

Salary Reduction Program

Feature	Admin Initial Proposal	UAOSU Secured
Revenue Loss Trigger	None	\$35M
Lowest Salary Rate Affected	\$40,000	\$50,000
Renegotiation Trigger	20% aggregate salary reduction	~6% aggregate salary reduction (=\$63M revenue shortfall)
Benefits Savings Included to Reduce Salary Reductions	No; benefits savings happen but aren't accounted for, requiring larger salary reductions	Yes; lowers salary reductions by ~25%
Salary Reductions Tied to A Clear Index	No; full discretion of admin up to 20%	Yes; with three check-ins to guarantee reductions match up with revenue loss
Progressivity	Undefined	Marginal rates, significant shift of burden to higher earners
Impact by Funding Source	Cascades & Extension faculty would experience larger cuts because their units are supported more heavily by state funding. Soft money funded faculty would experience the same cuts as Corvallis faculty even though their salary savings could not help fill the gap.	Cascades & Extension faculty will experience reductions equivalent to those of other faculty. Fixed-term faculty supported fully by external funds will not experience salary cuts.
Return to Full Salary	Undefined	No later than July 1, 2021

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Barring significant changes to enrollment projections or final decisions on changes to state allocations to the Public University Support Fund and Statewide Public Services, these are the reductions we anticipate Administration to implement beginning August 1, 2020. UAOSU will meet with Administration in advance of August 1 to set levels and revisit these levels in early November February, and June. This works from the assumption of **\$49M** in lost revenue, **\$8.71M** of which will be made up from salary reductions.

Salary Increment (\$)	Marginal Salary Reduction Rate	Annual Salary Up To (\$)	Aggregate Salary Reduction Rate
50,000	0.0%	50,000	-
20,000	6.02%	70,000	1.72%
20,000	7.52%	90,000	3.01%
20,000	8.57%	110,000	4.02%
20,000	9.62%	130,000	4.88%
20,000	10.38%	150,000	5.61%
20,000	11.35%	170,000	6.29%
20,000	12.18%	190,000	6.91%
30,000	13.16%	220,000	7.76%
20,000	13.91%	240,000	8.27%
20,000	14.66%	260,000	8.77%
20,000	15.41%	280,000	9.24%

With the **minimum 1.8% merit increase**, bargaining unit members with annual salary rates up to ~\$72,000 should not experience a FY21 salary that is lower than their FY19 salary

With the **average 3.0% merit increase**, bargaining unit members with annual salary rates up to ~\$90,000 should not experience a FY21 salary that is lower than their FY19 salary

These cuts are significantly more progressive than their early proposals and past practice in cutting faculty salary.

Salary Reductions When Admin Decides

