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COLLEGE PRESIDENTS, SENIOR HIGHER EDUCATION ADMINISTRATORS AGREE TO PAY CUT

The Rhode Island Board of Governors for Higher Education also proposes to impose a pay cut on most non-union, non-classified employees of the Rhode Island public higher education system.

PROVIDENCE, RHODE ISLAND, NOVEMBER 24, 2009: The Rhode Island Board of Governors for Higher Education (RIBGHE) announced today that the presidents of the three state institutions of higher education, the vice presidents of those institutions and several other senior higher education officials, including the Acting Commissioner of Higher Education and all staff at the Office of Higher Education, have agreed to accept a 1% annualized pay cut for the remainder of fiscal 2010. The RIBGHE is scheduled to formally approve these pay cuts at its December 7 meeting. At that same meeting, the RIBGHE also expects to impose a pay cut for most non-union, non-classified employees of the state’s higher education system who are funded by unrestricted (general) revenues.

The cuts will be effective with the pay period of December 20, 2009 and continue through the last pay period of the 2010 fiscal year. Salaries will revert effective with the first pay period of fiscal 2011. As the pay cuts are 1% annualized, the actual pay cuts will be 2% since they will only be in effect for half of the fiscal year. A total of approximately 300 people are expected to be affected.

“Rhode Island’s public higher education system originally agreed to cut $9.4 million as our contribution to the state’s fiscal crisis,” said RIBGHE Board Chair Frank Caprio. “This was to be in lieu of the system adopting the Governor’s plan and all that came with it. We agreed to the $9.4 million figure because the Governor’s plan as presented to the rest of state government was not feasible for higher education. While the Governor was appreciative of our contribution, he did inform us that he wanted some participation from higher education employees. He felt it was important for the rest of the State to know that every sector was sharing in the solution to the State’s fiscal crisis. Since our meeting with him in early October, we have been meeting internally within the system and with representatives of the Governor to come up with an acceptable solution to the Governor’s request. The pay cuts which have been agreed to are certainly not the perfect scenario and some inequities still remain. The Board will now look to address those issues in the weeks and months to come,” Chair Caprio said.

The Governor’s plan which has been adopted throughout much of state government includes a “no layoff” pledge through 2011 and also defers a pay increase that was scheduled for July 1, 2010 to January 1, 2011. Chair Caprio explained that since higher education’s labor contracts expire at the end of June 2010 and no pay increase is currently scheduled for July 1st, the RIBGHE could not make a commitment to either of those elements. In addition, the very large majority of higher education faculty work on academic year contracts which means they work and are paid during the normal academic year. As a result, they do not accrue vacation time. So the element of the Governor’s plan which calls for giving people 1.25 days of deferred compensation for every furlough day they take would have been meaningless to these employees because they would have no means of discharging any of that time.

Chair Caprio said that, as a result, the RIBGHE is not making a “no layoff” promise nor will they offer higher education employees any deferred compensation in the form of additional vacation or personal days that they can discharge at a later date.

“In that vein, I want to note that higher education employees will be contributing at least as much, if not more, than many of their counterparts in state government because they will not be receiving any additional benefits or compensation in return for what they are giving up,” Chair Caprio noted.

While the exact savings to be generated from the pay cuts is still being calculated, the amount of those savings will be deducted from the $9.4 million budget cut to higher education.

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