

Towson University's FY2010 Temporary Salary Reduction and Administrative Furlough Leave Plan

The State of Maryland requires that its government maintain a balanced budget. Thus, recent decreases in planned state revenues required the state's Governor to make recommendations for reducing the Fiscal Year 2010 budget. These recommendations, which were approved by the Board of Public Works, significantly impacted the University of Maryland's (USM) FY2010 budget. A portion of the USM reduction was passed on to each USM institution. Towson's share of the USM reduction is \$2.6 million, a substantial increase to the reduction that occurred in the spring. In order to meet the \$2.6 million obligation, Towson is implementing a Temporary Salary Reduction and Administrative Furlough Leave Plan (Plan) this October.

The following is a list of frequently asked questions pertaining to Towson University's Plan.

1. Why is a temporary salary reduction and administrative furlough leave plan required?

TU must reduce the FY'10 budget as a part of the current University System of Maryland and state of Maryland's plan.

2. What is a temporary salary reduction?

A temporary salary reduction is an across-the-board adjustment to affected rates of pay for a specified period of time. Pay adjustments will occur from 10/07/09 to 6/15/10 for regular status employees, 10/10/09 to 6/18/10 for contingent status employees, 10/07/09 to 6/01/10 for regular 21-pay faculty, and 10/10/09 to 6/04/10 for contingent 21-pay faculty.

3. What is administrative furlough leave?

Administrative furlough leave is a special paid leave status that represents a specific amount of time an employee must take at a reduced rate of pay. The leave calculation is based on an employee's annualized salary and full time equivalency (FTE). Administrative furlough leave not taken by the end date of an employee's temporary salary reduction period will be forfeited.

4. Which employees are included in TU's Plan?

All regular and contingent faculty and staff employees are affected by the plan, with the following exceptions: part-time faculty, all Contingent Category I staff, employees currently on H-1B Visas sponsored by TU, student employees, graduate assistants, and employees hired with an effective date between May 5, 2010 and June 30, 2010.

5. When can employees start taking administrative furlough leave time?

Administrative furlough leave must be scheduled in accordance with the following:

| Payroll Status | Date Ranges |
|---------------------------|---------------------|
| Regular 26 Pay Emp. | 10/07/09 to 6/15/10 |
| Contingent 26 Pay Emp. | 10/10/09 to 6/18/10 |
| Regular 21 Pay Faculty | 10/07/09 to 6/01/10 |
| Contingent 21 Pay Faculty | 10/10/09 to 6/04/10 |

6. How much administrative furlough leave time must be taken?

The amount of administrative furlough leave time allotted is based on the annualized salary of an employee's primary position as of 10/06/09, and full time equivalency inclusive of **all** funding sources, as the salary relates to the following tables.

Allocation of Administrative Furlough Leave Day/s for Regular Faculty and Staff, Contingent Category II Exempts, and Lecturers (Table A)

| Annualized Salary as of 10/06/09 | Number of Day/s | Number of Hours X FTE (Full Time Equivalency) |
|---|------------------------|--|
| 0 - \$24,999 | 1 | 8 x FTE |
| \$25,000 - \$29,999 | 2 | 16 x FTE |
| \$30,000 - \$39,999 | 3 | 24 x FTE |
| \$40,000 - \$59,999 | 4 | 32 x FTE |
| \$60,000 - \$79,999 | 5 | 40 x FTE |
| \$80,000 - \$99,999 | 6 | 48 x FTE |
| \$100,000 - \$129,999 | 7 | 56 x FTE |
| \$130,000 - \$149,999 | 8 | 64 x FTE |
| \$150,000 - \$179,999 | 9 | 72 x FTE |
| \$180,000 and Above | 10 | 80 x FTE |

Allocation of Administrative Furlough Leave Day/s for Contingent Category II Hourly Non-Exempt Employees (Table B)

| Hourly Rate as of 10/10/09 | Number of Day/s | Number of Hours X FTE (Full Time Equivalency) |
|-----------------------------------|------------------------|--|
| 0 - \$12.01 | 1 | 8 x FTE |
| \$12.02 - \$14.42 | 2 | 16 x FTE |
| \$14.43 - \$19.23 | 3 | 24 x FTE |
| \$19.24 - \$28.84 | 4 | 32 x FTE |
| \$28.85 - \$38.46 | 5 | 40 x FTE |
| \$38.47 - \$48.07 | 6 | 48 x FTE |
| \$48.08 - \$62.49 | 7 | 56 x FTE |
| \$62.50 - \$72.11 | 8 | 64 x FTE |
| \$72.12 - \$86.53 | 9 | 72 x FTE |
| \$86.54 and Above | 10 | 80 x FTE |

- Employees hired with an effective date between October 7, 2009 and May 5, 2010 will have their administrative furlough leave time calculated on a prorated basis.

7. May an employee take administrative furlough leave time in increments of less than a day?

Yes, with supervisory approval, administrative furlough leave can be taken in day/s or hour/s and there is no restriction on how much administrative furlough leave time can be taken in a pay period.

8. How will administrative furlough leave be scheduled?

All administrative furlough leave time must be scheduled and approved by the department supervisor/manager.

9. When will I see reductions in pay?

According to the schedule provided in question #5, reductions in pay will begin 10/07/09 for regular status employees and 10/10/09 for contingent status employees. Temporary salary reductions will be equivalent to the amount of time allotted to your annualized salary or hourly rate range, and will be distributed evenly throughout the 17 or 18 pay periods.

10. As a non-exempt employee, can I work overtime in the pay period I take administrative furlough leave?

Yes. Employees can work overtime in a pay period in which administrative furlough leave occurs with supervisory approval.

11. Will the temporary salary reduction impact overtime earnings?

No. An employee who earns overtime during a period in which the employee's salary has been temporarily reduced will have the overtime calculated on the employee's pre-temporary salary reduction pay.

12. Are employees allowed to use paid leave to compensate for administrative furlough leave time?

No. Accrued leave, paid holidays and/or compensatory time may not be used in lieu of administrative furlough leave.

13. Can administrative furlough leave be scheduled on the date of a "floating holiday"?

Yes. In accordance with Towson University's 2009 Significant Date Calendar, a "floating holiday" date can be used to schedule administrative furlough leave. The earned "floating holiday" must be used at a later date but before 1/12/10.

14. What happens if I'm currently on approved leave, i.e., Administrative, FMLA, Sick, Sabbatical, etc., during this period?

Employees on paid leave are included in TU's Plan, with the exception of those employees on paid military leave. Employees on paid military leave will be included if returning to TU prior to May 5, 2010. Employees on non-paid leave will be included in TU's Plan if returning to TU prior to May 5, 2010.

15. How will administrative furlough leave time be indicated on the timesheet?

Web timesheets will show the amount of allocated administrative furlough leave time and balances under the heading of "Leave Statement". Faculty and staff who complete Web timesheets shall mark their leave time with code FRREG. Contingent Category II exempt staff shall mark their leave time with code FRCTE. Contingent Category II non-exempt staff shall mark their leave time with code FRCTN. Regular faculty who do not complete Web timesheets shall mark their report/leave records with code 41 for their leave time.

16. Can employees use administrative furlough hours on a scheduled day off due to a compressed workweek schedule?

No. Employees on an alternate work or compressed workweek schedule must take administrative furlough leave time on regularly scheduled work days. Work schedules may be adjusted to accommodate the scheduling of administrative furlough leave time.

17. If an employee is receiving acting capacity pay, will that rate of pay determine the number of administrative furlough leave to be taken?

Yes. Administrative furlough leave time is based on an employee's acting capacity pay. If the acting capacity terminates prior to May 5, 2010, the employee's salary reduction rate will be adjusted.

18. May an employee substitute eight hours of administrative furlough leave for a paid holiday or a pre-scheduled holiday?

No. Administrative furlough leave time may not be substituted for paid holidays.

19. If I am scheduled for administrative furlough leave time but because of the nature of my job I am required to work, how will I be compensated for my time worked, and when may I take my leave time?

If you are required to work during scheduled administrative furlough leave time, you will be paid for the time worked, and with your supervisor's approval will reschedule your administrative furlough leave in accordance with the schedule referenced in question #5.

20. Will TU's Plan affect my health benefits?

Both the employee and employer share of health benefit premiums will remain the same for regular employees with payroll deductions. In situations where other periods of unpaid leave unrelated to the plan results in a paycheck with insufficient funds to cover the employee's portion of their benefit deductions, standard no-pay procedures will be followed.

21. Will TU's Plan affect my retirement benefits?

Basic retirement contributions for State Retirement/Pension and Optional Retirement Plans will not be affected since there is no change in your reported annual salary. Supplemental retirement deductions (e.g., 401k, 403b, 457b) are also not affected.

22. Are employees entitled to unemployment benefits to cover the loss of compensation?

We do not expect that any employee will be eligible to receive unemployment benefits to cover the loss of compensation as a result of TU's Plan, since the employee is not considered unemployed.

23. Will my leave accrual rates and leave earnings be affected by TU's Plan?

No. Leave accrual rates and leave earnings will not be reduced.

24. Can an employee file a grievance regarding TU's Plan?

No. The placement of an employee on a temporary salary reduction and administrative furlough leave plan does not give rise to any grievance or appeal rights.

**25. Can faculty members schedule administrative furlough leave time on a day they have classes?
Can faculty members cancel classes as a result of this type of leave?**

The Board of Regents' resolution on this subject encourages faculty to schedule administrative furlough leave time with minimal impact on student instructional time. Faculty should be sensitive to this request.

26. How was my temporary salary reduction calculated?

| Faculty - 26 pay | | |
|---|---|-----------------|
| | Calculation Explanation | Calculation |
| Annualized Salary = \$40,000 = 4 furlough days | | |
| Bi-Weekly Rate = \$1538.4615 | annualized salary divided by # of pay periods | \$40,000/26 |
| Daily Rate = \$153.84615 | bi-weekly rate divided by # of work days in pay period | \$1538.4615/10 |
| Total Salary Reduction = \$615.3846 | daily rate multiplied by # of furlough days | \$153.84615 x 4 |
| Bi-Weekly Salary Reduction Amount = \$34.19 | total salary reduction divided by # of pay periods remaining in FY 2010 | \$615.3846/18 |

| Faculty - 21 pay | | |
|---|--|-------------------------|
| | Calculation Explanation | Calculation |
| Annualized Salary = \$40,000 = 4 furlough days | | |
| Bi-Weekly Rate = \$1904.7619 | annualized salary divided by # of pay periods | \$40,000/21 |
| Daily Rate = \$190.47619 | bi-weekly rate divided by # of work days in pay period | \$1904.7619/10 |
| Total Salary Reduction = \$615.3846 | daily rate multiplied by # of furlough days multiplied by the 21 pay adjustment factor | \$190.47619 x 4 x 21/26 |
| Bi-Weekly Salary Reduction Amount = \$36.20 | total salary reduction divided by # of pay periods remaining in FY 2010 | \$615.3846/17 |

| Staff | | |
|---|--|------------------------|
| | Calculation Explanation | Calculation |
| Annualized Salary = \$40,000 = 4 furlough days | | |
| Bi-Weekly Rate = \$1534.2466 | annualized salary divided by # bi-weekly annualized factor (365 days divided by 14 days in pay period) | \$40,000/26.07 1428 |
| Daily Rate = \$153.42466 | bi-weekly rate divided by # of work days in pay period | \$1534.2466/10 |
| Total Salary Reduction = \$613.69864 | daily rate multiplied by # of furlough days | \$153.42466 x 4 |
| Bi-Weekly Salary Reduction Amount = \$34.09 | total salary reduction divided by # of pay periods remaining in FY 2010 | \$613.69864/18 |

