

January 9, 2011

Delegate Bill Barlow and Senator Fred Quayle

Dear Bill and Fred,

You both know me. Bill and I have talked many times at the IOW Volunteer Rescue Squad, and Fred has taught with me at CNU.

As a faculty member at Christopher Newport University for the last 11 years and as the President of the CNU Faculty Senate, I write with a serious problem that has developed in the last six weeks in the form of Governor McDonnell's pay cut for state employees.

All of us, with your support and that of other representatives and senators, have worked diligently to help build and maintain one of the best higher education systems in America. Although our faculty members haven't received a pay raise in over three years, we have continued to provide exceptional educational programs to our students of the Commonwealth - despite continuing and significant budget reductions at CNU.

We now have a proposal from our Governor to CUT OUR PAY by 2% in order to allocate additional funds to the Virginia Retirement System. I believe the Governor's proposal is UNFAIR and breaks a promise that dates back more than 25 years—one that was reaffirmed by the Governor and General Assembly less than a year ago in the VRS reform legislation that held current employees harmless. We strongly oppose any legislation that would shift the burden from the Commonwealth to its own employees for many reasons, including:

- 1) State employees gave up a pay raise in 1983 in exchange for the State's assurance that it contribute their 5% contribution to VRS. Unless the General Assembly restores the full 5% raise to offset a new 5% contribution to the Virginia Retirement System, faculty will suffer a pay cut. As a result of this promise, faculty should be held harmless in any proposal to fund VRS.
- 2) A pay cut following 3 years with no faculty pay raises will make Virginia higher education institutions less competitive in recruitment and retention of highly qualified faculty. This makes a bad situation worse. It is yet another reason college faculty should not suffer a reduction in their remuneration.
- 3) For faculty who do not participate in the VRS defined benefit program, but instead participate in the Optional Retirement Program, compensation is also cut 1.9% from the State's matching retirement funds. It's a double blow, as matching funds are cut and then given as a state employer contribution to VRS. Those participating in TIAA-CREF or any other optional retirement program should be exempted, and all faculty should be held harmless.

4) The Governor's proposal seems based on the existence of unfunded liabilities in VRS; however, such pension fund liabilities are quite common and have not affected Virginia's bond rating given its multi-billion dollar portfolio asset. If the General Assembly restores its contributions to VRS at the Board-certified rates, pay cuts to employees would be unnecessary.

Simply stated, forcing Virginia state employees to fund the Virginia Retirement System with a pay cut is an unacceptable breach of promise. I respectfully ask that you support our current system of quality higher education by honoring the state's commitment to fund the Virginia Retirement System.

We, your constituents, ask that you reject the Governor's proposal, and not cut our pay in this difficult economic time.

Sincerely,

Peter Carlson

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