

**R04.07.115 Employee Furlough**

To address budgetary shortfalls in any unit of the university, employees may be subject to furlough via temporary unpaid leaves of absence or via prospective, temporary reductions in pay and equivalent work hours. Prior to implementation of a furlough plan, other reductions and cost savings, as well as revenue generation, will be considered and implemented as appropriate.

**A. Definitions:**

1. Furlough: Temporary unpaid leave for a designated period of time, or a prospective, temporary reduction in pay, imposed to meet a budgetary shortfall.
2. Budgetary shortfall: A status of financial health in which projected or actual expenditures are anticipated to exceed revenue.

Employees may request a reduced contract in lieu of furlough. Requests are subject to approval by the employees' dean/director and the regional human resources office.

**B. A furlough plan may include, but not be limited to, any of the following at the discretion of the university:**

1. A specified number of days each pay period, month or year may be designated as furlough days, with no business being conducted on those days.
2. Salaries of exempt employees may be reduced by a specified percentage.
3. Non-exempt employees may have reduced-hour work weeks (for example, work week reduced from 40 hours to 37.5 hours) or reduced contracts (for example, work schedule reduced to less than 10 days per pay period and/or less than 12 months per year).
4. A different number or percentage of furlough days for employees in different pay grades or classifications.

Reduction of pay will include reduction of expected effort.

**C. All university employees (full or part-time, regular, term or temporary) may be subject to furlough, except:**

1. Employees who hold H-1B visas, as defined in 20 CFR 655.731;
2. Graduate/teaching/research assistants, postdoctoral fellows/trainees who do not pay FICA, and other student employees;
3. Employees on military leave with pay;
4. Employees who perform functions essential to maintain health and safety, as determined by the chancellor or president; and
5. Employees whose compensation is derived 100% from restricted funds.

- D. Employee benefits during a furlough will be affected as follows:
1. Accrual of annual and sick leave will be reduced by a furlough.
  2. Holiday pay for benefit-eligible employees will not be reduced for a holiday immediately before or after a furlough day.
  3. Health care and life insurance benefits will not be reduced by a furlough.
  4. Pay deductions authorized by an employee during a furlough will not be reduced. The employee remains responsible for making all employee contributions during a furlough period, including health coverage.
  5. Retirement contributions by both the employee and the University will be reduced by a furlough. Service credit may also be reduced.
- E. A furlough plan for unit(s) affected by a budgetary shortfall will be implemented upon recommendation of the chancellor and the vice president for finance and administration, and approval of the president. ~~The president shall consult with governance prior to approval. Governance may request financial records for any unit affected by furlough.~~
1. The Statewide Office of Human Resources will distribute notice of the president's approval of a furlough plan to affected employees at least sixty (60) days prior to implementation. The furlough plan will specify the amount or percentage of furlough time and the applicable time period.
  2. After a furlough plan has been implemented, the president may establish a review committee ~~established by the president shall to~~ examine ongoing need and efficacy on a quarterly basis.
  3. The president may reduce or cancel a furlough plan at any time.
- F. Upon notice of a furlough plan, supervisors may schedule furlough days, in consultation with the employee, subject to the operational needs of the department. Furlough schedules shall be approved by the department dean/director and the regional human resources office.
- G. Furlough days shall be taken on days that the employee would normally be scheduled to work. Employees may not be directed or permitted to work on furlough days or to work more than 40 hours in the work week in which a furlough day is taken. No employee may use paid leave to offset all or any portion of a furlough.
- H. Furlough provisions for employees under collective bargaining agreements will be clarified through Memoranda of Agreement with each bargaining unit.
- I. The Chief Human Resources Officer or designee will review any appeals from employees claiming extreme financial hardship under a furlough plan.

- J. The provisions of this section apply only to employee furlough and are not applicable to layoff or any other type of termination of university employment.