

LETTER OF AGREEMENT— LOA # 4: Salary Reductions for Academic Years 2009-2011

In response to the extraordinary circumstances created by the global economic downturn over the past year, and in recognition of the University’s financial difficulties, the parties agree to the following cuts for the 2009-2010 and 2010-2011 years.

(A) Year 1: 2009-2010

The parties agree that salaries will be reduced by the percentages set forth below from current levels during 2009-2010.

During 2009-2010, Portland State University intends to be closed from Saturday, December 19, 2009 through Monday, December 28, 2009. This period includes five (5) regular working days.

In exchange for the salary reduction referenced above, members will receive leave days according to the schedule below.

For 12-month employees at 1.0 FTE (assuming a full year of implementation):

Annual Pay @ 1.0 FTE	Minimum Number of Leave Days	% Impact on Salary
<\$30,000	3 days per fiscal year	1.15%
≥\$30,000 and <\$50,000	4.2 days per fiscal year	1.62%
≥\$50,000 and <\$70,000	5.4 days per fiscal year	2.08%
≥\$70,000 and <\$90,000	6.6 days per fiscal year	2.54%
≥\$90,000 and <\$110,000	7.8 days per fiscal year	3.00%
≥\$110,000 and <\$130,000	9 days per fiscal year	3.46%
≥\$130,000 and <\$150,000	10.2 days per fiscal year	3.92%
≥\$150,000	11.4 days per fiscal year	4.38%

For 9-month employees at 1.0 FTE (assuming a full year of implementation):

Annual Pay @ 1.0 FTE	Minimum Number of Leave Days	% Impact on Salary
<\$24,590	2.19 days per academic year	1.15%
≥\$24,590 and <\$40,984	3.07 days per academic year	1.62%
≥\$40,984 and <\$57,377	3.95 days per academic year	2.08%
≥\$57,377 and <\$73,770	4.82 days per academic year	2.54%
≥\$73,770 and <\$90,164	5.70 days per academic year	3.00%
≥\$90,164 and <\$106,557	6.58 days per academic year	3.46%
≥\$106,557 and <\$122,951	7.45 days per academic year	3.92%
≥\$122,951	8.33 days per academic year	4.38%

The number of leave days to which a Member is subject will be prorated according to the member’s appointment FTE and by the number of months remaining in the year after effective implementation. The number of leave days to which a Member is subject is to be rounded up to the next whole number of days.

At a minimum, Members will be provided with sufficient leave days to cover the University Closure period. The first five (5) days of leave provided to a Member pursuant to this Letter of Agreement

are to be used for the University Closure period. Members subject to more than five (5) leave days (the number of days necessary to cover the University Closure period) must schedule and coordinate the use of those additional leave days with the relevant department chair, dean, or provost, based on the operating requirements of the University. Class schedules will not be disrupted by the use of leave days.

Some Members may be required to work during the University Closure period due to the operational needs of the University. In such cases, the Member will be provided with additional leave days equal to the number of University Closure days that the Member was required to work, which are to be scheduled and coordinated with the relevant department chair, dean, or provost, based on the operating requirements of the University.

Members on approved sabbatical leave will not be subject to the salary reductions as described in this Letter of Agreement while on their sabbatical leave.

The accruals of sick leave and vacation time are not affected by the terms of this Letter of Agreement.

Members whose visa status would be affected by the salary reduction of this Letter of Agreement will be exempt from the salary reductions of this Letter of Agreement.

Leave days provided by this Letter of Agreement must be taken during the year in which they were awarded and are not compensable in any other manner.

Leave days provided by this Letter of Agreement days are separate and distinct from any other type of leave. Leave days provided by this Letter of Agreement do not accrue and unused leave days expire on the last day of the year.

Offers extended to incoming members of the bargaining unit will be within the contractual salary range for the position less the reduction mandated by this Letter of Agreement for that salary level.

(B) Year 2: 2010-2011

The parties agree that the terms negotiated above for 2009 will continue through 2010-2011 unless the parties renegotiate the terms of this Letter of Agreement as provided below.

During 2010-2011, Portland State University intends to be closed from Saturday, December 18, 2010 through Monday, December 27, 2010. This period includes five (5) regular working days.

By March 31, 2010, if the University or the Association believes that the University's financial circumstances have changed such that the provisions of this Letter of Agreement should be reconsidered, then such party may request renegotiation of this Letter of Agreement and the parties will reopen this Letter of Agreement only for the sole purpose of renegotiating the salary and leave day provisions.