A Letter to Rider's Board of Trustees

We are reaching out to you not to open direct negotiations, as such negotiations are properly carried out with your designated representatives. But we would like to provide you with our perspective on the current contract negotiations and the overall danger that Rider faces. We hope that you will read this with an open mind.

In June of 2016 Rider's VP of Finance began circulating a four-year budget projection. This dismal budget projected deficits in the range of $14 million in 2017 and in excess of $11 million going forward. Subsequent budget projections produced by Rider's finance team over the course of the 2017 fiscal year reduced the projected cash budget deficit to approximately $6 million though President Dell'Omo continued to make references in that time frame to the University "facing a 10 million dollar deficit."

Based on analysis of financial data provided by Rider's finance division, we believe Rider's current and future fiscal situation has been misrepresented. Rider is not in danger of a $10 million cash deficit this year or in future years, and will very likely have a cash surplus this year. According to Moody's February 2017 update, "the university will produce operating cash flow in the 6-8% range."

Despite significant evidence to the contrary, President Dell'Omo and Rider's VP of Finance continue to refer to future projections of "unsustainable deficits" as if they were a certainty that will lead to the financial failure of the University within three years. These budget projections have been used to justify rash actions which include an unprecedented attempt to sell a University College, and the $10.1 million demand for concessions from the faculty in the May proposal. This $10.1 million demand for faculty concessions was $4 million greater than the demand made by Administration in January even though Rider's finance office was projecting a much smaller deficit in May than it was in January.

The data indicate that Rider's fiscal problems do not stem from excessive spending on faculty salaries and benefits. Indeed, a comparison of Rider's faculty salaries and benefits in relation to our peer institutions demonstrates that we are compensated on par with these institutions.

Nevertheless, we recognize the difficult fiscal climate in which Rider operates and we have made significant concessions at the negotiating table. These concessions include a three-year wage freeze (bringing to six years that Rider faculty will have gone without a raise), reductions in pension benefits to a point below all of our peer institutions, significant decreases in institutional support of scholarship, reductions in health insurance benefits and structural changes that give administration total control over replacement hiring.

The current adversarial relationship between administration and faculty has had a serious impact on retention of quality faculty and does not bode well for the future of the University. A vote of no confidence in the president and his finance team this past Spring provides some indication of faculty sentiment. A survey of faculty that we conducted in July and August indicate this sentiment has only deepened since the vote of no confidence. Eighty-three percent of Rider faculty are dissatisfied with the direction of the University, and 69 percent are considering leaving the institution. These numbers are shocking for an institution of higher education and should this sentiment continue, it will have a serious impact on Rider's future. Such dismal morale weakens the institution and impacts retention and recruitment of new faculty. It limits the development of crucial new educational programs at both the undergraduate and graduate level. It impacts the quality of the student experience and will inevitably impact the retention of students and the recruitment of new students. This bleak outlook is not limited to the faculty. The results of the Fall 2016 climate survey conducted by Rider's Administration were so bleak that they were never publicly released.

Only by faculty and Administration working together can we provide a future for this University. This collaborative relationship can only be forged with a faculty who feel they are valued members of the institution and who have confidence in the leadership of the institution.

Efforts to impose draconian pay and benefits cuts and workload increases will only serve to undermine Rider's ability to recruit top faculty and maintain a faculty committed to the future of the institution, and their effects on enrollment will only worsen the financial situation. Likewise, legally and morally dubious efforts to sell Westminster Choir College will lead to lawsuits, sharp reductions in donations and dwindling enrollments.

As Barry Mills president of Bowdoin College put it in a recent open letter about what defined Bowdoin and its mission,

> "*Our faculty sit squarely in the central role of that mission and the quality of our faculty—along with the strength of our academic program—defines the College.*"

This trenchant observation is equally true about Rider University. We urge you to take direct and positive steps to avert a crisis this Fall.

Elizabeth Scheiber

Elizabeth Scheiber, President
Rider University Chapter AAUP