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Report Finds Flaws in Rutgers Fiscal Management

Staff identifies opportunities for savings instead of excessive salary reduction

NEW BRUNSWICK... Rutgers management has the wrong priorities and misses opportunities to save money, according to study of staff opinions released by the Union of Rutgers Administrators-American Federation of Teachers (URA-AFT). According to Kathryn Neal, New Brunswick campus vice president for URA-AFT and author of the report, "Over three-quarters (77%) of respondents believe there are ways the university could cut costs without resorting to lay-offs or salary reductions." She said many people responsible for tracking their departments' budgets identified excessive spending for office decorating, travel, meals, printing and overuse of consultants. "Unfortunately we have seen no university-wide call to reign in spending in these or other areas," Neal said.

The report identified "a pattern of miscommunication from senior management" particularly regarding the university's budget situation, according to Neal. "President McCormick has sent out e-mails saying that layoffs are necessary, and yet management continues to make hires at the executive level, with annual salaries averaging \$198,000." The report, available on the union's web site at www.ura-aft.org, identified 42 Rutgers executives earning \$200K or more, with salaries topping \$12 million. "Executive compensation received the second-highest mention by people in our survey as a bad budget decision made by the university, second only to football and athletics," said Neal. "The most frequently mentioned concern is that the administration is top-heavy and that many senior hires are unnecessary, including vice-presidents and high-level managers or directors."

Meanwhile, university management recently proposed cuts to all employees' wages that proportionately far exceed those in the tentative agreement reached with state workers, according to Nat Bender, executive vice president for URA-AFT. He faulted management for exploiting the state budget shortfall in order to try to pressure the unions into making extreme and unnecessary wage concessions with disparate impact. "A salary reduction that is a minor inconvenience for a \$250,000 vice president creates a financial crisis for a \$50,000-a-year administrative assistant working to pay a mortgage and support a family," said Bender.

Neal said that more than two-thirds of survey respondents gave low ratings to the university for valuing staff input in making budget decisions. "This feeling among staff is understandable given management's extreme proposal and unwillingness to seek creative and responsible solutions to avert wage cuts or layoffs of the university's lowest paid workers."

Management has thus far made no commitment to implementing any of the reports' recommendations. The online survey of administrative staff at Rutgers was conducted from March 27 through April 4, 2009 yielding 617 responses.

URA-AFT held an open air open forum to discuss the university's proposal with members while the Rutgers Board of Governors held their final meeting of the year inside.

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