

Memorandum to colleagues from the UR Faculty Salary Reduction Advisory Committee

May 11, 2020

Dear faculty colleagues in AS&E, Eastman, Simon, and Warner,

The Faculty Salary Reduction Advisory Committee (FSRAC) was constituted at the request of the President and Provost to propose, consider, and evaluate plans for temporary faculty salary reductions to address current and anticipated budget shortfalls at the University resulting from the COVID-19 pandemic. Eight of its members were selected by the Senate Executive Committee to represent all of the schools, a range of disciplines and areas of expertise, and faculty ranks, and two members were elected by the Faculty Senate. All ten members came from a list of nominees made by the whole faculty.

The School of Medicine and Dentistry has already announced a range of cost-cutting measures in response to its pressing financial situations, with faculty salary reductions of 10% of the portion of base salary over \$100,000. While representatives from the Medical School serve on the FSRAC as liaisons, the Committee's proposals do not apply to faculty at the Medical Center or School of Nursing.

The Committee's recommendations, at least at this stage, apply only to faculty in AS&E, Eastman, Simon, and Warner. The Committee will present these recommendations to the administration very soon and will share them with the faculty at the next meeting of the Faculty Senate on Tuesday, May 19.

In this document, we present the principles guiding our analyses and solicit your comments on the measures that we are considering as recommendations to the President and the Provost. We invite your feedback by using the link to the Google Form at the bottom of this memo.

These principles have guided the Committee's work:

1. The FSRAC will remain in existence, meeting regularly to review the need for continuing these reductions, until the fiscal crisis ends and salaries are restored to their full levels. The committee will offer additional recommendations as the university's financial situation develops.
2. The FSRAC does not have sufficient data at this time to understand how any faculty salary reductions fit into the complete budget picture of the non-URMC schools. We will continue to request access to adequate data in order to make recommendations about the need for the University to reduce faculty salaries in line with parallel reductions in administration salaries, staff furloughs, cost reductions in schools and departments, suspension of most capital spending, and other budget-cutting measures, as well as temporarily increasing draw on the University's endowment.

3. Our initial recommendations cover the three-month period beginning on July 1, 2020, and reflect our understanding of the current budget situation and the substantial cuts already being taken elsewhere.

4. These recommendations will be reviewed by the FSRAC on a quarterly basis, leading to new recommendations to be implemented beginning with the quarter beginning October 2020. The restoration of salaries to their pre-COVID-19 levels will take place as soon as possible on the basis of improved revenue streams such as tuition, student enrollment, room and board fees, endowment performance, etc.

5. It is the committee's desire that the funds saved through these reductions are to be devoted primarily to maintaining maximal employment among the staff and contingent faculty, who are crucial to the University's mission.

We invite your comments on the proposals below.

Recognizing that members of the staff, the administration, and the faculty associated with the Medical Center have absorbed financial losses due to furloughs and salary reductions, we are considering the following two scenarios, to take effect, for an initial three-month period, on July 1, 2020:

Scenario 1: Implement a faculty salary reduction of 10% on the portion of base salary over \$100,000, to generate savings of approximately \$2.6 million (on an annualized basis). This cut results in no pay reduction from faculty earning below \$100,000 (32% of our faculty). It results in an average reduction to salary plus University paid retirement of 2.5% for those earning between \$100,000 and \$200,000, and an average reduction of 6.2% for those earning above \$200,000. This is the exact formula used for the reduction taken by faculty at the Medical Center.

Scenario 2: Implement a faculty salary reduction of 2% on the portion of base salary above \$50,000 and an additional 8% on the portion of base salary over \$118,000. This cut results in an average reduction of 0.8% for those earning below \$100,000, 2.4% for those earning between \$100,000 and \$200,000, and 5.7% for those earning above \$200,000. This generates the same total savings as Scenario 1, \$2.6 million.

Scenario 3: Replace current University retirement contributions with a 6.2% contribution up to \$148K, and reduce salaries by 10.5% of the portion of base salary over \$280,000. This cut results in an average reduction of 1.2% for those earning below \$100,000, 2.6% for those earning between \$100,000 and \$200,000, and 5.7% for those earning above \$200,000. This also generates the same total savings as Scenario 1.

We have considered other mechanisms to reduce total compensation costs. We welcome comments and suggestions on these or other mechanisms, including:

- Enabling faculty to agree to voluntary additional salary cuts, perhaps in exchange for some form of deferred compensation or reduced duties.
- Strengthening programs to encourage early retirement for faculty members.
- Furloughs, in which faculty members take unpaid leaves of absence for the equivalent amount of time as pay is withheld. Furloughs have the disadvantage that faculty are restricted from coming to work during their furlough time, but the advantage that base salary remains the same so that no action is required to revert to pre-crisis compensation levels.

We recognize that the proposed salary reductions come at a time of freezes on salaries and hiring and increased faculty workload in order to cope with the demands of teaching online or in hybrid online/in-person scenarios. Further, faculty serve a central role in the university's missions of teaching and research. There will likely be consequences for the UR's ability to remain competitive in the future if, as it stands, we become the only university of our peer institutions (COFHE members with medical centers) to implement salary cuts. However, we acknowledge the need for all members of the university community to contribute to solving this crisis, the desire of many faculty members to do so, and the likelihood that many peer institutions will be adopting similar measures.

Please follow [this link](#) to submit your comments, questions, or suggestions on this document. We welcome comments anytime, but feedback before 9 a.m., Wednesday, May 13, would be especially helpful. Thank you!

Yours sincerely,

Zachary Bernstein (Eastman School of Music)

Margaret Carno (School of Nursing)

Mary Jane Curry (Warner Graduate School of Education and Human Development)

Gerald Gamm (Arts, Sciences, and Engineering)

Thomas Gibson (Arts, Sciences, and Engineering)

Sudarshan Jayaraman (Simon School of Business)

Lisa B. Kahn (Arts, Sciences, and Engineering)

Danielle M. Lindenmuth (School of Medicine and Dentistry)

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