

TITLE: Financial Exigency Planning Procedures

AUTHOR: Vice President's Council

EFFECTIVE: July, 1982

PURPOSE: To establish policies and procedures to be followed when the university experiences financial difficulties created by legislative action; significant loss of enrollment; consolidation of divisions or other reorganization; dropping of courses, programs and activities; or financial exigency

REVIEWER: Vice President's Council

OPERATING DETAILS:

1. A financial exigency exists when economic conditions produce a deficit or are determined to be moving the university toward a substantial reduction in the operating budget which may result in emergency release of staff, administrators and faculty members or the elimination of programs. A financial exigency may be caused by one or more of the following conditions:
 - Board or other legislatively mandated budget reductions
 - Significant revenue reductions (appropriations, private gifts, grants, student fees)
 - Enrollment declines by division and/or program which result in high operating costs and/or unusually low student-faculty ratios
 - Increasing fixed costs
2. Operating guidelines and policies set forth by the Board of Trustees will be followed.
3. At appropriate times, an indepth analysis of each division and program within the university will be made. All units of the campus, academic and non-academic, shall be considered. Reduction need not be uniform throughout the campus. Some services or programs may be eliminated completely; however, some reductions may be applied on a campus-wide basis. In academic areas, enrollment trends over three or more years will be one basis for decision making. Teaching loads of individual faculty and program enrollments will be assessed. Ancillary operations will be reviewed to determine their relevancy to the academic program. (Reductions will be determined on a division and program basis; final determinations will consider academic program needs and appropriate support services for them.)
4. Each unit of the campus has the responsibility to develop a specific plan

which will allow that unit to comply with the general plan of budget reduction for the campus and to recommend specific budget cuts for itself through the normal budget-making channels. Specific unit plans would include a determination of the minimum staff and budget necessary for continued operation of those programs which are deemed viable. The plans should include a determination of the minimum number of staff reductions necessary to meet the general reduction plan. The unit plans will set forth by category the savings to be achieved by the plan. Budget reductions will be proposed by division heads in consultation with the appropriate Vice President, with all recommendations forwarded to the President for further action as warranted.

5. When personnel reductions are deemed necessary, the primary consideration will be the maintenance of a sound educational program consistent with the university's mission and affirmative action goals. Criteria to be used in considering reductions may include: academic program needs; faculty expertise and evidence of capacity for making significant contributions to the division, university and academic community; excellence of preparation in the academic field and effectiveness of teaching; scholarly and/or professional achievement; and strong indication of promise for continued growth in professional life. When the issue of maintaining an essential program is not at stake, the following guidelines will be followed:

- Full-time (regular) employees will be retained in preference to part-time (temporary) ones.
- In determining retention of tenured and non-tenured faculty members, major consideration will be given to performance evaluation as determined by the annual faculty evaluation system.
- Under conditions of equal performance, tenured faculty members will be retained in preference to non-tenured ones.
- Performance evaluation and seniority shall be considered in the termination of staff and administrative personnel.
- Variations from the above rules may be allowed if the head of the unit involved and the appropriate Vice President agree that termination of a specific individual or the loss of that person's expertise would jeopardize the continuance of program effectiveness; undermine the university's capability to meet institutional goals; or impair the university's Affirmative Action Plan sufficiently to jeopardize compliance with federal regulations.

6. Where possible, personnel retrenchment will be accomplished through normal attrition such as retirements and resignations. No new faculty/staff/administrative positions will be created, nor will vacancies due to retirement or resignation be filled unless need is demonstrated. No new or expanded programs will be approved unless they can be demonstrated to be self-supporting within a specified time frame and justifiable within the mission statement of the university.

7. Auxiliary services and ancillary operations attached to academic programs must be self-supporting or submit a plan to become self-supporting within a specified time period if the operation is to be continued.
8. In the event that it is necessary to terminate the services of a faculty or staff member, that person will be given the opportunity to apply for and will be given consideration for other positions that may become available.
9. In the event that it is necessary to terminate the services of a faculty member of assistant professor rank or higher because of financial exigency, he or she will be given written notice at least one year prior to the date of termination of the contract. Contract employees other than faculty will serve the terms of the contract. Hourly wage personnel are employed to serve the needs of the program. In all instances, the university will follow termination and appeals procedures outlined and published in personnel documents.

