

FURLOUGH/ SALARY REDUCTION PLAN OVERVIEW

The University of California has authorized a Furlough/Salary Reduction Plan (Plan) as a cost savings measure in response to cuts in state funding. Savings from the Plan will cover about one-quarter of UC's budget gap.

PLAN BASICS

- The Plan is effective September 1, 2009 until August 31, 2010 (or a different 12 calendar months if bargained).
- Part-time employees will be allotted furlough days and have their salary reduced in proportion to their full-time equivalent salary rate and appointment percentage.
- Participation in the Plan will not change the applicability of layoff or termination policies consistent with an employee's regular appointment.
- Participation in the Plan applies during periods of leave with pay, e.g. sabbatical leave.

PARTICIPATION IN THE PLAN

As of 10/9/09, the Plan applies as follows to employee groups:

Type of Employee	Academic or Staff	Participation Status
Professor series	Academic	Participating
Astronomer series	Academic	Participating
Lecturer with Security of Employment series	Academic	Participating
Visiting and Acting titles	Academic	Participating
Adjunct Professor series	Academic	Participating
Professional Research series	Academic	Participating
Project (e.g., <i>Scientist</i>) series	Academic	Participating
Specialist series	Academic	Participating
Academic Coordinator series	Academic	Participating
College Provost	Academic	Participating
Recalled retirees	Academic and Staff	Participating
Non-represented staff (e.g., Analyst, Buyer, Manager, Supervisor, Senior Management Group)	Staff	Participating
Non-Senate Instructional Unit (Unit 18), including Lecturer, Senior Lecturer, Coordinator of Field Work, Teacher-Special Projects, Supervisor of Teacher Education	Academic	Currently not participating; subject to bargaining
Librarian Series	Academic	Participating
Service (e.g., Custodian, Groundskeeper)	Staff	Currently not participating; subject to bargaining
Skilled Crafts (e.g., Electrician, Plumber)	Staff	Currently not participating; subject to bargaining
Clerical (e.g., Administrative Assistant)	Staff	Currently not participating; subject to bargaining
Technical (e.g., Computer Resource Specialist, Lab Assistant)	Staff	Currently not participating; subject to bargaining
Research Support (e.g., Staff Research Associate, Marine Technician)	Staff	Currently not participating; subject to bargaining
Student titles (e.g., Readers, Tutors, TA's, GSR's, Career Center)	Academic and Staff	Exempt; Not participating
On-call Hourly Variable Non-student Readers and Tutors at UCSC (Percent-time Course Assistants are not exempt)	Academic	Exempt. Not Participating
Postdoctoral Scholars	Academic	Exempt; Not participating
Foreign national employees with H-type and E3 visas	Academic	Exempt; Not participating
Employees enrolled in the START program whose reduction in time is <u>equal to or exceeds</u> the targeted reduction	Academic and Staff	Exempt; Not participating (If the START reduction in time is less than the targeted reduction, the difference in the percent time reduction is participating in the Plan)
All without salary (WOS) appointments	Academic and Staff	Exempt; Not participating

FURLOUGH/ SALARY REDUCTION PLAN OVERVIEW (Continued)

SALARY

- Salary reductions range from 4 to 10 percent for affected employees.
- Salary reductions will be spread out equally over the year.
- Salary reductions will be reflected in the September 2009 paycheck, which is issued around October 1, 2009.

FURLOUGH / SALARY REDUCTION PLAN BANDS

Band	1/1/09 Full-time Annual Salary Rate (including stipends)	Salary Reduction	Furlough Days: • Staff • Fiscal-Year Non-faculty Academics	Furlough Days: • Academic-Year Faculty • Academic-Year Non-faculty Academics	Furlough Days: • Fiscal-Year Faculty
1	\$0 - 40,000	4%	11	7	10
2	\$40,001 - 46,000	5%	13	9	12
3	\$46,001 - 60,000	6%	16	10	14
4	\$60,001 - 90,000	7%	18	12	16
5	\$90,001 - 180,000	8%	21	14	19
6	\$180,001 - 240,000	9%	24	15	22
7	Over \$240,000	10%	26	17	24

*For the Plan, currently participating faculty titles include all ranks of the following: Professorial series, Acting and Visiting titles in the Professor series, Adjunct Professor series, and Lecturer with SOE series.

HOW SALARY BANDS ARE DETERMINED

- An employee's full-time salary rate as of January 1, 2009 (or the hire date, if later) is used to determine the salary band. This is the same methodology used to determine salary bands for employee medical contributions.
- The salary rate is the highest full-time regular salary rate including stipends that is paid through the University.
- Subsequent changes in salary rate will not change the assigned band.

COMPENSATION SUBJECT TO SALARY REDUCTION

Type of Pay	Reduced
Regular base pay from most non-extramural funds	Yes
Stipends from most non-extramural funds	Yes
Summer additional compensation, including faculty summer salary, research, and outreach programs, regardless of fund source	No
Summer Session and University Extension teaching, regardless of fund source	No
"By-agreement" payments, including honoraria, faculty recruitment allowances, payments to Emeriti recalled to teach	No
All pay from most extramural fund sources: federal, state, local, and private contracts and grants; cooperative agreements; DOE labs; and special government appropriations for AIDS, tobacco, and breast cancer research. See the Academic Personnel Office home page (apo.ucsc.edu) or the PPS Service Center Toolbox (pps.ucsc.edu/toolbox) for a list of fund sources not affected by the Plan. Note: this may not be a complete list due to new grants being added.	No
Terminal vacation and severance pay	No
Overtime and shift differential; Bonus and incentive pay	No
Workers' Compensation supplement	No

FURLOUGH/ SALARY REDUCTION PLAN OVERVIEW (Continued)

SALARY REDUCTION CALCULATION EXAMPLES

1. Determine the annual salary rate on January 1, 2009, plus any stipend received.
2. Based on 1. above, locate the appropriate salary band in the FURLOUGH/ SALARY REDUCTION PLAN BANDS table.
3. Multiply % salary reduction by current annual salary. Multiply by any relevant percent time lower than 100%. This will give you the total reduction for the 12 month period. Divide by 12 to find the monthly reduction.
4. For current stipends, multiply % salary reduction by annual stipend amount. Divide by 12 to find the monthly reduction.
5. Locate the furlough days that go along with the salary band that was determined in Step 2. Multiply by any relevant percent time. This will give you the number of furlough days that the faculty member may take over the 12 month period.

Example 1 (For 9-month academic senate faculty):

Professor X had a salary of \$83,800 on January 1, 2009.

This places Professor X in salary band 4, which amounts to a 7% salary reduction with 12 furlough days

Professor X's current salary is \$96,300 (received a merit on 7/1/09)

$.07 * \$96,300 = \$6,741 / 12 = \$561.75/\text{month salary reduction}$

Example 2 (For 9-month academic senate faculty on a paid leave):

If the same Professor X from Example 1 was on a 67% sabbatical for the year, then $07 * \$96,300 * .67 = \$4,516.47 / 12 = \$376.37/\text{month salary reduction for 9/1/09- 6/30/10}$.

However, starting 7/1/10, Professor X will have a \$561.75/month salary reduction until the end of the Plan, 8/31/10.

Professor X accrues 12 furlough days * 0.67 / 12 months = 0.67 furlough days/month for 9/1/09-6/30/10 and 12 days / 12 months = 1 furlough day/month for 7/1/10-8/31/10, for a total of 8.7 furlough days.

Example 3 (For staff or fiscal-year non-faculty academics):

Staff Person Y had a salary of \$59,500 on January 1, 2009.

This places Staff Person Y in salary band 4, which amounts to a 6% salary reduction with 16 furlough days.

Staff Person Y's current salary is \$59,500 and $.06 * \$59,500 = \$3,570/12 = \$297.50/\text{month salary reduction}$

Staff Person Y accrues approximately 1.33 days (or ~10.67 hours) per month of furlough.

FURLOUGH DAYS

- On the Santa Cruz campus, **the use of furlough days will NOT be mandated** by the campus or by individual departments or units.
- Use of furlough days is subject to supervisor approval.
- Furlough days are not vacation days. They are days off of work that correspond to a reduction in pay.
- Furlough days cannot be donated through the catastrophic leave donation program.
- Furlough days are intended to be used on a monthly basis spread over the course of the Plan term. However, accrued furlough days may be saved up and used in blocks prior to the end of the Plan term with the supervisor's approval. Alternatively, furlough days may be used before they are accrued, up to the total number of days in the applicable band, with supervisor approval.
- Furlough days that are not used during the Plan term will expire at the end of the Plan term and are not carried forward nor paid out.
- Supervisors are strongly encouraged to work with their employees to develop individual furlough schedules and to accommodate reasonable requests for the use of furlough days.
- Faculty furlough days are to be taken on days when the faculty member is not scheduled to give lectures, lead classes or workshops, have scheduled office hours, or have other scheduled face-to-face responsibilities for students.*
- Faculty furlough days are to be arranged in advance with the Department or Program Chair.*
- Faculty furlough days are not considered service days for faculty members, and thus can be considered for remuneration as follows: *
 - a) Furlough days can be used to augment the current 39/48 days for outside professional activities that may be remunerated per current policy (see APM 025, Conflict of Commitment and Outside Activities of Faculty Members).
 - b) Eligible faculty may be remunerated from extramural funds for research effort in lieu of participation in the Furlough Plan through participation in the UC Systemwide Furlough Exchange Program (FEP).

FURLOUGH/ SALARY REDUCTION PLAN OVERVIEW (Continued)

BENEFITS NOT IMPACTED BY THE PLAN

- Highest Average Plan Compensation (HAPC) will not be affected.
- Vacation and sick leave credit accrual will not be affected.
- UCRP service credit accrual will not be affected provided that the employee is on pay status for at least 50% time
- UC health and welfare, retirement, disability and survivor benefits will not be affected.

CAMPUS CURTAILMENT

As in previous years, UC Santa Cruz plans to observe a winter curtailment of services (closure) during the 2009–10 fall-winter intersession. This annual closure allows the campus to achieve significant energy savings and designate a period of time when most employees do not work. This year, the curtailment period is lengthened and one additional curtailment day is added during the winter-spring intersession to allow employees ample opportunities to use their furlough days if they choose.

- Winter Campus Curtailment: All but essential operations will be curtailed for 16 days between Saturday, December 19, 2009, and Sunday, January 3, 2010, and will reopen on Monday, January 4, 2010. This period includes several weekends and University paid holidays (December 24, 25 and 31 and January 1). However, six of these days are unpaid (December 21, 22, 23, 28, 29 and 30, 2009).
- Spring Campus Curtailment: All but essential operations will be curtailed on March 25 -26, 2010. This yields a four-day weekend curtailment with one University paid holiday and one unpaid day.
- **Use of furlough days during campus curtailment is not mandatory.** Employees who accrue furlough days are encouraged to use them during curtailment periods. Employees affected by the campus curtailment will be allowed to use furlough days, vacation days, compensatory time off, and/or leave without pay, where applicable.
- Units needing to maintain normal operations during the campus curtailment period will be allowed to do so under the established “Exceptions to Campus Curtailment” procedures which are issued annually.
- Due to the diverse responsibilities of academic employees and the flexibility in performing their obligations, it is anticipated that some academic employees will need to continue working during campus curtailment periods.
- Employees who accrue furlough and/or vacation days and who are without sufficient accrued days to cover the curtailment periods will be allowed to use such days in advance of their actual accrual. Vacation days, up to the number allowed by policy or contract, and furlough days, up to an employee’s allotted number of days per their salary band, may be used in advance of accrual.

UNIT OR DEPARTMENT CURTAILMENT

To manage workloads and schedule furlough days as a result of the Plan and to realize further financial savings, supervisors or department chairs may decide to curtail services or establish limited service availability on set days of the week or month for their unit. Should this case arise, supervisors and chairs are urged to coordinate such periods with their principal officer and communicate broadly to customers in order to set service expectations in alignment with service availability. A campus website will be available to document the service hours of campus offices.

It is strongly recommended that supervisors and chairs consult with Staff Human Resources and/or Academic Personnel if they are developing a plan to curtail services.

For more detailed information, the UC Office of the President has posted four documents: 1) Q&A for Administrators, 2) Employee Q&A, 3) Furlough Resources for Employees, and 4) Provisions Governing the Use of Furlough Time. See the Academic Personnel Office home page (apo.ucsc.edu) or the UC Santa Cruz budget web page (ucsc.edu/budget_update) for a link to the UCOP site.

* SCFA has requested to bargain furlough days.