

Human Resources Committee Memorandum
Board of Regents, State of Iowa

Subject: Career Status Furlough Option, University of Iowa

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Date: March 2, 2005

Recommended Action:

Approve the Career Status Furlough Option for Professional and Scientific staff at the University of Iowa.

Executive Summary:

Current policy Currently, the University of Iowa provides varying notice periods for P&S staff with career status when their positions are being eliminated. The length of the notice period is determined by the length of time in career status at the time of notice. The notice period may be six, nine or twelve months.

Proposed option The University is proposing to provide departments with a second option when eliminating P&S positions. This option would require a 90-day notice period beginning on the date the staff member receives the written notice of position elimination, regardless of length of time in career status.

90-day notice period During this 90-day notice period, the staff member would receive priority consideration for vacant positions for which s/he is qualified.

At the end of the 90-day notice period, if no vacancy has been identified, the staff member will be paid a lump sum according to the following schedule:

Lump sum payment	1 year in career status	1 week's pay (1 week per year since most recent date career status received)
	2 years in career status	4 weeks' pay (2 weeks per year since most recent date career status received)
	3 years in career status	9 weeks' pay (3 weeks per year since most recent date career status received)
	4 years or more in career status	4 weeks' pay per year since most recent career status date achieved; maximum 26 weeks of pay

Health insurance contribution In addition to the lump sum payment, the University will continue its normal contribution for health insurance for the staff member only toward COBRA coverage for three months following termination.

Both options may be offered If the department, based upon its operating needs, chooses to offer this new option to a staff member, approval of Central Human Resources is required during the first year of operation. The staff member will then be given the choice of the two options. The staff member would then have a period of time to select one of the two options.

Possible advantages and disadvantages The University feels adding this second option for departments to use when eliminating P&S positions could be advantageous for both the employee and the University in the right situations. Some of these advantages along with possible disadvantages are detailed on Attachment A.

One-year pilot The University proposes to offer this second option for a one-year pilot period. At the conclusion of the year, the use of the option would be evaluated and a determination made whether to continue to offer both options to departments.

CAREER EMPLOYEE FURLOUGH CHOICES

Current Option		Proposed Additional Option	
Advantages	Disadvantages	Advantages	Disadvantages
<p>Continue to get Employee effort for the compensation during the entire 6-12 month notice period</p> <p>If situation changes (e.g., funding is renewed) during notice period, Employee is more likely to be available for continued employment.</p> <p>Longer notice period lends itself to possible temporary placement for Employee, possibly leading to job options.</p> <p>Longer notice period increases likelihood of successfully finding other University employment through priority placement or otherwise.</p>	<p>May not receive full effort if the employee's morale is low.</p> <p>Employee's continued presence may decrease morale of remaining staff.</p> <p>Furloughed Employee may be disgruntled and may disrupt the workplace.</p> <p>When this is only option available, Employee has less sense of input to the process.</p> <p>Vacation and sick leave accrual continues; greater financial liability for payout.</p>	<p>Money and time becomes available to employee for training and job search.</p> <p>Shorter period of time during which remaining staff may be affected.</p> <p>Less opportunity to disrupt the workplace.</p> <p>Employee may have a choice if the department offers this option.</p> <p>Vacation accrual ends sooner, limiting financial liability for payout.</p> <p>Financial liability decreases because not paying TIAA/CREF nor IPERS during longer notice period.</p>	<p>Lack of incentive to look for another job.</p> <p>Payment occurs without receiving corresponding employee effort.</p> <p>Limited opportunity for temporary placement.</p> <p>Limited opportunity for finding other University employment through priority placement or otherwise.</p> <p>If situation changes (e.g., funding is renewed), Employee is less likely to be available.</p>