

CHAPTER III

FACULTY AND STAFF

SECTION XVI. FINANCIAL EXIGENCY

- A. Staff Reduction. The Board recognizes circumstances that may indicate a need for staff reduction such as financial exigency. Financial exigency may exist-at the institution, program or budget unit level and shall be verified by the System staff.
- B. Board Policy on Financial Exigency. Anything in the RULES of the Board of Supervisors for the University of Louisiana System to the contrary notwithstanding, if the Board determines that a condition of financial exigency exists at an institution, program, or budget unit within an institution, or in the University of Louisiana System generally, then the furlough, layoff, and/or termination of tenured faculty, non-tenured faculty, or other contract employees before the end of their contract term will be handled in accordance with the financial exigency policy set forth below.
1. Definition of Financial Exigency. A condition of financial exigency shall exist whenever the financial resources of an institution, program or budget unit are not sufficient to support the existing programs and personnel without substantial impairment of the ability of the entity to maintain the appropriate level of programs and services. Financial exigency may result from a substantial reduction in financial resources or from the failure to receive increases in financial resources sufficient to maintain the appropriate level of service. Evidence of financial exigency may include, among other factors, reduction of state appropriations, faculty and staff salary levels substantially below national and regional averages, significant loss of personnel, or inability to attract new personnel apparently due to inadequate salary and other support, and substantial threat of deterioration of facilities due to lack of resources for maintenance.
 2. Board of Supervisors for the University of Louisiana System Action. The Board, in the exercise of fiscal responsibility, may decide to declare financial exigency with respect to the System as a whole, to one or more institutions of the System, or to one or more programs and/or budget units within institutions. Reasonable efforts shall be made to ensure that students affected will be allowed to complete

their programs, within the limits of budgetary restraints, at the institution or by transfer to another institution.

A declaration of financial exigency shall represent a determination by the Board, upon recommendation of the institution president and System President, that the financial condition of the System, an institution, program, or budget unit has reached a crisis in which the entity must carefully reexamine its priorities and reduce programs or personnel or both to effect a cost savings sufficient to alleviate the financial exigency.

The determination of financial exigency affecting the System, institution, program or budget unit shall be the sole responsibility of the Board. However, the president of an institution, after consultation with representative faculty members and approval by the System President, may request such a determination by the Board through the System President. When such determinations are made, this policy, along with any implementing procedures, will take precedence over those applicable Board policies that govern normal operating procedures. Implementation of a declaration of financial exigency by the Board shall be developed with the understanding that action taken will be consistent with the basic mission of the System to provide the best possible education, research, and public service.

3. Implementation of Declaration of Financial Exigency. Upon a declaration of financial exigency by the Board, the president of each institution, after consultation with representative faculty and staff, and approval by the System President, shall determine whether furloughs, layoffs, and/or terminations are required and which employees will be affected. This determination shall be made in accordance with procedures established by the System President, and approved by the Board, which will give primary consideration to the maintenance of a sound and balanced educational program that is consistent with the functions and responsibilities of the institution. The procedure should also give priority to tenured faculty over non-tenured faculty in retention.

Faculty and other employees under contract who are furloughed, laid off, and/or terminated before the end of their contract terms for reasons of financial exigency shall, whenever possible, be notified at least 90 days in advance of the date of the furlough, layoff, and/or termination. Notice shall be in writing and shall be delivered personally or by certified mail, with return receipt requested. Notice shall be complete upon delivery or mailing and shall include:

- (a) a statement of the conditions requiring furlough, layoff, and/or termination;
- (b) a general description of procedures followed in making the decision;

- (c) a statement of the employee's right to respond orally and in writing to a designated official or committee of the institution;
- (d) the employee's right to a review by the institution president within the time specified in the notice as to the reasons for the furlough, layoff, and/or termination; and
- (e) the employee(s) shall also have the right, upon written request within 20 days from the date of notification of the final decision of the institution president, to apply in writing to the System office for a review of the decision.

The term "furlough," as used in this policy, is defined as temporary leave without pay for any employee, including tenured faculty members, non-tenured faculty, or other contracted employees, before the end of their contract term. The term "layoff," as used in this policy, is defined as the temporary dismissal of any employee, including tenured faculty members, non-tenured faculty, or other contracted employees, before the end of their contract term. Layoffs may lead to eventual termination. Layoffs and/or terminations may occur within a program or budget unit of an institution without a net loss of faculty members or other personnel at the institution. Specifically, layoffs and/or terminations in some programs or budget units may occur with simultaneous authorization of new positions for different duties in other units, depending upon the needs of such units.

4. Approval Required. Anything in the regulations of the Board notwithstanding, if the Board declares financial exigency, either at an institution, program or budget unit, or in the System, as provided in (3) above, program modifications or discontinuances recommended by the institution and approved by the System President must be approved by the Board. With respect to the implementation of such program and/or budget unit modifications or discontinuances upon a declaration of financial exigency, decisions with respect to furlough, layoff, and/or termination of any tenured faculty, non-tenured faculty, or other contract employee before the end of their contract term must be approved by the institution president and the System President, and the decisions are final upon approval of the System President. Review of such decisions by the Board is at its sole discretion.
5. Termination of Financial Exigency. Financial exigency shall terminate either at the end of the fiscal year, or after one calendar year, depending upon the financial state of the institution, program or budget unit at the end of the fiscal year.

- C. Published Policy. The institution shall make provisions to publish a reference to and summary of this Rule in their faculty handbook.
- D. Emergency Procedure. The System President may allow the institution to implement emergency procedures to be reviewed at the next full Board meeting.
- E. Furloughs outside of Financial Exigency. In addition to furloughs implemented under a declaration of financial exigency, the Board may initiate separate measures which authorize the campuses to take specific employee actions, including furloughs, in the event of severe budgetary constraints. Such actions may only take place with the recommendation of the System President and approval of the Board. *(See PPM)*

(RULE REVISED 12/04/09)