From: Rider AAUP Executive Committee
Date: August 3, 2016

Rider AAUP members,

Based on a number of discussions with members of Rider's Administration over the summer, we feel that we must relay to you some information provided to us.

Over a series of meetings beginning in July, President Greg Dell'Omo and other members of Rider's Administration have presented us with a perspective on Rider's finances which is rather bleak. They have suggested to us that for Rider to overcome this financial difficulty we must make additional concessions in pay, benefits and workload.

We have reviewed the initial financial information presented to us. This information is dramatically different from what was presented a year ago when we agreed to a series of concessions including a roll back of our negotiated salary increases. Some of the factors that appear to have led to a weakening of the University's financial situation include a decision to reduce a planned tuition increase, increased tuition discounting, and an approximately $4 million loss in conference income. In addition, while the administration had budgeted for a larger number of students than last year it appears that enrollments will be more or less flat. Administration claims to lack sufficient unrestricted reserves to cover the projected fiscal 2017 deficit thus requiring short term borrowing for the next fiscal year.

The information provided to us by Administration was based on fiscal 2016 financial statements and fiscal 2017 projections. Fiscal 2016 financial results are unaudited and the amounts on those statements may change. Likewise the fiscal 2017 financial projections include both net tuition revenue, which is fairly settled at this point, and expense items, which are budget amounts (a plan to spend money) that are open to revision. In addition, we do not believe that the Administration's claims about the size of Rider's fund reserves are consistent with the available expendable reserves.

We do not feel the information provided us by the Administration is adequate and have asked for more information which our consultants consider necessary to fairly evaluate Rider's financial situation. Our information request includes not only information about our cash flow for the fiscal year that just ended but details about the projected expenses which were presented to us as large aggregated categories. To truly understand the University's situation we need to see the detail behind the aggregated expense items and we need to know the restrictions which exist on the various funds. While we do not necessarily consider the information provided to us to be evidence of a financial emergency, we do consider Rider's financial situation to be serious and to warrant continued discussions with administration.

In addition to providing us with limited financial information, Rider's Administration has demanded that we (the AAUP bargaining unit) make major financial concessions to avoid what they insist will be further financial distress. Their proposal is attached. It is important that you understand the radical nature of their proposal; highlights are detailed below.

I. Increase in full-time faculty workload to 24 contact hours a year. This would reverse 30 years of progress.
II. Slash adjunct and overload compensation by over 30%. Presently an adjunct instructor's salary per 3-credit course is $4,435, the administration proposes to cut it to $2,800, a reduction of 37%. For comparison the minimum adjunct salary for a 3-credit course at Rutgers (the largest user of adjuncts in the state) is $5,052 and $4,410 at TCNJ.
III. Reduce the University's contribution to TIAA-CREF from 8.5% to 5%. This means that a 40 year old member who planned to retire at 70 would have to work an additional 15 years in order to retire with the same amount in his/her account. A 60 year old who had planned to retire at 70 would have to work an additional 6 years in order to have the same amount in his/her TIAA-CREF account.
IV. Slash faculty development funds. In 2017-2018 there would be no monies available for leaves or fellowships and a sharp reduction in the monies available for travel.
V. Reduce the University's contribution to our medical plan by $800K.
VI. Overall the reduction in benefits in 2018 would cut faculty benefits by $4.7m or $58%. Presently full-time members receive on average benefits worth $32.6K; this is comparable to other privates in the region (S32K at Monmouth, $29K at FDU, $31K at St. Joe's) and below most of the public universities ($ 50.3K at Stockton, $49.2K at TCNJ $26.7 at Montclair). Under the University's proposal this would fall to $13.6K in 2018 and rise to $19K in 2019 significantly below any comparable institution.

The depth and breadth of these proposals is unacceptable to the AAUP Executive Committee and we have made that clear to Rider's Administration. While the Administration has indicated that these proposals are an opening position, they have insisted that we negotiate under severe time constraints and threat of financial calamity if we do not capitulate in some way. We reject the propriety of these conditions and are committed to obtaining a clear view of the University's financial situation and meeting with our members to discuss the current financial situation of the University and what if anything we can do to address it prior to reaching any agreement with the administration.

While these radical proposals may be opening positions we believe they give a clear indication of the present Administration's vision for the future of Rider University. What is at stake here is not just the financial future of the University but the character and nature of how Rider performs its educational mission. Additionally, the Administration's decision to raise these issues during the summer and the manner in which they were raised are clearly an effort to destabilize the bargaining unit and create a culture of crisis.

Ancillary to all of this is our continuing concern over the management of the University. We understand that bargaining unit members will not want to make concessions without some understanding of how past mistakes will be remedied and avoided in the future. Our current financial condition is part of a continuum of financial and operational decisions dating back over a decade. Individuals who were instrumental in making those decisions are still employed by the university and are still making decisions about the future of the University. Dubious financial decisions concerning debt and use of fund surpluses, weak recruitment, increasing discount rates, dramatic declines in auxiliary enterprise revenues, and weak fundraising have all contributed to the present financial situation. We cannot separate our decision to make concessions from a commitment by the university to address past performance issues.

As we gain more information about the University's financial condition and enter into discussions with the Administration we will communicate with you on a regular basis. Rest assured no decisions will be made without the knowledge and support of the unit as a whole. At this time we ask all of you to give your union its support, to not be panicked and to be prepared to show your support for your union as we enter into these discussions with the Administration.