

Voluntary Furlough Program

FREQUENTLY ASKED QUESTIONS

What is a voluntary furlough?

A voluntary furlough is a scheduled period of time away from work or duty whereby eligible employees have volunteered to be placed in an authorized leave of absence from work without pay, but with benefits. This arrangement must be initiated by the employee and is subject to the approval of management.

When does the voluntary furlough program begin and end?

The voluntary furlough program will begin July 1, 2009 and end on June 30, 2010.

Application to participate in the voluntary furlough program will begin June 1, 2009.

Who is eligible to participate?

All regular faculty and staff employees who are not 100% grant funded, to include term, contract, and probationary employees, are eligible to request to participate in the voluntary furlough program. A request to participate does not guarantee acceptance.

Temporary, on-call, and student employees, as well as adjunct faculty and 100% grant funded employees, are not eligible to request to participate. Employees on H1-B Visas, regardless of the details of their employment, are excluded due to their visa status.

Employees who are partially grant funded may only request to participate to the extent that their assignment and salary relate to a non-grant funded purpose and funding source.

Is my participation in this voluntary program required?

Participation in the program is completely voluntary and is subject to approval by the appropriate management staff. Participation in the program is not an employee right or benefit and may be discontinued at any time by either party. Denial or termination of a voluntary furlough arrangement can neither be appealed nor grieved.

How many days may I take off?

Exempt employees may request a minimum of 1 business day up to a maximum of 15 business days, per voluntary furlough request.

Non-exempt employees may request a minimum of 1 business day up to a maximum of 5 business days, per voluntary furlough request.

How will my paycheck be affected?

Your paycheck will be reduced as you take your voluntary furlough leave.

What impact will this have if I currently have garnishments being taken out of my check?

Garnishments that are based off percentages will be reduced as the wages will be reduced. Examples of these garnishments are: creditors' garnishments (Writ), student loans, state and federal levies, and wage assignments.

Will my seniority or anniversary date be affected because of voluntary furlough?

The hire date and service date will not be adjusted as a result of the voluntary furlough.

Will my earned service credit for ERA retirement be affected by participation in the voluntary furlough?

Earned service credit for ERA retirement will not be impacted by the voluntary furlough.

Will this impact my retirement contributions?

Your contributions to the mandatory retirement plans are a percentage of salary and will be reduced due to the unpaid voluntary furlough day(s).

Will this impact my benefits (employer/employee) contributions?

While on voluntary furlough, the employer's portion of benefits will continue to be paid on behalf of the employee. The employee's portion of benefits will be paid to the extent that there is sufficient income in the pay period to cover these costs. In the unlikely event that an employee does not have sufficient income in a given pay period to cover their portion of mandatory or voluntary deductions, the shortage will be handled as outlined in the mandatory deductions and voluntary deductions tables in Section 4 of the FY 2010 Voluntary Furlough Program Guide.

How will the voluntary furlough affect my vacation and sick leave time?

You will continue to accrue both annual and sick leave at your pre-voluntary furlough accrual rate for the duration of the approved voluntary furlough.

Can an employee either work while on voluntary furlough or make up time lost due to the voluntary furlough?

Both exempt and non-exempt employees are required to report any hours worked during a whole or partial week of voluntary furlough. In order to achieve the desired savings, the employee is not permitted to work in their normal capacity during the days that have been elected as voluntary furlough, nor are they permitted to work in their normal capacity beyond regular hours during other days in that week that are not elected as voluntary furlough days. Working additional hours could impact any potential savings produced by the voluntary furlough and is therefore not allowed.

Is the voluntary furlough program only offered to main campus faculty and staff?

The primary focus of the voluntary furlough program is to address the short fall in the Main Campus I & G budget as identified in Section 9 of the FY 2010 Voluntary Furlough Program Guide. As such, the program is targeted to main campus faculty and staff. However, the program will not specifically exclude faculty or staff at the Branch Campuses or Health Sciences Center from applying. If individuals at these locations are interested in participating, they should contact their manager to determine whether or not their situation would permit involvement.

Will the voluntary furlough program become mandatory?

We are very fortunate that, as an institution, we are not currently in a situation of implementing mandatory furloughs. The voluntary furlough program is one of the ways we are trying to proactively address budget shortfalls without going to these measures.

How was the \$100,000 that was budgeted as savings from the voluntary furlough program projected?

This line item is part of the revenue formula for the pooled allocation that Main Campus Instruction and General Funds receive. The voluntary furlough savings, up to this amount, will therefore be used to satisfy this commitment. Savings generated at HSC and Branch campuses will be maintained within those separate campuses, and will be used to offset any future budget cuts that UNM faces specific to those campuses.

Savings above the \$100,000 for Main Campus will likewise be set aside to offset any future budget cuts for Main Campus. With a special session likely this year, it is probable that these funds will be helpful in alleviating some additional cuts that Main Campus units might otherwise face. It is impossible to project at this point what those cuts might look like and whether or not the savings resulting from the voluntary furlough program would be sufficient to cover them in their entirety.

The reason for the \$100,000 amount as a goal is because we are uncertain as to how successful the program will be. We were intentionally conservative in the estimate to ensure that we do not overextend resources.

How will information about the voluntary furlough savings be communicated to the UNM community?

We do intend to make a disclosure of the progress towards the 100K that was already budgeted.

If we receive dollars in addition to this amount, or receive savings from the Health Sciences Center or Branch campuses, these amounts will be tracked and disclosed discreetly, as will their impact on any future budget shortfalls specific to the branch. At this point, we expect to make continued use of the Budget Impact website to convey this information. Other than categorizing by branch, we do not anticipate doing a breakdown by department. This could be considered as we move forward.

If/when additional savings are realized and expended to alleviate cuts, will we know how/where/which cuts were alleviated?

Yes, we will make a full accounting for dollars saved and their application.

What steps will be taken to market the voluntary furlough program to faculty, staff and management?

The primary avenue will be the President's message. In addition, one of our colleagues put together some great information on the impact that different levels of participation in the voluntary furlough program could have on the budget shortfall at the institution. Look to the next page to see the model prepared by Veronica Sanchez.

Voluntary Furlough Program

Draft Scenarios Contributed by Veronica Sanchez, Unit Administrator, UNM Extended University

Salary rates and number of employees taken from UNM Fact Book, 2008-2009, page 123

Note: this page does not include administrative employees with faculty appointments

HR NOTE-The scenarios represent a few of many possibilities for participation across the institution for illustrative purposes only. They are not intended to represent targets or goals. Participation in the program is completely voluntary, an individual choice, and a personal contribution to UNM. In addition, business needs dictate that participation will not be possible by all units or employees at UNM, and all requests are subject to management review and approval. The primary focus of the voluntary furlough program is to address the short fall in the Main Campus I and G budget. As such, the program is targeted to Main Campus faculty and staff. However, the program will not specifically exclude faculty or staff at the Branch Campuses or Health Sciences Center from applying. If individuals at these locations are interested in participating, they should contact their manager to determine whether or not their situation would permit involvement.

Scenario 1

	Annual Salary Rate	Hourly Rate	25% of employees @ ea grade		Graduated #Days		Total Hours Contributed	Contribution per Employee	Extension
			No. Participating Employees	Number of Days	15 to 2				
	\$ 215,899.00	\$ 103.80	2	15	120	\$	12,455.71	\$ 24,911.42	
	\$ 133,476.00	\$ 64.17	8	15	120	\$	7,700.54	\$ 61,604.31	
	\$ 125,530.00	\$ 60.35	14	15	120	\$	7,242.12	\$ 101,389.62	
	\$ 94,626.00	\$ 45.49	36	10	80	\$	3,639.46	\$ 131,020.62	
	\$ 79,926.00	\$ 38.43	77	8	64	\$	2,459.26	\$ 189,363.14	
	\$ 66,479.00	\$ 31.96	121	5	40	\$	1,278.44	\$ 154,691.52	
	\$ 66,531.00	\$ 31.99	119	5	40	\$	1,279.44	\$ 152,253.63	
	\$ 48,111.00	\$ 23.13	123	4	32	\$	740.17	\$ 91,040.82	
	\$ 43,139.00	\$ 20.74	132	3	24	\$	497.76	\$ 65,704.02	
	\$ 39,109.00	\$ 18.80	181	3	24	\$	451.26	\$ 81,677.64	
	\$ 34,729.00	\$ 16.70	84	2	16	\$	267.15	\$ 22,440.26	
	\$ 32,651.00	\$ 15.70	128	2	16	\$	251.16	\$ 32,148.68	
Totals			1025					\$ 1,108,245.68	

Scenario 2

	Annual Salary Rate	Hourly Rate	25% of employees @ ea grade		Graduated #Days		Total Hours Contributed	Contribution per Employee	Extension
			No. Participating Employees	Number of Days	8 to 1				
	\$ 215,899.00	\$ 103.80	2	8	64	\$	6,643.05	\$ 13,286.09	
	\$ 133,476.00	\$ 64.17	8	7	56	\$	3,593.58	\$ 28,748.68	
	\$ 125,530.00	\$ 60.35	14	7	56	\$	3,379.65	\$ 47,315.15	
	\$ 94,626.00	\$ 45.49	36	6	48	\$	2,183.68	\$ 78,612.37	
	\$ 79,926.00	\$ 38.43	77	5	40	\$	1,537.04	\$ 118,351.96	
	\$ 66,479.00	\$ 31.96	121	4	32	\$	1,022.75	\$ 123,753.22	
	\$ 66,531.00	\$ 31.99	119	4	32	\$	1,023.55	\$ 121,802.91	
	\$ 48,111.00	\$ 23.13	123	3	24	\$	555.13	\$ 68,280.61	
	\$ 43,139.00	\$ 20.74	132	2	16	\$	331.84	\$ 43,802.68	
	\$ 39,109.00	\$ 18.80	181	2	16	\$	300.84	\$ 54,451.76	
	\$ 34,729.00	\$ 16.70	84	1	8	\$	133.57	\$ 11,220.14	
	\$ 32,651.00	\$ 15.70	128	1	8	\$	125.58	\$ 16,074.34	
Totals			1025					\$ 725,699.90	

Scenario 3

	Annual Salary Rate	Hourly Rate	All employees		One Day - All		Total Hours Contributed	Contribution per Employee	Extension
			No. Participating Employees	Number of Days					
	\$ 215,899.00	\$ 103.80	7	1	8	\$	830.38	\$ 5,812.67	
	\$ 133,476.00	\$ 64.17	34	1	8	\$	513.37	\$ 17,454.55	
	\$ 125,530.00	\$ 60.35	59	1	8	\$	482.81	\$ 28,485.65	
	\$ 94,626.00	\$ 45.49	145	1	8	\$	363.95	\$ 52,772.19	
	\$ 79,926.00	\$ 38.43	311	1	8	\$	307.41	\$ 95,603.79	
	\$ 66,479.00	\$ 31.96	486	1	8	\$	255.69	\$ 124,264.59	
	\$ 66,531.00	\$ 31.99	479	1	8	\$	255.89	\$ 122,570.57	
	\$ 48,111.00	\$ 23.13	493	1	8	\$	185.04	\$ 91,225.86	
	\$ 43,139.00	\$ 20.74	531	1	8	\$	165.92	\$ 88,103.11	
	\$ 39,109.00	\$ 18.80	727	1	8	\$	150.42	\$ 109,354.78	
	\$ 34,729.00	\$ 16.70	337	1	8	\$	133.57	\$ 45,014.13	
	\$ 32,651.00	\$ 15.70	513	1	8	\$	125.58	\$ 64,422.93	
Totals			4122					\$ 845,084.83	

Scenario 4

	Annual Salary Rate	Hourly Rate	~10% of employees @ ea grade		Graduated #Days		Total Hours Contributed	Contribution per Employee	Extension
			No. Participating Employees	Number of Days	8 to 1				
	\$ 215,899.00	\$ 103.80	1	8	64	\$	6,643.05	\$ 4,650.13	
	\$ 133,476.00	\$ 64.17	3	7	56	\$	3,593.58	\$ 12,218.19	
	\$ 125,530.00	\$ 60.35	6	7	56	\$	3,379.65	\$ 19,939.96	
	\$ 94,626.00	\$ 45.49	15	6	48	\$	2,183.68	\$ 31,663.32	
	\$ 79,926.00	\$ 38.43	31	5	40	\$	1,537.04	\$ 47,801.90	
	\$ 66,479.00	\$ 31.96	49	4	32	\$	1,022.75	\$ 49,705.84	
	\$ 66,531.00	\$ 31.99	48	4	32	\$	1,023.55	\$ 49,028.23	
	\$ 48,111.00	\$ 23.13	49	3	24	\$	555.13	\$ 27,367.76	
	\$ 43,139.00	\$ 20.74	53	2	16	\$	331.84	\$ 17,620.62	
	\$ 39,109.00	\$ 18.80	73	2	16	\$	300.84	\$ 21,870.96	
	\$ 34,729.00	\$ 16.70	34	1	8	\$	133.57	\$ 4,501.41	
	\$ 32,651.00	\$ 15.70	51	1	8	\$	125.58	\$ 6,442.29	
Totals			412					\$ 292,810.60	

What steps will be taken to encourage departments, managers and supervisors to support the voluntary furlough program?

Managers are encouraged to support the voluntary furlough program where possible; however, we realize on the front end that there are many business reasons this will not be appropriate for every unit. It will ultimately be up to the employee to make the request and the employee's management to assess the feasibility of granting the voluntary furlough.

Why can't the voluntary furlough be intermittent?

The voluntary furlough program is designed to facilitate ease of employee participation while controlling the administrative impact necessary to both manage the program and sustain employee benefits. Since the goal is to create a cost savings, the intent is to minimize overhead costs associated with managing the program while ensuring that the employee is treated fairly. Including an intermittent voluntary furlough was considered. It was excluded from the draft sent for campus comment for three primary reasons:

1. An exempt employee is required to be treated as non-exempt for every week(s) in which the employee is taking either an entire or partial week voluntary furlough, and is required to report any hours worked. Taking whole or partial days of voluntary furlough intermittently over the course of a number of weeks would impact the employee's exempt status for an extended period of time.
2. A reduction in hours worked, spread over an extended period of time, can have a direct impact on an employee's appointment %, which has implications in terms of UNM's contribution towards benefits and increases the cost to the employee.
3. This approach would add a layer of complexity that would increase the administrative cost of managing the program, both within the department and within central administration.

The planning committee did acknowledge that some employees interested in participating may not be able to take a single block of time, due to either financial or job related considerations. In these cases, the following options are being considered:

1. An employee could request more than one voluntary furlough. Each request would be considered in terms of the impact on departmental operations.
2. In lieu of requesting a voluntary furlough, we are also considering an option that would allow an employee to temporarily reduce their hours and modify their schedule. When appropriate for both the employee and the department, an employee could request a temporary reduction in appointment %. This would result in a savings to the institution. A reduction in appointment % would impact the employee's benefits.

Is it permitted to take six voluntary furloughs of two or three days, spread over four months?

The proposal does not currently suggest a restriction on the number of voluntary furloughs that an employee can request. This would be dependent on the desire of the employee and on the business needs of the department. However, the intent is that these would be distinct blocks of time off (i.e. a day in the summer and a week at spring break) as opposed to an arrangement such as every Friday.

What is the benefit to taking a temporary voluntary reduction in appointment %?

A temporary voluntary reduction in appointment % would allow the employee to work a reduced schedule while helping with the budget shortfall. If this worked for both the employee and the department, it would allow a modified schedule for a pre-determined period of time along with the commitment of returning to the original appointment %. A reduction in appointment % would impact the employee's benefits.

What is the difference between the existing "change in appointment percent" process and the proposed temporary reduction in appointment %?

The primary difference is that in the temporary agreement a designated "from" and "to" date would be established. This would ensure a defined date for a return to pre-reduced appointment %. This option would not result in a permanent appointment % reduction.

How would a temporary change in appointment % impact my benefits and leave accrual?

Although we do not currently have a “pay stub predictor” that would allow us to do precise calculations, we do have a chart that shows UNM’s contributions at various appointment %/salary level combinations at <http://hr.unm.edu/documents/benefits/UNMcontributions.pdf>

With regard to the temporary reduction in appointment %, would working 36 to 38 hours be considered less than full time? Would the reduction necessarily increase the service time necessary to ERB retirement?

If an employee works less than 40 hours per week they are considered less than full time for benefits purposes. A temporary voluntary reduction in appointment %, if offered, is different from a voluntary furlough. A temporary reduction in appointment % would accrue prorated leave based on the actual hours worked. In addition, the portion of benefits paid for by UNM on behalf of the employee change when an employee is less than full time.

Details can be found at: <http://hr.unm.edu/documents/benefits/UNMcontribution.pdf>.

As long as the employee does not go below .25 appointment %, (keep in mind that an employee must be at least .5 appointment % to remain benefits eligible) they will continue to accrue service time for ERB retirement as usual. However, a temporary voluntary reduction in appointment % would impact the amount of the retirement benefit calculation if it is in a year that is used in the employee's high five average, since it would reduce the employee's annual salary.

Here’s how it works: If the employee is enrolled in the ERA plan (not the ARP), the retirement benefits are determined by a formula. The benefit formula is Final Average Salary x Service Credit x .0235 = annual benefit. The final average salary is the average of the highest consecutive twenty quarters or average of the last five years of earnings, whichever is greater. If the employee is planning to retire during the next 5 years, and his/her highest salary years are during that time, he/she should contact the ERB to discuss the impact of reducing his/her appointment %, and thereby reducing his/her final average salary.

Why is the voluntary furlough program not being offered to 100% grant funded employees?

The intent of the voluntary furlough program is to reduce costs that have a direct impact on our budget situation. Since grant funding is restricted in use and is not tied to the budget shortfall from the State, there is no way that a salary savings from a voluntary furlough on a grant could positively impact our budget shortfall. Grant funds must always be used to further the project that is being funded and are not permitted to be transferred to UNM’s Instruction and General Fund.

A voluntary furlough does not reduce the expense for the University’s portion of employee benefits. Since a grant would not pay for these benefits during a voluntary furlough, the University would bear an additional cost in picking up this expense from other funding sources. The issue of annual leave accrual and sick leave accrual is not the primary issue; rather, it is UNM’s portion of health insurance and other benefits. The complexities of turning these benefits off, or billing the employee for UNM’s portion, would add to the administrative cost of running the program and would further keep us from realizing savings.

What distinguishes “voluntary furlough” from unpaid leave, annual leave, and/or leave without pay?

Voluntary Furlough Leave—a scheduled period of time away from work or duty whereby eligible employees have volunteered to be placed in an authorized leave of absence from work, without pay, but with benefits. This arrangement must be initiated by the employee and is subject to the approval of management. A Voluntary Furlough is further subject to the Voluntary Furlough Program Guidelines. The intent of the program is to allow

interested employees to voluntarily help create a budgetary savings while minimizing impact on the missions of UNM.

Annual Leave – approved time off with pay that is accrued, requested by the employee, and approved by the employee's immediate supervisor. Annual leave is subject to the provisions of University Business Policy #3400, Annual Leave. The intent of the annual leave policy is to provide eligible employees with an opportunity to relax for an extended period and return to their job with renewed interest and vitality.

Sick Leave – absence with pay that is accrued and afforded to eligible employees to address specific purposes, related to injury or illness. Sick Leave is subject to the provisions of University Business Policy #3410, Sick Leave. Paid sick leave is a benefit provided by the University to enable staff employees to continue on paid status during an illness or disability or that of an immediate family member.

Leave with Pay – approved time off with pay that may be granted for these specific purposes: University or Branch Closure, Time off for Interviews, Marriage, Death in Family/Bereavement, Voting, Jury/Court Duty, and Administrative Leave. Leave with Pay is subject to the provisions of University Business Policy 3415, Leave with Pay.

Leave without Pay – in certain circumstances, a leave of absence without pay may be granted to employees. Leave without pay is subject to the provisions of University Business Policy #3420, Leave Without Pay, or Faculty Handbook Policy C280, Leave Without Pay, for Faculty. Leave without pay is not focused on creating a budgetary savings for the institution. It addresses specific situations with time parameters and approval processes that are different from those of the Voluntary Furlough Program.

For reporting purposes, will the names of participating individuals be classified as public information? While we do not intend to make widely available the information on participants, this information may fall under IPRA. We would have to evaluate an individual request to determine whether or not we would need to disclose the information. Given the possibility, we will ensure this is noted on the request form.

I've completed my application, where do I send it?

Section 10 of the University of New Mexico Voluntary Furlough Program Guidelines has a process flow that indicates proper routing of the application. The steps are as follows:

1. Employee completes request and sends to manager.
2. The Manager reviews, approves, or disapproves.
3. If necessary within the work area, the Manager will obtain additional approvals.
4. The request is forwarded to the appropriate employment area (Faculty Contracts and Services Office or Human Resources).
5. The Employment Area confirms eligibility, enters the Voluntary Furlough or Temporary Reduction in appointment % into the system, and forwards to Payroll for further processing. A copy will also be sent by the employment area to the Office of the Associate Vice President for Human Resources.
6. Payroll will monitor the processing of the Voluntary Furlough or Temporary Reduction in appointment %, will process leave adjustments in the case of a Voluntary Furlough to ensure accruals continue at the pre-voluntary furlough rate, and create the accounting for the savings. The savings amounts will be sent to the budget office.
7. The Budget office will process a budget entry to move the savings from the employee's unrestricted budget to the campus institutional budget.
8. In the case of non-exempt employees, the department will need to record the voluntary furlough time as leave without pay on the employee's timesheet.

9. In the case of exempt employees, the manager is responsible for getting a written accounting of hours worked, if any, by the exempt employee during a whole or partial week of voluntary furlough. The official record should be maintained by the departmental time keeper with a copy for program tracking purposes submitted to the Office of the Associate Vice President for Human Resources.