

FY2016-2020 Presidential Employment Agreement Amendment

BACKGROUND

Under ORS 352.096, the Board of Trustees is charged with the appointment and reappointment of the President, including prescribing the President's compensation and terms and conditions of employment. In May 2015, the Board approved a five-year employment agreement with the President covering fiscal years 2016 through 2020. Over the past few months, the Vice Chair and President reviewed the agreement to ensure the currency of information contained in the document and consider changes needed in advance of the end of the term of the agreement.

EMPLOYMENT AGREEMENT

Based on this review, an amendment to the Employment Agreement and Notice of Appointment is proposed as shown in strikethrough and underlined text in Attachment 1. Changes to Section 2.0 clarify rights and privileges should President Ray elect to return to the faculty at the end of his employment agreement. Section 5.5 of the agreement is modified so that the President may return to faculty or retire after taking his sabbatical leave accrued during his years of service as President. The agreement is also updated to reflect the presidential compensation approved by the Board of Trustees at the January 19, 2018 Board meeting.

RECOMMENDATION

Staff propose that the Executive & Audit Committee recommend to the Board that it approve the amendment to the Employment Agreement and Notice of Appointment as provided in Attachment 1.

AMENDMENT 1
to
EMPLOYMENT AGREEMENT AND NOTICE OF APPOINTMENT

This AMENDMENT 1, effective as of June 1, 2018 (“Amendment Effective Date”), is to the Employment Agreement and Notice of Appointment (“Agreement”) made and entered into by and between the Oregon State University Board of Trustees (hereafter referred to as the “Board”) and Dr. Edward J. Ray (hereafter referred to as “Dr. Ray”) effective July 1, 2015.

The Agreement is hereby modified as follows, additions underlined and deletions stricken-through:

1. The second defined term “Agreement” in the introductory paragraph is deleted:

This Employment Agreement and Notice of Appointment (“Agreement”) made and entered into by and between the Oregon State University Board of Trustees (hereafter referred to as the “Board”) and Dr. Edward J. Ray (hereafter referred to as “Dr. Ray”) is effective July 1, 2015 (~~“Agreement”~~). The term “parties” hereafter refers to “Board” and “Dr. Ray.” This Agreement replaces and supersedes the agreement between the Oregon State University Board of Trustees and Dr. Ray dated July 18, 2014 by last signature for the period July 1, 2015 through June 30, 2016.

2. Section 2.0, Academic Rank, includes the following additions, for clarity:

While appointment as president is independent of academic rank, the Board acknowledges Dr. Ray was awarded indefinite tenure at the University. Upon the termination of employment as president for any reason other than his death or disability, Dr. Ray may elect to return to the University’s faculty. Upon Dr. Ray’s return to the University’s faculty, Dr. Ray will receive the equivalent of the salary of the then highest paid member of the instructional faculty, consistent with University rule and policy, and all other rights and privileges received by faculty. Dr. Ray will be subject to the current Board and University administrative rules and policies governing faculty employment, including award of indefinite tenure and other conditions of employment, including, but not limited to those conditions of employment which are customarily set forth in a letter of appointment.

3. Section 5.0, Salary and Benefits, is modified to reflect the current salary and benefits approved by the Board at the January 19, 2018 Board meeting and the parties’ mutual understandings:

5.1 Unless increased by Board action, Dr. Ray’s monthly salary is ~~\$24,865.08~~ \$28,777 based on an annual base salary of ~~\$298,384~~ \$345,324 at 1.0 FTE.

5.2 For the period July 1, 2015 through June 30, 2016, the Board has accepted a base salary supplement for Dr. Ray, funded by the University's recognized foundation, of an annual amount of ~~\$230,358~~ \$266,604. The Board may approve an increase in the base salary supplement during the term of this Agreement if it is made available by the University's recognized foundation.

5.3 Unless increased by Board action, Dr. Ray will also receive ~~\$150,750~~ \$174,468 in ~~deferred compensation~~ annual supplemental retirement contributions, funded by the University's recognized foundation, to be credited to Dr. Ray's account in the Board's Supplemental Retirement Plan or, if necessary, to his account in a tax-qualified excess benefit plan that would be excess to the Supplemental Retirement Plan, to vest on each June 30 of this Agreement on which Dr. Ray is president.

5.4 Dr. Ray will receive the same benefits as those provided to other University employees, subject to applicable changes, currently including, but not limited to, medical, dental, disability, life, and retirement benefits, accrual of vacation and sick leave, and staff fee privileges. Upon the invitation of the then-current University president, Dr. Ray will have the option to participate in commencement exercises and university functions and events.

5.5 Dr. Ray will accrue 1.7 months of sabbatical leave for each contract year of service he has completed as president of the University, to be used in a manner consistent with the terms of this Agreement and Board and University rules, policies, and procedures governing sabbatical leave. All sabbatical leave will be forfeited in the event that Dr. Ray is terminated for just cause. The sabbatical leave may be taken at the conclusion of Dr. Ray's service as president of the University ~~on the condition that he returns to the Oregon State University faculty at the conclusion of his sabbatical leave.~~ During sabbatical leave and retirement, Dr. Ray will be provided office space in the academic unit in which he holds tenure and will be provided up to 20 hours per month of clerical support for as long as requested. Sabbatical pay will be at the rate of Dr. Ray's salary as a member of the faculty at the time he takes sabbatical leave.

5.6 In lieu of Dr. Ray taking residence in the official university residence provided to the president, the Board and Dr. Ray agree on a monthly housing stipend of \$2,500.

5.7 University agrees to provide Dr. Ray with a vehicle (and coverage of all operating costs of the vehicle, including routine maintenance, fuel and insurance) to be used for University business, as permitted by law and applicable rules and policies. Dr. Ray may elect acceptance of a University-provided vehicle or an equivalent value as a vehicle stipend. The provision of a University-provided vehicle is inapplicable in the event Dr. Ray accepts a vehicle or vehicle stipend from an outside entity, including the University's recognized foundation. To the

extent required by law, rule or policy, Dr. Ray will account for any incidental personal use of a vehicle.

Except as amended hereby, all terms and conditions of the Agreement remain in full force and effect.

DATED this ____ day of ____, 2018:

Dr. Edward J. Ray

Rani Borkar, Board Chair

Debbie Colbert, Board Secretary