Furloughs & Reduction in Force

HR Briefing
Feb. 23, 2011
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Human Resources
Overview

- Furloughs FY10
- Will We Furlough in FY11
- What is the Reduction in Force (RIF) Process
- Why have RIFs Increased
- Addressing Employee Concerns
- Q & A
FURLOUGHS FY10

- Faculty and Staff required to take one mandatory Furlough day.

- A Voluntary Furlough Program was also offered
  - Cost Savings:
    - **Mandatory**
      - $847,412.07 UH
      - 27,752.06 UHSA
      - **$875,164.13**
    - **Voluntary**
      - $7,242.23 UH
      - 388.46 UHSA
      - **$7,630.69**

Grand Total central fund savings
**$882,794.82**
Will UH Furlough in FY11?

- We are working with Legal to exam ongoing Furlough Options
- Potential Cost Savings if some employees are not included
- What are Furlough Programs at other State Universities?
The RIF Process

When are RIFs considered?

- Lack of funds or work; sponsored project funding expires
- Elimination of one or more positions; consolidation of functions
- Changes in job duties or organizational change; shift to online/self service
- Introduction of a cost reduction initiative; state reductions
The RIF Process

- Managers are responsible for evaluating the need and reasons for job eliminations.
- Work with your HR generalist
  - Restructure or eliminate positions
  - Develop a clear statement of justification for eliminating or reducing programs
- Approval Process:
  - Human Resources
  - AA/EEO
  - Legal
  - VP
The RIF Process

http://www.uh.edu/hr/emprelations/rif.pdf
Recent History of UH RIFs

<table>
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<tr>
<th>Fiscal Year</th>
<th>Total Number of RIFs</th>
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<tr>
<td>2009</td>
<td>32</td>
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<tr>
<td>2010</td>
<td>60</td>
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<tr>
<td>2011 (year to date)</td>
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</tbody>
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Notes:
• UH Staff FY2011: 3,574 FTE
• All funding sources
# Cost Reduction Initiatives

<table>
<thead>
<tr>
<th>University</th>
<th>RIF/ Position Elimination/ Hiring Freeze</th>
<th>Furlough</th>
<th>Voluntary Separation Programs</th>
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Voluntary Separation Program

Voluntary Separation Programs have been used by governments and universities who wish to enter into a mutually beneficial separation agreement with employees when reductions in the budget make it necessary to reduce the workforce.

Dependent on type retirement program, historically a bridge to eligibility in defined benefit plans.

Lump sum payment in defined contribution plans.

The program typically is based on an employees Years of Service and age
Addressing Employee Concerns

- Have RIFs increased?
- Will my job be eliminated?
- I heard a rumor......
Questions ?