

Furlough Implementation Guidelines

May 11, 2017

Purpose

These implementing guidelines set forth the intended general plan for administrative and emergency furloughs if they need to be implemented in times of budgetary constraints. They may be altered as needed by the President. Any departures from these guidelines will not conflict with applicable policy and law. Furloughs and temporary salary reductions are viewed as a last resort action during times of budgetary constraints.

Definitions

Furlough

A furlough is a mandatory leave of absence without pay for budgetary reasons. A temporary salary reduction, in lieu of a furlough, is a reduction in pay equal to the value of the salary the university would save if the employee was placed on furlough days. There are two types of furloughs.

Administrative Furlough

An administrative furlough is planned in order to address budget reductions necessitated by reasons other than a lapse in appropriations. With this type of furlough, Kansas State University will develop a furlough plan and provide it to our employees and the State of Kansas Department of Administration at least 30 calendar days prior to the implementation of the furlough.

Emergency Furlough

An emergency furlough occurs when there is an immediate or imminent lack of funding to continue University operations or an emergency that results in an unanticipated interruption of funding to the University.

Applies To

Furloughs apply to all employees including students, regardless of funding source, with the exception of:

- Employees on a H1-B visa or E-3 Visa status, who will not be furloughed

In addition, as determined by the President, Provost, and Vice Presidents and with input from the Deans and Unit Leaders, additional exempted employees may include:

- Employees critical to current instructional delivery, academic and student life support, to include GTA employees
- Police and security officers
- Employees providing direct animal, plant or living things care
- Federally mandated functions for safety and security purposes (e.g., Biosecurity Research Institute (BRI), Nuclear Reactor)
- Employees with time commitments funded by or committed as cost-share for existing externally funded Research, Scholarship and Creative Activities and Discovery (RSCAD) activities, to include GRA and/or GA employees, along with the necessary administrative support necessary to maintain continuity of services for and compliance with the contracted terms and conditions of the grant and contract agreement vehicles, and the continued pursuit of funding for same.

Guiding Principles

The furlough plan will be implemented in a manner that ensures the continuation of critical services with minimal disruption to the institution, particularly with respect to the maintenance of student services and the pursuit of and compliance with the grant and contract requirements associated with commitments made under externally funded RSCAD activities.

Employees will be given as much notice as possible when a furlough is anticipated.

The furlough plan will be managed in such a way that endeavors to maintain the safety of KSU, its employees, students and assets.

A furlough may not result in the cancellation of classes or place KSU in a position of non-compliance with existing contractual and regulatory obligations associated with externally funded RSCAD activities. There is no expectation of employees being made 'whole' (e.g. restoration of reduced salary or retirement contributions) after the conclusion of a furlough.

No annual or other paid leave may be used in lieu of a furlough. Additionally, employees on paid leave during an emergency furlough will automatically be considered on furlough status, even if they are otherwise exempted from the furlough.

No overtime or compensatory time may be granted to compensate for the loss of services of furloughed employees.

Employees on furlough cannot work or perform (volunteer) official duties during a day/period of furlough.

Employee benefits, including retirement for KP&F and KPERS, or leave benefits, may be impacted as a result from implementation of a furlough. Please see the FAQ's for more specificity.

Employees who are paid on a salary basis who are furloughed will be converted to hourly pay for the duration of the furlough period.

Furlough Plan Statement

Furloughs (and/or temporary salary reductions) may be imposed for a variety of reasons. In times of budgetary constraints or reduction, including situations that do not yet constitute financial exigency, the University may take actions affecting the pay and/or the appointments of employees and may furlough faculty, staff, and/or student employees for a specified time period or may invite voluntary leaves without pay in lieu thereof or in addition thereto.

Implementation of any furlough (or temporary salary reduction) will be guided by the reason for the budgetary constraint or reduction. Some furloughs may be implemented to deal with reduced state funding to the University. Other furloughs may be implemented in response to cuts to specific research funding, which is more fully addressed in Section 2 of this guideline.

The decision to implement an administrative furlough will be made by the President of Kansas State University after consultation with both the Faculty Senate and University Support Staff Senate.

An emergency furlough occurs when there is a lapse in appropriations and can occur at the beginning of a fiscal year if no funds have been appropriated for that year. Typically there will be very little lead time to plan and implement an emergency furlough and therefore a 30-day notice is not required. Emergency furlough plans are required to be reviewed annually by each university department to minimize confusion and add to efficiencies in the event an emergency furlough is required.

This plan will set forth the general guidelines for furlough decisions.

1. Administrative Furloughs: Responding to Budget Cuts

Furloughs will be based on a specific, required budgetary reduction amount and will be applied in order to achieve those temporary savings during a specified time period. The reduction amount may be modified during the period of budgetary constraint as the fiscal situation changes, resulting in a change to the required furloughs.

Any savings achieved from general use funds will be reclaimed centrally by the University while savings from other line-item appropriations will remain within the unit unless mandated otherwise (e.g., course fees, restricted fees income, and revenues from auxiliary enterprises on the Manhattan, Olathe or Salina campuses such as Student Housing, and Parking, etc.).

Furloughs will be based on salary tiers. Generally, employees making higher base annual salaries will be assigned a greater percentage reduction than those making lower salaries. The percentage reduction may be communicated as a number of days/hours and/or percent of temporary salary reduction associated with salary tiers. The implementation of

the temporary salary reduction associated with salary tiers will be described in an implementation plan for the specific furlough period and will include detailed information about the choices available to employees and the implications of each choice. To the extent possible, the furlough and temporary salary reduction plan will be broadly disseminated prior to its implementation.

As an example:

Salary Tier	Salary Range
Tier 1	\$0-\$39999
Tier 2	\$40,000-\$59,999
Tier 3	\$60,000-\$79,999
Tier 4	\$80,000 -\$104,999
Tier 5	\$105,000 and Above

Departmental supervisors/managers will work with employees to plan and identify in advance what furlough days/hours or temporary salary reduction will be taken during the furlough period in order to maintain critical operations and services. To the extent possible and with supervisory approval, employees will be allowed to choose the timing of furlough days/hours. For example, employees may, with supervisor approval, decide to not take a furlough during holiday seasons. No form of paid leave can be substituted for furlough days/hours.

The President, Provost, Vice Presidents, Deans, and Unit Leaders are responsible for assuring that the requisite furloughs are taken within and reported for units reporting to them.

In accordance with the provisions of the FLSA, hourly non-exempt staff may take furloughs in day or hourly increments, and they will record furlough days or hours when reporting hours worked. Non-exempt staff are not allowed to work during the furlough days/hours, nor are they allowed to work overtime hours during the week in which furlough days/hours are taken.

Exempt employees may choose to take furlough days or a temporary salary reduction. If they elect to take furlough days, exempt salaried employees' work will be tracked as hourly for the work week in which the furlough occurs. They are not allowed to work during the

furlough days chosen or to work extra hours during the week in which furlough days are taken. They will report furlough days taken through the same mechanism that they report leave taken. Exempt salaried employees who choose to take a temporary reduction in salary will continue to be treated as exempt, but must meet FLSA guidelines.

Furloughs and temporary salary reductions will be implemented to minimize negative effects on benefits to the extent possible.

2. Responding to Cuts in Research Funding

For the purposes of policies and procedures regarding furlough, “research” is to include all externally funded (sponsored) RSCAD. (These may include federal ‘capacity’ or ‘formula’ funds, Agricultural land grant appropriations, etc.) Furloughs and temporary salary reductions may be imposed by principal investigators (PI’s) on sponsored projects in response to reductions in federal research grants or other sponsored research funding and in accordance with the official regulatory guidance provided by the pertinent federal funding agencies. PI’s may implement federally mandated furloughs and temporary salary reductions only after consultation and approval from the Vice Presidents of Research and Human Capital Services. In evaluating whether a furlough or temporary salary reduction should be implemented, PI’s should adhere to the considerations in these guidelines as well as all of the terms, conditions, and limitations of the grant or sponsored research agreement, along with the specific regulatory guidance for furlough announced by the federal government.

Furloughs and temporary salary reductions should be based on a specific, required budgetary reduction amount and applied in order to achieve those temporary savings during a specified time period. Any furlough imposed must achieve savings under the terms of the grant affected by funding reduction. The reduction amount may be modified during the period of budgetary constraint as the fiscal situation changes, resulting in a change to the required furloughs or temporary salary reductions.

Timing/related issues:

- The time periods in which sponsored activities may take place are defined by the sponsor and can typically only be changed with advance notice and/or approval by the sponsor.
- Specific levels of personnel effort are required on nearly all sponsored activities and may also include cost sharing commitments.
- The timing of certain types of work is not only critical, but is not capable of being controlled. Examples would include research dependent on specific growing seasons, animal gestation periods, tissue samples, etc.
- Reduction of work, especially if the reduction is compressed into a short time period, has the potential to create a change in scope that requires prior approval from the sponsoring agency.

- A majority of sponsored activities are reimbursement based, therefore when charges are reduced/delayed, reimbursement of such charges and associated indirect costs by sponsors are also delayed/reduced.
- Changes in funding from state to sponsored funds for purposes of avoiding unpaid furloughs will not be allowed.

PI's are encouraged to consider whether furloughs and/or temporary salary reductions should be based on salary tiers, such that employees making higher base annual salaries would be assigned a larger proportion of the financial impact than those making lower salaries. A review of the terms and conditions of the funding vehicle, along with consultation with the offices of the Vice Presidents for Research, Human Capital Services, and the Division of Financial Services is required to ensure consistent practices across the full spectrum of RSCAD activities.

To the extent possible, without disrupting the research, and with a view on compliance with federal regulatory guidance, employees should be allowed to choose the timing of furlough days/hours.

PI's should work with the Offices of the Vice President's for Research and Human Capital Services and the affected employee to identify in advance what furlough days/hours or temporary salary reduction can be taken during the furlough period and to maintain compliance with the terms and conditions of the RSCAD contract, grant or agreement affected by the funding reduction, including compliance with the required time and effort commitments established by the external grant, contract or agreement vehicle. PI's are responsible for assuring that the requisite furloughs or temporary reductions in salary are taken by the employees reporting to them on the project. The Vice President of Research, Deans and Department Heads should remain in close communication with PI's to ensure compliance with University policies, along with compliance with the terms and conditions of the external grant, contract or agreement and prevent disruption of the sponsored project.