



**BOISE STATE UNIVERSITY**

University Policy 4680

## Financial Challenge - Faculty

---

### **Effective Date**

May 2010

### **Responsible Party**

Responsible parties are outlined in the policy.

### **Scope and Audience**

This policy applies to all benefit eligible faculty.

### **Additional Authority**

State Board of Education Policy, Section II.B.b-d

State Board of Education Policy, Section II.G.c

---

## **1. Policy Purpose**

The State Board of Education provides that the chief executive officer may take certain employment actions to reduce expenditures in response to a financial challenge. This policy is intended to provide guidance and procedures to be followed in the determination and declaration of a financial challenge as well as procedures for implementation of any faculty employment actions taken in response to a declared financial challenge.

## **2. Policy Statement**

It is the policy of Boise State University to encourage open dialogue among all employees, including employee associations and the administration, when a financial challenge is declared and when certain employment actions to reduce expenditures in response to a financial challenge are considered. This policy is intended to ensure a spirit of openness, transparency and

collaboration in procedures leading up to a financial challenge declaration and also in procedures to carry out employment actions in response to a declared financial challenge.

No actions affecting faculty, including implementation of work hour adjustments, workload adjustments or furloughs will be taken without a declared financial challenge as provided in this policy. Just as tenure is a condition of presumed, continuous employment, implementation of work hour adjustments, workload adjustments or furloughs carries with it presumed upholding of salary levels. Per State Board of Education policy, implementation of permanent salary reductions is not an allowable response to a declared financial challenge.

Per the federal Fair Labor Standards Act, if furloughs or work hour reductions are implemented, the affected employees are not allowed to be present at their job, and are not to perform any work, during the furlough/unpaid hours.

### **3. Definitions**

#### **3.1 Financial Challenge**

A financial challenge for these purposes is defined as an imminent financial shortfall that has the potential to seriously compromise the sound fiscal management of the university or the university's capacity to provide a quality education to students. A financial challenge may only be declared by the president of the university in accordance with State Board of Education and university policies. A financial challenge is not the same as financial exigency as defined by the State Board of Education Policy, Section II.N.

#### **3.2 Workload**

Policies related to and describing workload for faculty are found in University Policy 4560 (Workload for Tenured and Tenure-Track Faculty).

#### **3.3 Work Hour**

Work hour applies to those faculty positions that have hourly expectations. In those circumstances a 1.0 full time equivalency (FTE) would equate to 40 hours per week.

#### **3.4 Furlough**

Furlough is leave without pay, but with all benefits other than leave accrual and retirement contributions.

## 4. Responsibilities and Procedures

### 4.1 Financial Challenge Declaration

- a. The university president will issue a notice of intent to declare a financial challenge to all staff and faculty. The notice of intent shall include details on the state of the budget, data upon which the declaration of financial challenge is based, and identification of the fiscal year in which the declaration will be applied. The notice of intent may be delivered via electronic mail or through a planned and advertised open forum.
- b. The faculty financial affairs committee, a standing committee of the faculty senate, will convene to consider all aspects of the notice of intent to declare a financial challenge, including but not limited to identifying questions or concerns regarding the basis of the financial challenge declaration, developing suggestions for methods to mitigate the financial challenge, and proposing strategies for certain employment actions that may be carried out in response to a declared financial challenge.
  - (i.) This committee will be responsible for advising if all appropriate avenues for financial reductions have been made before actions are taken.
  - (ii.) The committee will report their findings to the faculty senate, which will consider them and submit final feedback to the president.
- c. The university president will allow at least thirty (30) calendar days to receive feedback from the faculty senate and individual faculty members on a pending financial challenge declaration.
- d. A financial challenge declaration is only good for the fiscal year identified in the notice of intent. If a declaration is to be made in future fiscal years, the procedure for declaration of a financial challenge provided herein will be repeated.

### 4.2 Employment Actions in Response to a Declared Financial Challenge

If the university president decides to move forward with a financial challenge declaration, remedies to manage the challenge will be developed. If those remedies include workload adjustments, work hour adjustments or furloughs, the following will apply:

- a. State Board of Education policy provides that any such courses of action must be uniform across the entire institution, uniform across budgetary units, or uniformly tiered as applied to certain salary levels or classifications, and adjustments may be pro-rated based on annual

salary levels to equitably reduce the financial hardship of the adjustment on lower paid employees.

- b. The university president will convene a general faculty meeting or an all-campus meeting to discuss the financial challenge and the identified employment actions (work hour adjustments, workload adjustments and/or furloughs) that may be implemented in response to the financial challenge.
- c. The faculty financial affairs committee, a standing committee of the faculty senate, will convene to consider the proposed work hour adjustments, workload adjustments and/or furloughs affecting faculty.
  - (i.) This committee will be responsible for advising if all appropriate methods for addressing the financial challenge have been considered before work hour adjustments, workload adjustments and/or furloughs are implemented.
  - (ii.) The committee will report their findings to the faculty senate, which will consider them and submit final feedback to the university president.
- d. The university president will allow, per State Board of Education policy, at least twenty-one (21) calendar days to receive feedback from the faculty senate and individual faculty members on proposed work hour adjustments, workload adjustments and/or furloughs.

### **4.3 Proper Notification of Final Employment Actions**

Once feedback from the faculty senate and individual faculty members is received, written notice of final action to be taken will be provided to affected employees at least thirty (30) calendar days in advance of the effective date of the action. The notice must include the effective date of the action and a description of the process for grievance.

### **4.4 Grievance Procedure**

- a. In accordance with State Board of Education policy, a faculty member may contest the action of the university to implement work hour adjustments, workload adjustments or furloughs only on the basis that the action violates the procedural requirements of State Board of Education policy, the university policy or constitutional or statutory protections for that employee.
- b. The faculty member must deliver a written appeal setting out his/her objection(s). In the written appeal, the faculty member must include the basis of the appeal based on one or

more of the following criteria: 1) the employment action did not follow the appropriate policies and procedures; 2) the employment action was made for constitutionally impermissible reasons; or 3) any other improper criteria were applied.

- c. Appeals will be submitted to Human Resources Services within fifteen (15) working days of campus notification of pending employment actions. The University will provide an initial response to the appeal within five (5) working days.
- d. Appeals will be heard by a joint panel made up of two (2) faculty members appointed by the faculty senate, two (2) staff members appointed by the professional staff senate and two (2) staff members appointed by the university president.
  - (i.) The appealing employee may attend the hearing either in person or via telephone.
  - (ii.) The hearing process will be informal. Testimony, questioning of witnesses and arguments from the appealing employee or University representatives will be at the discretion of the panel.
  - (iii.) The panel will issue a written recommendation within five (5) working days of the hearing and forward the recommendation to the university president, with a copy to the appealing employee, for final determination.
  - (iv.) The university president will issue a final decision within five (5) working days of receipt of the panel recommendation. If the university president's decision does not adopt the panel's recommendation, the written decision will contain an explanation for the variance from the panel's recommendation.
- e. There is no further administrative appeal beyond the university president's decision. During the appeal, implementation of the employment action will be delayed if requested by the appealing employee. If the appeal is not successful, all employment actions applicable to the employee will be applied.

#### **4.5 Financial Challenge Duration and Reinstatement Rights**

A declared financial challenge and associated employment action(s) will last no more than one fiscal year in duration. If during the year of the financial challenge, the financial challenge is

suspended, faculty who are affected by work hour reductions or workload reductions will be reinstated to their former workload or work hour levels.

---

## Revision History