

**Memorandum of Understanding
between
University of Oregon
and
United Academics of the University of Oregon, AFT/AAUP, AFL-CIO**

This Memorandum of Understanding ("MOU" is entered into by and between the University of Oregon ("University") and United Academics ("Union"), collectively referred to as "the parties."

Recitals:

Whereas, due to financial uncertainties caused by COVID-19, the parties met in July of 2020 to discuss a plan for a possible progressive pay cut for represented faculty members in the event of E&G budget losses above a certain threshold;

Whereas, after several weeks of negotiations, the parties were able to reach an agreement on a pay reduction plan that is memorialized below and in the attached PPR exhibit. The plan mitigates up to \$20M of E&G losses if certain conditions are met. The parties agreed on the application of the plan to bargaining unit members.

Whereas, the parties agreed to Career faculty FTE for AY 20-21 as set forth in the attached schedule.

Whereas, the parties desire to work in good faith to implement this agreement based on the terms set forth below.

Agreement:

1. Career Contract FTE Restoration. The parties agree that all Career faculty who received contract renewals on or about May 8 will be restored to at least their AY 19-20 FTE for AY 20-21 levels within 14 days from the date of this Agreement, with FTE restored no later than August 15, 2020.

The parties agree that all Career faculty who were issued new contracts due to receiving a promotion in the spring of 2020 will be restored to at least their AY 19-20 FTE levels for AY 20-21 within 14 days from the date of this Agreement, with FTE restored no later than August 15, 2020.

Annualized FTE for AY 20-21 will be assigned based on the faculty member's annualized FTE over AY 19-20. Consistent with the CBA, departments should work with faculty members under the CBA to assign FTE and work duties based on their preferences and operational need. Career faculty contracts originally issued on May 8 will retain the end dates as issued, with 9-month contracts ending on June 15, 2021 and 12-month contracts ending on June 30, 2021.

Extra capacity caused by FTE restoration or enrollment decline or fluctuations will be reassigned quickly through department-, school-, or university-level processes that can be developed through existing shared governance processes during the academic year on an expedited basis or under currently existing processes. If a faculty member's normal teaching duties cannot be fulfilled due to changes in enrollment, the University may assign Career faculty additional service, academic administration, or course support work, for example.

Career faculty who withdrew their promotion file after it had been forwarded to the Provost in the spring of 2020 may elect to have their file reviewed within two weeks of the parties formalizing this Agreement. The university will notify them of this option no later than the day after the formalization of this Agreement. The notification will ask career faculty to promptly let the university know if they would like to move forward with having their file reviewed. Faculty who pulled their promotion file from consideration at a lower level due to concerns regarding conservative FTE contracts should contact uoflr@uoregon.edu or info@uauoregon.org within 45 days of the day this agreement is executed.

This MOU is the contract that restores FTE for the faculty members referenced above. Accordingly, new individual contracts are not necessary and will not be issued. The university will promptly provide notice to impacted career faculty members of the change to their FTE and this MOU.

2. Progressive Pay Reduction Plan. The parties agree that university E&G budget deficits caused by decreased tuition revenue or cuts to state funding may necessitate the implementation of a Progressive Pay Reduction plan (PPR).

- a. November 2020 Trigger.** The parties agree that on November 15, 2020, the AY 20-21 tuition revenue difference will be calculated based on the numbers of in-state and out-of-state undergraduate students in the accounts receivables system as of that date as compared to the numbers of in-state and out-of-state undergraduate students for fall term AY 19-20, which was 10,517 in-state undergraduate students and 8,473 out-of-state students (includes international students) for a total of 18,990 total undergraduate students. Those numbers will be compared using the AY 20-21 tuition rates for resident and non-resident students. Any loss in state funding, as reported by the HECC or other state government agency, that occurs between the formalization of this agreement and November 15, 2020 will be combined with any decrease in tuition revenue as calculated above. If reductions in tuition revenue and state funding losses exceed \$15 million, the PPR plan described below may be triggered.
- b. Summer 2021 Trigger.** If the losses do not trigger the plan in November 2020, or if the university elects not to trigger the plan in November 2020, then the PPR plan can be triggered in summer 2021 (or directly after the legislature completes the Spring 2021 legislative session and determines the PUSF funding level). If the PPR plan is not triggered until after the Spring 2021 legislative session, the following things will be combined to determine the total E&G fund loss:

- Tuition losses calculated in November of 2020
- State cuts calculated in November of 2020
- Additional state cuts announced by the end of the Spring 2021 legislative session. The impact of these state cuts will be calculated by comparing the funding that the university is projected to receive for the E&G fund in FY22 to currently projected state appropriation of \$84.5 million (FY20 E&G state funding of \$79.3 million plus expected \$3.2 million increase in FY21 plus expected \$2.0 million increase in FY22).
- Note that this figure will be adjusted for actual FY20 HECC anti-up calculation (completed in Fall 2020 for FY20).

- c. **Plan.** If the PPR plan is triggered either in November 2020, or if not triggered in November 2020, after the Spring 2021 legislative session, the university will mitigate the first \$15 million in calculated losses. The plan may only be triggered once. Calculated losses in between \$15,000,001 and \$35 million will be mitigated through employee salary reductions described in the mutually agreed upon salary reduction model attached. All calculated losses in excess of \$35 million will be mitigated by the university.

If the losses are sufficient to trigger the plan, the University may choose to not implement the plan. The University may also choose to implement a total salary reduction less than that agreed to in Appendix 2.

Faculty appointments in the research assistant, research associate, research professor, research scientist, research engineer, principal research scientist, and postdoctoral scholar categories will be excluded from the PPR plan. Faculty with joint appointments will not have their appointment FTE included in the above categories included as part of the PPR.

Salary reductions as part of the PPR will run for 12 months beginning the first day of the month after the calculation of the loss that resulted in the salary reduction plan and the University has announced that the PPR will be triggered or on a date mutually agreed to by the parties.

Salary reductions will be calculated based on the attached PPR schedule in Appendix 2. [insert slide]. Salary reductions for losses less than \$20M will go down proportionately. So, for example, salary reductions for a \$10M loss will be half of the salary reductions shown in the attached chart.

Once the PPR is triggered, the University will run a regular accounting to track the amount of funds saved under the plan. If based on the accounting, the plan is projected to save more E&G funds than agreed to over the course of twelve months,

the salary reduction program will end at an earlier date that aligns with the agreed upon savings amount. The parties understand that there may be *de minimis*, less than \$20,000, overage or underage of funds saved of the PPR amount.

At the end of the 12-month salary reduction period, salaries will be restored to their previous amount, plus any raises the faculty member has earned or been granted while the PPR was in effect.

3. Clarification Process. The parties agree that there may be a small number of Career faculty who had an appointment with an FTE in AY19-20 which was lower than the Career faculty member's historical norm, particularly if they were on sabbatical or an approved leave. The parties agree that the intent of this MOU is to restore faculty who received a renewal notification or promotion in the spring of 2020 to their historical norm FTE, and faculty who were experiencing a temporary FTE reduction in AY19-20 should not be penalized. If necessary, the parties can use a Career faculty member's AY18-19 FTE to determine the appropriate historical norm FTE for a faculty member. The intent of this MOU is not to restore FTE that was lowered at the request of the faculty member or through a prior appropriate FTE adjustment process (for example, during the May 2019 renewal process). Career faculty members who receive notification of an FTE increase as outlined above can reach out to uoelr@uoregon.edu or info@uauoregon.org within 45 business days of receiving the notification with concerns about their AY 20-21 FTE. The parties agree that if the University receives state or federal funds that can be applied to the losses identified above, they will meet to discuss how those funds may impact this agreement.

The parties agree that unforeseen events may arise that complicate the implementation of this agreement. Either party can request, in writing, a meeting to discuss the implementation of this Agreement. A meeting will take place within 5 business days of the request. Any modifications of this Agreement must be reduced to writing and signed by both parties.

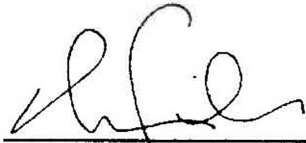
The parties will discuss additional loss measurement dates and mitigation or salary recovery measures when they bargain in winter 2021.

4. Knowing and Voluntary. The parties acknowledge that they have carefully read and fully understand the terms of this MOU, and that they are voluntarily entering into this MOU.

5. Effective Date. The parties agree that this MOU will be effective on the date at which all parties have signed below.

6. Entire Agreement. The parties' collective bargaining agreement and this MOU represent the parties' entire agreement with respect to the subject matter discussed in this MOU. Except as described in this MOU, there were no inducements or representations leading to the execution of this document.

7. Disputes. Any disputes arising from the interpretation, implementation, or application of this MOU are subject to the grievance and arbitration provisions of Articles 22 and 23 of the CBA.



August 12, 2020
Date

For the Union
Chris Sinclair,
President



8/12/20

For the University
Missy Matella
Senior Director, Employee
and Labor Relations