

February 1, 2023

Dear ECU Faculty,

I am happy to report that the RUSO Board approved ECU's Faculty Voluntary Retirement Incentive (VRI) program at their January meeting. As stated in the email dated January 18, 2023 (see attached), this incentive offers a lump sum payment equal to 50 percent of budgeted annual salary, less regular withholding and deductions, for eligible faculty members who agree to retire effective June 1, 2023.

As a result of this meeting, the eligibility requirements have been expanded to allow for increased participation. Specifically, the VRI will now be available to those qualifying faculty who are 60 years of age or older as of June 1, 2023.

Thus, to be eligible for the Voluntary Retirement Incentive, faculty must meet the following qualifications:

- Be employed as Full-time Faculty;
- Be 60 years of age or older as of June 1, 2023;
- Have 20 years or more of consecutive full-time service with ECU from the date of hire;
- Have never taken retirement distributions from OTRS; and
- Be in good standing.

The approval of this program does not extend beyond this year, and this one-time incentive will be made available on or about February 8 with a deadline of March 3, 2023.

As before, all eligible faculty will be sent an email and hard-copy letter from Employment Services by February 8, 2023, to affirm eligibility and provide more information on how to opt into this program. Personal consultations for eligible employees will also be available.

Thank you,

Jeffrey K. Gibson, Ph.D.

Provost & Vice President for Academic Affairs
East Central University



January 18, 2023

Dear ECU faculty,

I certainly hope that your new year is off to a successful start! Part of making plans for the new year have included a review of ECU's financial situation and the ongoing challenges we continue to face. The factors producing this situation are not unique to ECU but replicated in higher education throughout Oklahoma and the United States.

As President Godwin noted during Convocation, the most recent ten years have included diminishing state support and declining enrollment, which have required us to manage resources more effectively as our budget has been stretched thinner. Our focus throughout these financially challenging times has been on protecting our classrooms and protecting jobs. We have been largely successful in achieving these goals while many institutions around us have not.

During this time, we have reduced departmental operating budgets, eliminated vacant positions, consolidated resources, and allocated funds from reserves to bridge the gap between reality and the hope for our circumstances to turn around. In recent years, we also relied heavily upon HEERF support from the federal government, but these funds are no longer available. Although we are prioritizing recruitment and retention, it has become evident that our enrollment decline is not temporary as credit hour production over the past seven years has decreased from 112,153 in FY16 to 78,175 in FY22.

The time has come for us to look even more intently at ways to reduce our expenses beyond operating budgets. In an effort to generate savings for the next fiscal year, **ECU is seeking RUSO Board approval to offer a voluntary retirement incentive (VRI) to full-time faculty who agree to retire at the end of the current academic year.** If approved by the Board of Regents at the January meeting, the incentive will be made available on or about **February 8 through March 3, 2023.**

To be eligible for the Voluntary Retirement Incentive (VRI), faculty must meet the following qualifications:

- Be employed as Full-time Faculty;
- Be 62 years of age or older as of June 1, 2023;
- Have 20 years or more of consecutive full-time service with ECU from the date of hire;
- Have never taken retirement distributions from OTRS; and
- Be in good standing.

The proposed incentive consists of a lump sum payment equal to 50 percent of the eligible faculty member's budgeted annual salary, less regular withholding and deductions. By accepting the incentive, the eligible faculty member agrees to retire effective **June 1, 2023.**

The proposed retirement date of June 1, 2023 accomplishes three important goals:

1. Savings from salaries will be used to help offset the gap in our FY24 budget.
2. It ensures no gap in health insurance benefits between leaving the classroom and entering retirement.
3. It allows retiring faculty to return to the classroom in the fall as adjuncts if they choose and the need arises.

All eligible faculty will be sent an email and hard-copy letter from Employment Services by February 8, 2023, to affirm eligibility and provide more information on how to opt into this program. Personal consultations for eligible employees will also be available. These consultations will provide you with personal retirement estimates and allow you to ask questions about the process.

We are glad to be able to make this incentive available as a demonstration of our commitment to diligent fiscal stewardship.

Thank you,

Jeffrey K. Gibson, Ph.D.

Provost & Vice President for Academic Affairs
East Central University

