

III C 9

Faculty furlough and/or temporary salary reduction in a time of budgetary crisis

The goal of the process described below is to provide an option by which crisis-precipitated budgetary burdens might be more equitably and justly shared by all WSU faculty. The process requires that certain requirements be met, that any proposal by the university administration must be approved by the Senate Steering Committee and a vote of the Faculty Senate, and that any agreed upon faculty furloughs and/or salary reductions will be temporary. This process is separate from, and is not intended to modify or supplant, the policies and procedures related to financial exigency and program discontinuation in sections III E 3.

- a) This process can only be initiated in the event of an extraordinary emergency (short of a declaration of exigency) that results in or from a reduction in state funding and/or tuition revenue. Further, the emergency must lead to a significant university-wide net budget reduction of $\geq 5\%$ for a fiscal year. Under these conditions, the university may propose temporary faculty furloughs and/or faculty salary reductions.
- b) The university's proposed furlough/salary reduction plan must be approved by majority votes of both the Faculty Senate Steering Committee and WSU Faculty Senate before it can be implemented.
- c) Temporary faculty furloughs and reductions in FTE may be imposed for up to one (1) fiscal year. After the Senate approved furlough and/or temporary salary reduction period ends, full salary shall be restored automatically - unless participating faculty members voluntarily elect to continue the reduction, university exigency is declared, or another process is proposed and approved by the Faculty Senate Steering Committee and WSU Faculty Senate (see restrictions below).
- d) The university's specific one-year proposal for faculty salary reductions and/or furloughs must be presented in writing to the Senate Steering Committee and WSU Faculty Senate prior to a Senate vote. See additional requirements for the proposal below. The Steering Committee and/or Faculty Senate may opt to negotiate with the university administration for additional changes and/or specific stipulations before moving the proposal to a vote.
- e) Faculty furloughs and/or salary reductions can be renewed once by a majority vote of the Faculty Senate for a maximum of 2 consecutive fiscal years, total. However, renewal requires that a second proposal be submitted and approved by majority votes of the Senate Steering Committee and WSU Faculty Senate using the same process outlined here. The university administration may propose and the Faculty Senate may approve no more than 3 years of faculty furloughs and/or salary reductions in any 6 consecutive years.
- f) The university's proposal must reflect a progressive approach: Any proposed faculty salary reductions should be scaled to protect faculty with lower annual salaries while expecting greater contributions from faculty earning high annual salaries. Therefore, the university's temporary furlough/ faculty salary reduction proposal to the Faculty Senate must specifically include:
 - (1) A minimum annual salary below which no furloughs or salary reductions shall be imposed under the plan.

- (2) Graduated marginal rate brackets through which furloughs and/or salary reductions are to applied. The plan must reflect a progressive (i.e. non-regressive) approach analogous to IRS income tax brackets – e.g. These are examples ONLY.
 - 0% reduction for those earning less than \$70K annually
 - 2.5% reduction for earnings of \$70-100K annually
 - 5% reduction for earnings of \$100-150K annually
 - 7.5% reduction for earnings of \$150-200K annually
 - 10% reduction for earning of \$200-300K annually
 - 15% reduction for earnings of \geq \$300K annually
 - (3) Any furloughs or salary reductions expected of faculty must also be applied to WSU administrators and their support staff, as well as WSU athletics personnel. However, this policy does not prevent the WSU President from imposing furloughs or salary reductions on Cabinet members, other senior administrators, or non-faculty employees (consistent with applicable policies and procedures) independent of this process and Faculty Senate approval.
- g) The WSU administration’s proposal to the Faculty Senate for temporary faculty furloughs and/or salary reductions must also include the following:
- (1) a complete presentation (documentation) of what the university has already done to address the budgetary crisis,
 - (2) any additional plans for the coming fiscal year to help address the crisis,
 - (3) an estimate of monies to be recovered via proposed salary reductions and/or furloughs,
 - (4) a plan by which geographic cost-of-living differences will be addressed,
 - (5) a process by which employees facing special circumstances (e.g., single income families, those with expenses related to support/care of family members such as children, elderly parents, and/or disabled or handicapped dependents) might apply for a full or partial exemption,
 - (6) a program analogous to [WSU’s shared leave program](#) by which faculty and staff might voluntarily donate additional furlough days or salary to other WSU employees.
- h) If the budget crisis seems likely to continue, the university administration should also present a long-term plan.
- i) Recovered funds will be returned to the college - except in situations where CAMPUS pays salary, then funds are returned to the campus.
- j) Transparency is required: each college/campus is expected to clearly communicate to its faculty how much money is saved through the salary reduction/furlough process and where/how recovered funds are being utilized. The university administration is further required to report back to the Faculty Senate (no later than March 1 of the affected fiscal year) with specific information on how the recovered salary funds are being used.

k) Further details:

- (1) Faculty salary reductions must be restricted to the portion of salary paid from state funds or tuition revenue only. Faculty salary paid on grants and other extramural sources is not eligible for reduction, except when corresponding salary reductions are required under grant regulations or contracts. These restrictions regarding source of salary funding do not apply to WSU administrators, WSU Athletics personnel, or other WSU administrative personnel who may be paid from other non-state sources. In other words, these WSU employees are expected to share equitably and according to the same formula as WSU faculty members regardless of the source of their funding.
- (2) For faculty receiving state-based salary or stipends for “additional responsibilities” (ADR funds), the salary reduction calculations shall include their ADR funds – i.e. total state salary and/or stipend funding. These faculty members may opt to take all or part of the reduction from their ADR funding.
- (3) For faculty on 9 month or partial appointments, any salary reduction should be calculated from their base pay. Summer salary for additional (optional) teaching shall not be considered for reduction.
- (4) For faculty who are promoted in the same year as a scheduled furlough/salary reduction, any promotion associated salary increase shall be awarded. A Faculty Senate-approved, crisis-precipitated salary reduction will be applied to the new, higher salary. Full post-promotion salary will be restored at the end of the fiscal year (unless crisis-precipitated faculty salary reduction is extended by another vote of the Faculty Senate).
- (5) If cost cutting measures are more effective than anticipated and result in a budget surplus, such surplus funds will be distributed to the academic areas (campus/college) in proportion to the funds generated by faculty furloughs or salary reductions in that area.
- (6) Temporary faculty furloughs and reductions in FTE will have associated reductions in faculty and WSU contributions to retirement plans, which has set as a percentage of salary. The furloughs and identified reductions in FTE, however, will not impact eligibility for the Public Employee Benefit Board benefit package.

l) Compliance with legal requirements: As with all WSU policies, this policy will be implemented in a manner that complies with applicable state and federal law.