SENATE RESOLUTION TO EXPRESS CONSENSUS ON THE MATTER OF BROKEN TRUST AND LOST CONTRIBUTION TO FACULTY AND STAFF RETIREMENT FUNDS

Contributions to the Brandeis faculty and staff retirement plans were suspended during the 2009-2010 academic year as a cost-cutting measure during the financial crisis.¹ These foregone contributions were reported by the New York Times to have saved Brandeis $7.4 million, helping close a deficit that was projected to $8.9 million in the absence of these concessions.² At this time, some 70 staff members also lost their jobs, even as one third of the faculty forewent 1% of their salary to preserve staff positions.

Six years later, after much deliberation, the Faculty Senate shares a sense that these foregone contributions (or at least the failure to compensate for them, now that the University appears to be on more stable financial ground) represent a serious problem. This sense has been intensified by news of the surprisingly generous exit compensation that was granted in private arrangement by the Board of Trustees to former President Reinhart and former Executive Vice President Peter French. The total dollar sum of post-retirement compensation for Reinhart has been put at $5 million (by Inside Higher Ed³), and the total dollar sum of post-retirement compensation for French has been put at $3.2 million (by the Brandeis Hoot⁴).

These remarkable exit packages, which have become public information only relatively recently, lead the Faculty Senate to conclude that at least some parts of the faculty’s negotiation with the administration during the financial crisis did not occur in good faith. We therefore urge the incoming presidential administration to discuss with the Faculty Senate ways to repair that breach of trust.

No one can predict the future, and it is certainly possible that similarly hard times may come again to Brandeis. We ask that the incoming presidential administration go on record that in the event of financial crisis, the administration will prioritize its “human capital,” particularly staff positions and faculty salaries and benefits. In particular, we urge that the burden of any future crisis not be borne in an unfair way by the most vulnerable in the Brandeis community, for example faculty who are untenured or not in tenure-track positions.

¹ A partial list of other institutions and companies which suspended retirement plan contributions during the financial crisis is available at http://www.pensionrights.org/publications/fact-sheet/companies-have-changed-or-temporarily-suspended-their-401k-matching-contribu.
² NYT article from May 21, 2009 accompanies this memo.
⁴ See http://thebrandeishoot.com/articles/12277.