

MEMORANDUM OF AGREEMENT

This agreement is entered into by and between SOUTHERN OREGON UNIVERSITY (“SOU”) and the ASSOCIATED PROFESSORS OF SOUTHERN OREGON UNIVERSITY (“APSOU”).

WHEREAS, pursuant to Article 11 of the Collective Bargaining Agreement (“CBA”) entered into by SOU and APSOU and effective as of September 1, 2013 through August 31, 2015, SOU declared a need for program elimination or reduction on or about December 5, 2013.

WHEREAS, on or about February 6, 2014, SOU issued a Provisional Retrenchment Plan (“Provisional Plan”) that proposed reductions and eliminations to academic programs totaling approximately \$7 million dollars, including reductions described in a “Very Worst Case Scenario.”

WHEREAS, SOU will release a Final Retrenchment Plan pursuant to Article 11.

WHEREAS, SOU and APSOU wish to avoid the need to reduce or eliminate academic programs in the Final Retrenchment Plan to the extent described in the “Very Worst Case Scenario” and instead wish to agree on a process that will (1) set certain benchmarks prior to implementation of additional reductions to academic programs through an amended Final Retrenchment Plan, (2) ensure that any further cost savings realized by further reductions to academic programs are accompanied by cost savings realized by reductions to nonacademic programs, and (3) shorten the timeline for implementation of such additional reductions.

WHEREAS, SOU and APSOU acknowledge and agree that stipulating to a process for amending the Final Retrenchment Plan is preferable to immediately implementing faculty reductions that can otherwise be avoided if certain benchmarks are achieved by SOU.

SOU and APSOU have, by this agreement, agreed to the following terms:

(1) The original Final Retrenchment Plan to be issued under Article 11, Section F of the CBA shall cap its total permanent faculty reductions at 13 FTE. Faculty that have relinquished tenure or any assumed, future faculty retirements are not included in the 13 FTE outlined above.

(2) In consideration for agreeing to cap the total permanent faculty reductions in the Final Retrenchment Plan to 13 FTE, SOU will have the right to initiate a process by which the Final Retrenchment plan may be amended.

(3) The process by which the Final Retrenchment Plan may be amended shall only be initiated if any one or both of the triggers occur:

(a) The total student enrollment for SOU’s Fall Term in either 2014 or 2015 declines by 2.6% or greater relative to the prior year’s total student enrollment (Fall 2014 will be compared to Fall 2013 and Fall 2015 will be compared to 2014); or

(b) Any other financial condition, known by November 30, 2014, that would cause SOU's fund balance to decline by more than 100 basis points for 2014-2015 and beyond. For reference, 100 basis points equal one percentage point.

(4) For the enrollment trigger:

(a) Total student enrollment means the total student credit hours of admitted students at the close of the fourth week of the Fall Term.

(b) Fall "Fourth Week" enrollment data reported to the Oregon University System will be used.

(c) For Fall 2013, SOU's total student credit hours of admitted students were 58,117.

(5) For the "financial condition" trigger:

(a) The State Board of Higher Education's fund balance policy, including its definitions and mechanisms, will be used.

(b) As a general proposition, the Board expects the public universities, after accounting for the assets and liabilities of funds for budgeted operations, to have a fund balance between five and fifteen percent, with a target of ten percent.

(c) SOU's projected year end fund balance as of October 30, 2014, as reported to the State Board of Higher Education, is the starting point for the trigger.

(d) If, due to a financial condition known to SOU by November 30, 2014, SOU's fund balance declines by more than one percent between the projected year-end fund balance as of October 30, 2014 and the year-end fund balance on June 30, 2015, the process of amending the Final Retrenchment Plan will be initiated.

(7) In the event any one or both of the following triggers in section (3) occurs, SOU shall offer to meet with designated APSOU leadership for the purpose of providing APSOU with pertinent information related to the trigger and informing them of SOU's intention to amend the Final Retrenchment Plan. SOU shall hold that meeting no later than November 1 of the year in which the amendment process is initiated if the trigger is the decline in enrollment.

(8) Once SOU's right to amend the Final Retrenchment Plan is triggered, SOU shall openly announce its intention to amend the Final Retrenchment Plan and open a comment period of 20 university days, unless otherwise agreed to in writing prior to the expiration of the 20th university day:

(a) The comment period will allow APSOU and others in the SOU community the opportunity to provide to the President or the President's designee(s) further comments on the program reductions and eliminations originally proposed in the Provisional Plan,

including the reductions contemplated by the “Very Worst Case” presented in Provisional Plan but not already implemented by the Final Retrenchment Plan.

(b) During the 20 university day comment period preceding issuance of the amended Final Retrenchment Plan, all affected programs identified in the Provisional Plan will be required to recommend the specific means and/or alternatives by which the reductions and/or eliminations would be implemented. Appropriate administrative staff as designated by the President will review recommendations.

(c) If SOU intends to propose any programs for reduction or elimination not already identified in the “Very Worst Case” scenario of the February 2013 Provisional Plan, at the outset of the 20 university day comment period, SOU shall announce such other proposed reductions, reconfigurations, and/or eliminations by division while not identifying the precise means of implementation. *See* CBA, Article 11, Section E.3.

(d) Upon announcement of the 20 university day comment period, SOU shall adhere to Article 11, Section E.5 and all provisions of Article 11 that follow that section.

(9) SOU agrees that the amended Final Retrenchment Plan shall include and implement cost savings to non-academic programs equal to or greater than the additional cost savings to academic programs implemented by the amended Final Retrenchment Plan, excluding any savings implemented by the original Final Retrenchment Plan issued in March or April 2014.

(10) Each signatory to this agreement certifies by signing that he or she is fully authorized, in his or her own capacity, or by the party he or she represents, to accept the terms and provisions of this agreement in their entirety.

Mary Cullinan, President
Southern Oregon University

Jim Rible, President
Associated Professors of Southern Oregon
University

Dated: _____

Dated: _____