

## FURLOUGHS AUTHORIZED/UNC

### **SECTION 29.4.(a)** Findings. – The General Assembly finds that:

- (1) North Carolina's citizens and businesses are suffering from the effects of a significant State financial crisis.
- (2) The financial crisis has resulted in large reductions in revenues projected to be available to fund the State's budget for the 2010-2011 fiscal year.
- (3) The University of North Carolina and its constituent institutions are required to reduce their budgets and should attempt to protect university employees when possible.
- (4) The implementation of furloughs may be necessary to balance The University of North Carolina's and its constituent institutions' budgets for the 2010-2011 fiscal year.

**SECTION 29.4.(b)** The President of The University of North Carolina may implement furloughs of university employees or delegate furlough authority to a chancellor of a constituent institution to offset the UNC Management Flexibility Reduction.

### **SECTION 29.4.(c)** Definitions. – The following definitions apply in this section:

- (1) Furlough. – A temporary period of leave from employment without pay that (i) is ordered by the President of The University of North Carolina or a chancellor when delegated and (ii) is not in connection with a demotion or other disciplinary action.
- (2) University employee. – Any permanent full-time, permanent part-time, or time-limited employee of The University of North Carolina, including employees exempt from the State Personnel Act under G.S. 126-5(c), 126-5(c1), 126-5(c7), and 126-5(c8). The term includes public officers.

**SECTION 29.4.(d)** Compensation and Benefits. – The provisions of Section 26.14E(b) and (c) of S.L. 2009-451 apply to university employees furloughed pursuant to the section.

**SECTION 29.4.(e)** Cooperation with The University of North Carolina – General Administration. – Constituent institutions shall cooperate with UNC General Administration in the implementation of furloughs, if required.

**SECTION 29.4.(f)** As soon as practicable, and no more than 30 calendar days from the effective date of this section, the Board of Governors of The University of North Carolina shall adopt policies for the implementation of this section to remain in effect until the expiration of this section. These policies shall be applied by the President and the constituent institutions in implementing a furlough of university employees. These policies shall provide, at a minimum, that:

(1) The President may establish a salary threshold below which university employees shall not be subject to furlough. In no event may any full-time university employee, prorated for any part-time employee, earning an annual salary of thirty-two thousand dollars (\$32,000) or less be subject to furlough.

(2) The scheduling of any furlough period shall be at the discretion of the President or the chancellor of the constituent institution when delegated.

(3) Paid leave shall not be used to offset all or any portion of a furlough.

(4) If a holiday falls during the mandatory furlough period, the university employee must be paid for the holiday.

(5) All savings realized as a result of a furlough shall be used to offset the Management Flexibility Reduction for The University of North Carolina.

**SECTION 29.4.(g)** Reporting Requirements. – The provisions of Section 26.14E(e) of S.L. 2009-451 apply to furloughs under this section.

**SECTION 29.4.(h)** Upon delegation of furlough authority to a chancellor, the constituent institution shall develop a furlough plan to be approved by the President consistent with the policies adopted by the UNC Board of Governors. Access to approved furlough plans shall be provided to all affected employees.

**SECTION 29.4.(i)** Effective Date. – This section is effective when it becomes law and expires June 30, 2011.