Cleveland State University

Memorandum

To: Ronald M. Berkman, President

From: Geoffrey S. Mearns, Provost and Senior Vice President for Academic Affairs

Date: March 16, 2011

Re: Early Retirement Incentives

I submit this memorandum on behalf of the budget advisory task force as part of the task force's ongoing responsibility to provide recommendations as to how the University should prepare for the possible reduction in state support for higher education.

During the University-wide consultation process the task force received several related suggestions regarding the possibility of adopting retirement-incentive plans as a cost-saving measure. In response to those suggestions, the task force investigated the early-retirement/buyout plans recently adopted by The Ohio State University and Ohio University. The task force also obtained information regarding the early retirement-incentive plans that Cleveland State implemented in 1993 and 1994.

The Ohio University plan and Cleveland State's early retirement-incentive process in the 1990s involved purchasing service credit as an incentive for reducing the work-force. These plans each required offering early retirement on a seniority basis with no control over which colleges, units or employees were offered the incentives. The Ohio State plan, however, permits college deans and unit heads to offer retirement incentives on an individual basis.

The task force concluded that adopting an across-the-board early retirement-incentive plan like the one Cleveland State adopted the 1990s is unlikely to produce cost-savings consistent with the University's strategic goals. The Ohio State model, however, may create opportunities for cost savings and provide the flexibility to advance the University's strategic goals. The task force recommends that the University consider investigating the feasibility and potential cost-savings of developing and implementing a strategic early retirement-incentive plan that contains features like those in Ohio State's plan.