

June 19, 2020

Dear Maria,

As we discussed at our bargaining session on Wednesday, the Council of Presidents and their bargaining team considered seriously the MSCA's April 27 proposal for a one-year successor agreement to the 2017-2020 CBA, which did not include any salary increases for faculty and librarians. We appreciated the union's approach at a time when we are facing historic financial insecurity, due in large part to the systematic reductions in funding of public higher education, and exacerbated by the unprecedented state budget crisis caused by the global COVID pandemic.

A review and financial analysis of the union's proposal was promptly undertaken. The proposal was then shared with the DHE for its review, analysis and consideration. We received the DHE's response on Tuesday, June 16. During our session on Wednesday, we shared with you the DHE's response, which noted that it would be "imprudent and unrealistic to increase public spending in this climate," and discussed concerns relating to the significant costs associated with certain terms in the union's proposal.

Our team acknowledges and appreciates that the MSCA sought to create a proposal with no incremental costs to the universities during these unprecedented times. At the same time, however, the financial analysis reveals that the proposal will result in substantial costs to the universities that prevent us from accepting it, at least as a package. The cost items within the proposal include the cap on enrollment for course sections that shift to an on-line modality, the classification of libraries as a department and the retirement incentive. The estimated cost of the proposed cap on enrollment for course sections alone exceeds \$7 million. Additionally, while the proposed early retirement incentive may not incur FY21 costs, it would require significant outlays in future years. There also appeared to be financial implications associated with the proposal regarding notice of course cancellations to part-time faculty which we now understand would not be the case given the MSCA's clarification of this proposal. The financial analysis that was conducted is attached, per the MSCA's request. Please note that the cost associated with the course cancellation proposal should not be considered given Wednesday's clarification.

As was indicated at our session, given the scope of the uncertainties surrounding the fiscal health of the Commonwealth and the universities, student enrollment/fee revenue, residence hall occupancy, and unfunded costs associated with COVID-related preparedness, it would be fiscally irresponsible to agree to terms that would result in added costs to the institutions at this time.

That being said, our team appreciates the union's willingness to discuss the non-economic terms of the MSCA's one-year proposal, and look forward to working together to continue to identify areas in which we may share common ground. I believe we all share the hope that we can arrive quickly at a successor agreement to the 2017-2020 CBA, so that we can start the next academic year in concert. We look forward to making progress at our next bargaining session July 20.

Sincerely,

Elizabeth