups have already sacrificed in this effort through layoffs and furloughs and will continue to do so until the State of Illinois releases its stranglehold on our University and on public higher education.

Despite all the actions taken to date to conserve cash including depleting our reserve accounts and borrowing from fee accounts, we are still about \$2M short of making payroll through the end of the current fiscal year without further action.

You may be aware that representatives of the University and the UPI have engaged voluntarily in talks about how represented faculty and academic support professionals can be part of the solution to EIU's cash flow problem. Because fairness and equity run deep in our institutional culture and in me personally, my preference was to ask the faculty to take furlough days. However, UPI representatives argued against furloughs and suggested salary deferral instead. As a compromise I have accepted a program of salary reduction and repayment when certain financial conditions are met. In so doing and in keeping with the principle of equity and fairness, the additional furlough days assigned to other employee groups will be converted to salary reduction and conditional repayment too.

I urge you to consider favorably the attached plan for salary reduction/repayment. The plan incorporates some, but not all, of what UPI representatives proposed and some, but not all, of what EIU initially proposed. It provides the funds necessary to make payroll through the end of the fiscal year and is a coming together compromise—something Illinois elected officials have, as yet, been unable to do. In my view, it is important for all of us to help get through this together. You may also be hearing this from others across the campus as I am. The fiscal problem we now face institutionally is not of our making, but together we can all be part of the solution.

Proposal:

Note: All references to “appropriations” herein include only those monies assigned to EIU as a general FY16 appropriation from the State of Illinois.

- 1) The salary for all UPI bargaining unit members will be reduced by 5.6% of their annual base contract salary (e.g. 9 months for most faculty, 12 months for librarians, etc.). This amount will be deducted in equal amounts on a monthly basis beginning on March 31 with a second deduction occurring on April 30, and concluding on either May 31 or June 30, depending on whether pay is received in those months. The 5.6% reduction is roughly equivalent to 11 days of a bargaining unit member’s annual base contracted salary.
- 2) Bargaining unit members may choose to voluntarily defer additional pay during this time with prior notification to the Payroll Office.
- 3) Following August 1, 2016, and with the receipt by the University of the first \$5M of the FY16 appropriation, the University will pay back 100% of the salary reduction amount to bargaining unit members with salaries of \$50,000 or less. Upon receipt of the second \$5M of the FY16 appropriation, the University will pay back 50% of the salary reduction amount of bargaining-unit members with salaries above \$50,000.
- 4) Once the University has received \$27M of appropriated FY16 funds, 9.2% of the amount above \$27M will be repaid to bargaining unit members with salaries above \$50,000 up to 100% of the amount contributed to the salary reduction.
- 5) If the University receives FY16 appropriated funds or is in possession of funds borrowed against an FY16 appropriation before June 1, 2016, salary reductions will stop.
- 6) If the final FY16 appropriation to the University is less than \$5M, then repayment of the salary reductions shall not be required.
- 7) Bargaining unit members who have an accepted and approved retirement date filed prior to March 1, 2016, to retire prior to August 31, 2017, will not have any salary reduction. Bargaining unit members will receive a full refund of all salary reductions if not rehired in fall 2016 and the University receives an appropriation for FY16 exceeding \$27M.
- 8) UPI has the option to extend the current Unit A Agreement and Unit B Agreement for one additional year with no across-the-board salary increase to August 31, 2018, provided that the tally of UPI voting and resultant UPI decision on this proposal is transmitted to EIU no later than the close of business on March 16, 2016. This option shall expire on January 15, 2017.