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Furloughs

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Furloughs

Submitted by Laura Valeri

9/22/2009

Question:

On the Furlough Policy of fiscal year 2009, the Board of Regents makes the following statements about furloughs:

- It is the institution's affirmative obligation to inform each employee that no employee may work or otherwise provide services to the institution during any period in which the employee is furloughed.
- Furlough days shall not result in the cancellation of classes. Another University System of Georgia document regarding furloughs titled "Furloughs FAQ's for Employees from Human Resources August 12, 2009" further states:

"The alternative to furloughs would be pay cuts or new layoffs, which are to be avoided."

These two official documents make a clear distinction between pay cuts and furloughs, with the salient distinction that furloughs are non-pay/non-work days. The first document explicitly states that it is the individual institution's responsibility to see that no employee is made to work without pay on a furlough day. However it makes clear that such reduction in work may not occur through the cancellation of classes.

Question: since faculty's work output is not measured and evaluated for salary on days worked, but rather through scholarly accomplishments, teaching hours, and service rendered to the university, what steps will be taken to account for the 6/195 or 3% workload reduction consistent with this policy?

What steps has the university taken to ensure, in other words, that faculty will not be working without pay?

Rationale:

On the Furlough Policy of fiscal year 2009, the Board of Regents makes the following statements about furloughs:

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- Furlough days shall not result in the cancellation of classes. Another University System of Georgia document regarding furloughs titled: Furloughs FAQ's for Employees from Human Resources August 12, 2009 further states:

The alternative to furloughs would be pay cuts or new layoffs, which are to be avoided.

In previous RFI's the notion that faculty are taking pay cuts rather than furloughs has been rejected. Therefore, it is in the interest of equity and transparency that methods of calculating workloads be expressly defined, especially for those faculty members across the University who are on promotion and renewal tracks. It should be clear how these reductions should be accounted for when classes cannot be cancelled so that fairness and equity are applied consistently. Although the administration's attempt to safeguard faculty jobs has been admirable, and while faculty are more than willing to take a share of the burden of these difficult budget cuts, it is also fair to request clear assurance that the burden is being shared equally by all members of the institution.

Note: additional material has been sent by mail to the SEC.

Senate Response:

Furloughs from Laura Valeri on 9/22. Response from Dr. Pat Humphrey, with input from Dr. Means: "Yes - the furlough amounts to a pay cut (one-time only, though). The difference between that and a 'pay cut' is a cut in base salary (which is not being done). For sake of easy numbers, suppose a person makes \$50,000 per year. With the furlough, their salary this year will effectively be $\$50,000 \times 189/195 = \48461.54 . Next year, that person will still have the \$50,000 salary. Now, suppose they cut the salary by 3.1%. This means base pay is reduced to \$48,450

for this year. This ALSO becomes your base for future raises. If all went well next year, they, wonder of wonders, give you a 3.1% raise. Your new salary after that raise is \$49,951.95 -you're still out about \$48. It takes a bigger percent raise--in this case, a 3.2% raise--to get back to where you started from, so if cuts are steeper, the additional raise becomes that much more.”

Mary Marwitz (CLASS) asked if ADP funds for TIAA CREF have been submitted, and if so, when.

Dr. Ron Core (VPBF) said yes and Dr. Bruce Grube (President) said that his TIAA CREF 457 plan, which was the last one to go, was credited to his account on the 18th, and the 403 may have been around the 14th, and the retirement may have been slightly earlier.

Mark Welford (COST) asked if we going to be refunded for the loss of the interest.

Dr. Grube (President) responded that TIAA CREF is within the 15-day IRS guidelines for institutions to remit funds, and they aren't going to make up the interest.

Richard Flynn (CLASS): wondered if some of the motive for ADP to keep our money might be so they can earn the interest on it.

Michele Haberland (CLASS) asked a two-part question about furloughs: 1) “Will there be an effort to, the additional raise becomes that much more.”more evenly distribute that pay cut, as opposed to having it all come in one month, is there any way that we could think about doing that?” 2) Is there a way “that we can achieve more equity between the nine-month faculty and the twelve-month employees with regards to the now ‘temporary pay cut?’”

Bruce Grube (President): “[First, This is something that was absolutely prescribed for us. It's nothing that we can determine in the way that you've just described it. Secondly, take three assumptions. We are in the worst recession since the Great Depression. We've been ordered to take furlough days. And the third assumption is how do you take those days so that they generate the most savings to the University as a whole, so that we don't get deeper in the hole and lose jobs. And when you put all those three together, it's almost a non-brainer that [we've] got to take those [days] at a time when you can absolutely just shut the campus down and turn off the utilities.” Dr. Grube also noted that Teresa Thompson has worked with her employees to help them understand that they should save money each pay period to compensate for the furloughs, and

that Human Resources has also tried to help people deal with their changes in finances.

Mark Welford (COST) asked what was “going to happen to the people who are not furloughed? Do they have to come into school even though we are going to shut the University down?”

Gary Means (Provost): People who are not furloughed have two options. “Most people will be doing professional development in the Library and HR has already started working on plan to develop a number of courses based on the interests of the individuals. A few people, who would be approved administratively, will be doing special project work in the Library. So basically we will be scheduling everyone that is working inside the campus in the Library. The individuals who are the outside staff [. . .] will be engaged in their own training and work on the exterior.”

Michele Haberland (CLASS) asked about the pay cut disparity between the nine-month faculty and the twelve-month faculty, and whether there will be a plan “to make it more equitable as they have done at Georgia State University. “

Gary Means (Provost): It is “a System imposed requirement, so, unless the System changes it, what we will have to do is to follow System requirements and regulations.”

Michele Haberland (CLASS): “Other universities in the System have been able to do that. Georgia State University has higher-paid administrators taking additional days, which is permitted by the BOR’s furlough plan. So that isn’t going to happen? We’re going to allow the faculty to take a 33% greater rate of pay cut, temporary pay cut [. . .], than twelve-month administrators.”

Bruce Grube (President): “[F]undamentally, we are in this furlough issue because of Georgia State, who last June decided to eliminate jobs and to lay people off. As far as I can tell from conversations I have has at the Board level, that happened without consultation with the Chancellor, and as a result of that action, the Governor and key legislators noticed what was going on and the issue then became, ‘Chancellor, shouldn’t all the institutions do this?’ Also keep in mind that while this is happening, Georgia State is adding a Division I football team. And so, frankly, I think there’s a great deal of grandstanding going on at that end. I, as well as you, read the President’s note that he would voluntarily take twelve day’s worth of furlough and would invite others to voluntarily join him. I have no evidence to understand that ever happened. And when you consider the last time I looked at the Georgia State President’s pay, which, by the

way, in addition to what you can find on the State Auditors web site, is 100 percent matched by the Foundation at Georgia State, and the highest paid President in the entire University System of Georgia is at Georgia State. So to me it was kind of an empty gesture.”

“Now if you’re asking that question directly of me, here’s my answer to you. My wife, Kathryn, has been a 100 percent uncompensated volunteer for this University for ten-and-a-half years, and I took about a \$25,000 pay cut at the beginning of the year. It never struck me that that would be something that I would necessarily advertise or blow a trumpet about. But the point I really want to make here is [that] nobody likes furloughs. Nobody likes what’s going on with ADP, and you lump that on top of the furlough business, and we’re starting out the academic year on exactly the wrong foot. But I’m not going to, as I said in Convocation, engage in finding somewhere to pin that or talking about particular categories of people on the campus because, think about it for a second, each one of you has been elected to the Senate. You are leaders. There’s not a person in this room who doesn’t make more money than about half of the employees on this campus. Should I therefore insist or permit you to volunteer additional furlough days? I think not. And I’m not going to turn to some of my administrative colleagues and demand that of them. If somebody wants to voluntarily chip in some more furlough days, that’s fine. I figure I’ve got about twenty-six out there now, and another three coming in the spring. So sorry for kind of the preachy thing here, but, believe me, this affects everybody.”

Michael Moore (COE) Chair, Senate Executive Committee, called attention to the disclaimer at the bottom of the RFI form: “This site is for use exclusively by Georgia Southern University faculty, staff, and administrators. Submissions are reviewed by the SEC for relevance to the mission and business of the Faculty Senate. This site is a tool not for debate but solely for information exchange. Redundant and contentious submissions will not be accepted.” Dr. Moore also mentioned that Ginger Malphrus, from the President’s Office, “has worked very, very hard on redoing our forms and making them more accessible to everyone. We did come across a glitch where folks started responding to RFI’s as if they were listserv discussions. We thank them for pointing out that glitch; we won’t make that mistake again.”

Other Response:

9/23/2009: The following response to rfi submitted by Laura Valeri comes from Pat Humphrey Senate Executive Committee and Senate Librarian and approved by the Provost:

Yes - the furlough amounts to a pay cut (one-time only, though). The difference between that and a "pay cut" is a cut in base salary (which is not being done). For sake of easy numbers, suppose a person makes \$50,000 per year. With the furlough, their salary this year will effectively be $50,000 * 189/195 = \$48461.54$. Next year, that person will still have the \$50,000 salary. Now, suppose they cut the salary by 3.1%. This means base pay is reduced to \$48450 for this year. This ALSO becomes your base for future raises. If all went well next year, they, wonder of wonders, give you a 3.1% raise. Your new salary after that raise is \$49951.95 - you're still out about \$48. (It takes a bigger percent raise - in this case, a 3.2% raise to get back to were you were. If cuts are steeper, the additional raise becomes that much more.