



UNC CHARLOTTE

Office of the Chancellor

9201 University City Boulevard, Charlotte, NC 28223-0001
t/ 704.687.5727 f/ 704.687.3219 www.uncc.edu

November 18, 2010

Dr. Charles Bodkin, Faculty President
Mr. Charlie Kraus, Staff Council President

Dear Charles and Charlie:

As stated in my letter of November 12, 2010, to the campus, we are facing an uncertain period of budgeting in the State of North Carolina. That uncertainty may well extend beyond FY 12 into FY 13 and beyond.

Given that fact, the General Administration (GA) is allowing each university to prepare a furlough plan in the event it may be needed in the future. As a reminder, a furlough is defined as a temporary leave from employment without pay. This process will generate one-time funds for the state from the salary savings. Although we would only use a furlough as a last resort and hopefully we will not have to use it at all, I believe it is prudent to prepare a plan now so that we can be thoughtful and deliberate about how this should be implemented on our campus.

As you may know, the legislation authorizing the use of furlough as a budget strategy was passed by the General Assembly to apply to the current fiscal year (FY 11). Although we anticipate no need to use furlough this year, we do want to look ahead beyond the current year. If we want to use furloughs in FY 12 or beyond, new authorizing legislation would need to be passed by the General Assembly and signed by the Governor in the upcoming legislative session beginning in January.

The authorizing legislation passed by the General Assembly has provided some key guidelines, but there are several areas where we have some latitude for the UNC Charlotte version. The following is a list of items where we would like your feedback:

1. General Administration has set \$32,000 as the salary threshold for exemptions from the furlough. Should the Campus Furlough Plan have a threshold higher than \$32,000? It is important to understand the consequences for salary savings when these salary thresholds are raised.
2. Should the Campus Furlough Plan apply to all employees regardless of fund source or only for those employees funded from general funds?

3. The General Administration's guidelines prescribe that any furlough be no more than five days in a fiscal year. Should the Campus Furlough Plan be the same number of days for all employees or a "tiered approach," meaning more furlough days for higher salary levels? Again, each such decision has consequences for how much money can be saved to address budgetary shortfalls. Put directly, the inability to raise savings through furloughs increases the chances of permanent lay-offs or other budgetary reductions.
4. Should the Campus Furlough Plan exempt any safety or health-related positions for operational reasons as allowable in the GA guidelines?
5. Should the Campus Furlough Plan support closing for furlough on a normal work day for staff (e.g. spring break) or wrapping some directed furlough days around other holiday periods (e.g. winter break)? If so, this may disadvantage staff members exempt from furlough by requiring them to account for any time not worked. That could include being charged paid leave on furlough days or requiring such employees to make up the time some other way (e.g., reduction of earned compensatory time balances). On the other hand, such an approach may be far less disruptive to the academic schedule.
6. Should the Campus Furlough Plan support "spreading" salary reductions evenly over a protracted period to ease the financial pain (e.g. January 1 – June 30)?
7. Other issues?

I am asking Gary Stinnett and Ramah Carle to attend your upcoming Staff Council and Faculty Executive Committees to help lead this discussion, solicit responses, and answer questions from either group. They will be prepared to share some of the relevant financial data with you.

Once we have received your initial input, we will draft a Furlough Plan that will be subject to your additional review and comment. My goal is to have a completed Furlough Plan no later than April 1, so this will require some dedicated attention in the next several weeks.

Cordially,



Philip L. Dubois
Chancellor

PLD/ch

cc: Gary Stinnett
Ramah Carle