



****Sent by Email****

April 20, 2010

To: Deans, Directors, and Department Chairs
From: Paul M. DeLuca, Jr., Provost
Re: Furlough Obligation – End of Fiscal Year

With less than three months left in the fiscal year, we need to make sure employees will satisfy their mandated furlough obligations for 2009-2010. This is essential for the campus to meet the Governor's mandate.

Your HR representatives are able to access employee furlough leave balances in your school/college/division by accessing the DoIT Query Library. We will work with your HR representatives to discuss strategies for satisfying your organization's furlough obligation, but we need you to reinforce this message.

There are two types of furlough groups.

1. Employees who have 3% taken out of every paycheck (*earn furlough leave credits*); when they take the furloughs doesn't matter i.e., faculty, instructional academic staff and classified FLSA non-exempt staff.
2. Employees whose pay is reduced in the pay period in which they take their furlough days (*pay-as-you-go*) i.e., classified FLSA exempt staff and non-instructional academic staff.

Although all groups are required to take their furlough days, there are employees, particularly faculty members, in the first group who expressed the desire to work instead of taking furlough days off - knowing that they have already had their salaries reduced. Because their salaries have been reduced allowing the state to realize the savings and because faculty and instructional academic staff remain FLSA-exempt during furlough weeks, this meets the intent of the Governor's furlough directive. Faculty and instructional academic staff may decide to work on furlough days despite having their pay reduced. However, it is important that they indicate specific furlough days on their Leave Reports - and then make the determination whether to work. If they do not indicate specific furlough days, subsequent audits (which are likely) will show that they did not take all of their furlough days.

It is a significant problem, however, if *pay-as-you-go* employees do not take all of their furlough days since the employees' salaries are not reduced until the furlough leave is taken. The implications of non-compliance with the Governor's directive include the following.

- We can expect substantial repercussions from a variety of sources (e.g., governor, DOA, legislators, labor organizations, constituents, and the media).
- For positions not funded by gifts or grants, the state has already cut our budget by 3.065%. Consequently, employing units will be paying twice for those days not taken as furlough days.
- Allowing some employees to avoid furloughs and therefore not have a 3.065% reduction will create significant morale problems with those who have suffered the impact of the furloughs.

When implementing the furlough mandate, the campus tried to build in as much employee flexibility as possible to satisfy the obligation. The flexibility included employees having discretion when furlough days would be taken. This flexibility could be greatly diminished in the future if employees do not put forth and execute plans for the remaining furlough balances. Remaining furlough days will need to be scheduled for employees if adequate leave plans are not submitted.

The HR representatives within your divisions, colleges, and schools have access to employee furlough activity reports through the DoIT Query Library. Your organization needs to review balances to ensure furlough time has been or will be taken by the end of the fiscal year (see below). This will be best achieved by having your chairs, directors and supervisors discuss furlough balances with their employees and ensure adequate plans are in place to eliminate the remaining furlough hours.

Below are some key points for your school/college/division to successfully manage the furlough obligation.

- None of the furlough obligation/credits can be carried over to FY2011.
- Classified employees must use all of their furlough days by June 19th.
- Nine-month faculty, academic staff and limited employees must use all of their furlough days by May 23rd. Twelve--month faculty, academic staff and limited employees must use all of their furlough days by June 30th.
- Nine-month faculty, academic staff and limited employees must use six furlough days (two flexible and the four mandated days). Twelve-month classified, faculty, academic staff and limited employees must use eight furlough days (four flexible and the four mandated days).
- There is one mandated furlough day (eight hours) left in the fiscal year (May 21st).
- In general, no more than one furlough day (eight hours) can be taken within a work week.

Please inform your chairs and supervisors that all of the furloughs must be reported on employees' Furlough Time Reports or regular Leave Reports (for faculty and instructional academic staff).

One likely area of resistance is the academic staff working on non-state money on research grants or contracts. Neither the employee nor the PI has an incentive to comply with the furlough requirement. The former because of the reduction in pay and the latter because of lost productivity and lack of savings to the state. Nonetheless, we must ensure that they take all of their furlough days.

Please contact Steve Lund or Mark Walters in the Office of Human Resources if you have any questions or concerns.