



# Furloughs & Reduction in Force

**HR Briefing**

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# 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
<u>27,752.06</u>	UHSA
<b>\$875,164.13</b>	

## **Voluntary**

\$7,242.23	UH
<u>388.46</u>	UHSA
<b>\$7,630.69</b>	

**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

<b>Fiscal Year</b>	<b>Total Number of RIFs</b>
2009	32
2010	60
2011 (year to date)	44

Notes:

- UH Staff FY2011: 3,574 FTE
- All funding sources

# Cost Reduction Initiatives

University	RIF/ Position Elimination/ Hiring Freeze	Furlough	Voluntary Separation Programs
UH	✓	✓	
UT – Austin	✓		✓
UT- Arlington	✓		✓
Texas A&M	✓		✓
UTSA	✓		
UT-Dallas	✓		✓
UH-D	✓		
SFA	✓	✓	
Texas Tech	✓		



# 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 ?