

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Iowa Administrative Code Revision – Regent Merit System Rule
Date: October 8, 2001

Recommended Actions:

1. Approve a revision in the Regent Merit System Rule (Attachment A) pertaining to reductions in force, and
2. Authorize the Interim Executive Director to file the rule in appropriate form for emergency adoption.

Executive Summary:

Need for Emergency Revision

- Regent institutions are facing an uncertain budget for the remainder of the fiscal year.
- The institutions desire to maintain as many of the staff as they can.
- The institutions believe the ability to furlough staff for brief periods of time would allow them to meet the needs of the institutions and the employees.
- Current Regent Merit System (RMS) rules do not clearly contemplate a furlough of staff.
- The proposed rule modification (Attachment A) clarifies the ability of the institutions to enact furloughs for RMS staff.

Link to Strategic Plan:

Key Result Area 4.0.0.0 seeks to meet the objectives of the Board and institutional strategic plans and provide effective stewardship of the institutions' state, federal, and private resources. Among the most vital resources of educational institutions is their highly qualified and dedicated staff. Furloughing staff for short periods of time permits the institution to retain highly qualified staff rather than eliminate valuable positions.

Background:

Statutory Requirements

- Iowa Administrative Code [681], Chapter 3, contains the administrative rules governing the operation of the Regent Merit System (RMS), as required by Iowa Code §19A.3(5).
- Rules in the Iowa Administrative Code (IAC) can be adopted on an emergency basis when necessary.

Budget Concern

- Institutions have been advised to anticipate significant budget reductions before the current fiscal year ends.
- Financial resources of the institutions are committed for the current fiscal year.
- Any reductions in current fiscal year budgets would require some realignment of staff and duties.

RMS Rules for Reduction in Force

- Rules of the RMS provide for reduction in force (RIF) at IAC-[681] §3.104(4).
 - The rule does not specifically provide for furloughs as furloughs are not considered a RIF.
-

Analysis:

Budget Concerns

- The Regent institutions are concerned about the reductions that may be required in their already approved FY 2002 budgets.
- Salaries are a significant part of the institutional budgets.
- In order to continue to provide the services necessary to meet institutional missions and strategic plan requirements, the institutions need to maintain the staff they presently have.
- To manage any future budget reductions, the institutions will need tools that allow them to reduce their overall expenses for staff while maintaining employment for as many staff as possible.
- One of the options that would help the institutions would be to furlough staff at times that would cause the least disruption to services rather than doing a RIF.

RMS Rules

- RMS rules provide for a detailed process for RIF that includes bumping rights.
- This RIF rule contemplates a reduction in force that is either permanent or for a long period of time.

Current Need

- The institutions believe that to manage any anticipated budget reduction occurring in the remainder of the current fiscal year, they would be well served by maintaining employment of their current staff and planning furloughs for staff at times that would least impact institutional operations.
- While the institutions have a legal right to furlough staff, the RMS rules do not specifically address this right.
- The proposed revised rule would clearly distinguish a furlough from a RIF.

Revised Rule Impact

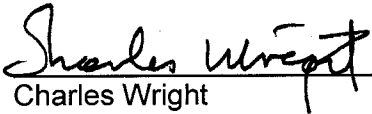

- The proposed revised rule (Attachment A) provides a clearer definition of when a reduction in force is to occur.
- The revision would permit the employer to reduce the work period for which an employee is to be paid by up to 20 calendar days per year or 160 hours per calendar year.

- The revised rule is similar to one enacted by the Iowa Department of Personnel for State Merit System employees.
- Furloughs for employees covered by collective bargaining agreements and by other institutional policies will be governed by those documents.
- This rule will serve to clarify the employer's right to furlough employees for short periods of time without using a reduction in force rule.

**Performance
Indicator Charts:**

Performance indicator #31a addresses state appropriations. Maintaining staff and requesting incremental salary increases impacts the appropriations requests of the Board for the institutions.

If the Board approves the recommended action, the Executive Director will file the appropriate documents in the form required for revision of the Regent Merit System Rule (Attachment A) in the Iowa Administrative Code and will direct appropriate modifications in other publications of the rules. Approval of the recommended actions is requested.

 Approved: 
Charles Wright Robert J. Barak

Attachment A

Regent Merit System Rule Revision

[New language (the revision) is underlined.]

3.104(4) *Reduction in Force.* Nothing herein shall be construed as a guarantee of hours of work per day or per work period. An institution may layoff an employee when it deems necessary because of a shortage of funds or work, a material change in duties or organization or abolishment of one or more positions. When individual(s) directly affected is identified the individual(s) may request and accept layoff with reemployment rights as provided in 3.104(4)"j". If an individual(s) directly affected does not request layoff with reemployment rights, the reduction in force procedures which follow shall be implemented. Reduction in force will be accomplished in a systematic manner and will be made in accordance with formula developed by the institution and reviewed and approved by the merit system director for its conformance to these rules, however, the layoff rules established in this section shall not apply to temporary layoffs of less than twenty (20) workdays or one hundred sixty (160) hours of work per calendar year: