

## **Memorandum of Agreement: August 7, 2009**

### **Rutgers, the State University of New Jersey (herein Rutgers or University) and the Rutgers Council of AAUP Chapters, AAUP-AFT, AFL-CIO (herein AAUP-AFT)**

Whereas the current economic crisis has caused an unforeseen and unprecedented reduction in actual State revenues for FY 2009 and in projected revenues for FY 2010; and

Whereas the State has enacted a budget for FY 2010 that conditions significant State appropriations upon public institutions of higher education realizing substantial personnel related cost savings including savings from wage deferral and furloughs, and the budget further conditions receipt of certain federal stimulus dollars upon achieving a cap on tuition and required educational and general fees and the state budget for FY 2010 recognizes the budget conditions for fiscal year 2010 and the anticipated continuing budget limits for fiscal year 2011; and

Whereas the parties recognize that during this period of economic crisis, with the rate of unemployment in New Jersey and the Country approaching double digits and with the federal government and the State seeking to stimulate the economy through job creation and other programs, including expanding opportunities at the colleges and universities, that layoffs and other permanent reductions not only devastate the lives of individual workers and their families, they counteract these economic stimulus policies and programs and are bad for New Jersey's economy; and

Whereas a negotiated agreement between the parties will facilitate the accomplishment of vital government policies and objectives, including the avoidance of layoffs, the delivery of needed public services, and the achievement of substantial budgetary savings;

Therefore the parties enter into the following agreement:

#### **A. The Deferral of Faculty Compensation Program Increases**

1. The 2.75% regular salary increase set forth in the Faculty Compensation Program for 2009-2010 (set forth in Article VIII of the parties' collective negotiations agreement) will be deferred in its implementation until January 1, 2010.
2. The salary increases from the 2.75% pool for enhanced salary increases set forth in the Faculty Compensation Program for 2009-2010 (set forth in Article VIII of the parties' collective negotiations agreement) will be deferred in their implementation until July 1, 2010. Notwithstanding the deferral in implementation, faculty members shall be informed within thirty (30) days of the signing of this agreement about the amount of any enhanced salary increase awarded to them.
3. The 2.75% regular salary increase set forth in the Faculty Compensation Program for 2010-2011 (set forth in Article VIII of the parties' collective negotiations agreement) will be deferred in its implementation as follows: 1.375% of this increase will be deferred in its

implementation until January 1, 2011; and the additional 1.375% of this salary increase will be deferred in its implementation until June 30, 2011.

4. The salary increases from the 2.75% pool for enhanced salary increases set forth in the Faculty Compensation Program for 2010-2011 (set forth in Article VIII of the parties' collective negotiations agreement) will be deferred in their implementation as follows: 1.375% of this salary increase will be deferred in its implementation until January 1, 2011; and the additional 1.375% of this salary increase will be deferred in its implementation until June 30, 2011. Notwithstanding the deferral in implementation, faculty members shall be informed by July 1, 2010 about the amount of any enhanced salary increase awarded to them.

5. Salary increases set forth in the Faculty Compensation Program for FY2009-2010, as described in paragraphs A.1. and A.2. above, will be calculated on the salary base as of June 30, 2009. Salary increases set forth in the Faculty Compensation Program for FY 2010-2011, as described in paragraphs A.3. and A.4. above, will be calculated on the salary base effective after the increases set forth in paragraphs A.1. and A.2., above, have been made.

6. The deferrals of implementation agreed upon and specified above will retain the 50/50 split in percentage of salary increases awarded as regular and enhanced portions of the Faculty Compensation Program as set forth in the parties' 2007-2011 collective negotiations agreement.

#### **B. Equivalent Furlough Savings as Required in Fiscal Year 2010 State Budget**

The parties agree that the savings achieved through this Memorandum of Agreement coupled with similar savings to be achieved in other areas of the university budget and with savings from non-aligned employees and managers will be sufficient to represent the equivalent furlough savings required by the FY2010 state budget. There shall be no implementation of actual furlough days for Rutgers University employees covered by the recognition clause in Article III of the parties' 2007-2011 collective negotiations agreement through fiscal year FY 2011.

#### **C. University Committee on Budget and Finance**

1. In order to increase transparency and accountability with regard to the university budget and finances, a Committee shall be established by the University, to include representatives from university administration and from the AAUP-AFT. The union shall select its representatives to the Committee. The Committee will be chaired by the University President, or designee.

The Committee shall meet at least once a semester during the term of this agreement (i.e., between the date of ratification and June 30, 2011) to review the university budget including the use of the federal stimulus funds received by the institution as part of the FY 2010 state appropriation and the savings achieved through this Memorandum of Agreement. The Committee shall have the opportunity to discuss this information and can provide recommendations as to the use of these funds. The Committee shall issue an annual report each June to the University community that shall be considered by the administration and the Board of Governors in determining the next fiscal year's budget.

#### **D. Enforcement of the MOA**

1. This Memorandum of Agreement (MOA) is incorporated into and modifies the parties' 2007-2011 collective negotiations agreement, but such terms shall expire on June 30, 2011. The terms of this MOA and any dispute arising under this MOA, involving the application or interpretation of the terms of this MOA, are subject to the grievance/arbitration provisions of the 2007-2011 collective negotiations agreement as Category One.

2. The University agrees that in the event the AAUP-AFT seeks to arbitrate a dispute arising under Sections A or B of this MOA, the University waives any right it may have to claim that the dispute is not legally arbitrable or negotiable under scope of negotiations law. This agreement regarding the waiver of the University's right to claim that such a dispute is not legally arbitrable or negotiable under scope of negotiations law shall not have any precedential effect and shall expire, as set forth in paragraph D.1. above, on June 30, 2011. In the event the AAUP-AFT seeks to arbitrate a dispute arising under any other provision, the University retains its right to challenge the legal arbitrability of such grievances. Except as stated above, nothing in this MOA shall be construed as a waiver by either party of its rights under the collective negotiations agreement or under scope of negotiations law.

#### **E. Existing Collective Negotiations Agreement**

This Memorandum of Agreement represents the parties' complete agreement with respect to the matters addressed herein. All provisions of the parties' 2007-2011 collective negotiations agreement not expressly modified by this MOA remain in full force and effect.

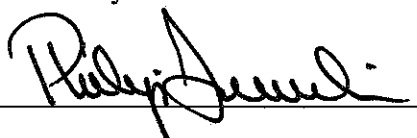
#### **F. Memorandum of Agreement Subject to Ratification of Membership**

This MOA is subject to ratification by the membership of the AAUP-AFT.

On behalf of Rutgers AAUP-AFT

On behalf of Rutgers, the State University  
of New Jersey

  
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Date: 8/12/09

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