



THE UNIVERSITY OF VERMONT STAFF COUNCIL

To: President Suresh Garimella
Vice President for Finance and Treasurer Richard Cate

From: UVM Staff Council & the Compensation, Benefits, & Budget Committee

Re: UVM Budget

Date: June 30, 2020

The UVM Staff Council would like to respectfully address the following two critically important and interconnected topics, in support of our non-represented staff constituents who have contacted Staff Council regarding these topics and offered alternatives:

1. The salary reduction plan
2. Inclusion of staff input

1. The Salary Reduction Plan

We respectfully direct this item to Vice President for Finance and Treasurer Richard Cate and his team.

We understand that these are extraordinary times that have placed an additional burden on an already-strained resource environment. We appreciate that you intended to be equitable by proposing a salary reduction plan that protected our lowest earners while levying a set of increasingly higher salary reductions on different income tiers.

However, we request your consideration of a more equitable, alternative salary reduction plan for immediate implementation. Under the current salary reduction plan, the highest earners would create the least net salary savings for UVM's budget while those earners closer to the middle and bottom would create the most net salary savings. Further, as noted in a separate letter from the Staff Council, this initial salary reduction plan disproportionately affects the salaries of women and our Black, Indigenous and People of Color (BIPOC) colleagues, however inadvertent that impact may have been.

Our Staff Council salary reduction plan takes these shortcomings of the current plan into consideration while achieving identical cost savings for the University.

Equitable Salary Reduction Plan Proposal

In the June 9th Staff Council meeting with VP Richard Cate, he noted that the imposed wage reductions and (voluntary) contributions would net a \$2.5M return. Many of our colleagues have reached out to propose that the \$2.5M cost savings could be achieved by multiple means, with far less impact on those already earning the least.

By reviewing publicly available data, staff colleagues have learned and shared that UVM has 29

staff/executive employees earning \$200,000 per year or more (this does not include faculty, many of whom earn substantially more):

A 5% salary reduction would net the following salary savings:

\$150,000.00 @ 5% = \$7,500.00
\$175,000.00 @ 5% = \$8,750.00
\$200,000.00 @ 5% = \$10,000.00
\$225,000.00 @ 5% = \$11,250.00
\$250,000.00 @ 5% = \$12,500.00
\$275,000.00 @ 5% = \$13,750.00
\$300,000.00 @ 5% = \$15,000.00

A 10% salary reduction would net the following salary savings:

\$150,000.00 @ 10% = \$15,000.00
\$175,000.00 @ 10% = \$17,500.00
\$200,000.00 @ 10% = \$20,000.00
\$225,000.00 @ 10% = \$22,500.00
\$250,000.00 @ 10% = \$25,000.00
\$275,000.00 @ 10% = \$27,500.00
\$300,000.00 @ 10% = \$30,000.00

So it follows that:

5% of all 29 individuals earning \$200,000 or more will net \$408,636.90
10% of all 29 individuals earning \$200,000 or more will net \$817,273.80
15% of all 29 individuals earning \$200,000 or more will net \$1,225,910.70
20% of all 29 individuals earning \$200,000 or more will net \$1,634,547.60
25% of all 29 individuals earning \$200,000 or more will net \$2,043,184.50

If raising \$2.5M is the goal, a 25% cut to those making \$200,000 or more would net the University most of the salary savings that we need, and the remaining salary savings – approximately \$350,000 -- could be created through a tiered salary reduction that would not affect any staff earning less than \$60,000.

Another alternative solution could see a permanent 12.5% reduction for those making over \$200K, a 10.0% reduction for those making over \$150K, a 7.5% reduction for those making over \$100K, and 0% for less than \$45K. For those in the middle rankings a more accurate, fair, and equitable percentage decrease could be implemented.

Given that almost 33% of the UVM salary pool lies above \$100K, major financial impact and savings could be created through reductions to these higher salaries. Taking such a step would also demonstrate a deepened commitment from UVM leadership to avert a financial crisis with the least negative impact possible on lower and middle earners. It would also demonstrate a commitment to equitable treatment of BIPOC and women staff.

We urge UVM leadership to be bold in this crisis by embracing this more equitable and inclusive salary reduction plan by adopting a progressive pay reduction scale with tiers from \$60,000 -> \$200,000, starting at 1% and rising to 10-25%.

2. **Inclusion of Staff Input**

We respectfully direct this to President Garimella and his team.

We ask for a commitment from the President's office to have meaningful representation of staff on all committees and within all processes that affect the entire institution.

Specifically, our colleagues holding positions whose titles include "generalist," "specialist," and "professional" must be included on all committees supporting budgeting processes, adjustments to benefits, and other human resource matters. Staff Council leadership and the Compensation, Benefits and Budget Committee will assist in supporting and staffing these efforts.

UVM staff and Staff Council have always been, and continue to be, committed to the success of our institution. We urge UVM leadership to share the burden of this financial crisis with as much equity and mutual consideration as possible so that UVM might continue to stay true to the Common Ground principles which mean so much to our campus.

Regards,

UVM Staff Council & the Compensation, Benefits, & Budget Committee