

**PED Meeting: April 16, 2020**

**Members Present:** Virginia Hosono, Jared Neal, Kathy Brashear, Patti Williams, Martin Brown, Jonathan Graves, Tony Robinson

**Invited Senator(s) Present:** Andrew Grubb

**Introduction of New Member:** Tony Robinson

**Fall Semester Contingency Plans:** Discussed to our knowledge what different options were available for the Fall semester, depending on how events unfolded throughout the summer and into the Fall, and what possible issues that could raise for staff members. This included a Fall semester as usual on campus, a plan where classes would be delivered completely online, or some form of hybrid between the two.

**Furlough:** Discussed how the furlough plans were being carried out, how that would impact the effected staff members, and what some unanticipated concerns could be.

**Retirement Reduction:** Discussed the reduction in retirement benefits of the full 10% for 3 months, and when that would effectively take place, as well as Dr. Bendapudi's guarantee that it was just for 3 months, at the end of which it should go back to normal.

**HRAC:** Not much to update this month other than the items already listed above, but did discuss telehealth will be free until June, and Covid-19 serves as a qualifying event for FMLA.

**Telecommuting Questionnaire:** PED wants to work with HR to develop a questionnaire/survey, to get feedback from staff members about their experience with telecommuting. This would allow us to better shape the telecommuting policy we are re-working, as a permanent solution to allow staff members to have this option going forward.

**Accrued Time Delay:** The University normally would review staff members balance of vacation time as of 6/30/2020, and if they had balances exceeding two times their accrual rate they would lose that time. However, due to the issues with Covid-19, this review has been pushed back to 12/31/2020, to give staff members more time to utilize their vacation time.

**4/23/2020 Special Meeting:** PED met twice this month, with the second meeting being an opportunity to discuss the details of the furlough's and measures being implemented to reduce costs for the University.

- There were a few isolated instances we identified, where staff members with special circumstances needed to have additional consideration given, but we felt that these really had to be addressed at the supervisor level, because it would be nearly impossible for a University wide policy to capture all such situations.

- Generally we felt that the administration had done the best it could to try to make sure that staff who were being affected by furlough's, weren't going to experience an economic hardship due to it. Both in working with the State to determine what the threshold would be to continue to receive equivalent pay with unemployment benefits, and especially with agreeing to continue to pay for the healthcare costs of those individuals.
- We did discuss the fact that many constituents had concerns about the longer term financial impact to the University, and what type of actions may take place if the University didn't recover as quickly as expected.
- We have submitted our questions and concerns to HR, and will share those once we receive answers back.

PED sent the information below to HR and Dan Durbin for comments and clarification. The responses are below in bold:

**Request:**

As the university furloughs employees across the university, PED requests HR release a weekly report detailing the number of people furloughed, the length of furlough, if the person was under 58K or over 58K, the area that they have been furloughed from, and the total cost savings for the university. PED further requests that the report contain information on funds saved by administrators and faculty. This would be similar to the RIF report and the Shared Leave report we already receive.

**They are developing something for the Deans and Dan Durbin will keep this request in mind because he would like for one report to meet as many needs as possible.**

**Questions:**

-What do the financial models look like based on the various potential scenarios in the fall and how will this impact staff?

**It is too early to tell. The key is if there are on-campus courses or not. If not, the university will have to convert more traditional face-to-face classes to on-line (some classes will not convert (like a required lab) and that translates to reduced tuition revenue.**

**Since tuition revenue represents 2/3rds of the unrestricted revenues that will mean less money to support people (personnel represents >60% of our unrestricted budget). That combined with no/less housing revenues, decreased endowment value and decreases in other sources of income could create a gravely serious situation on campus from a financial standpoint. They are currently reviewing options moving forward after June 30<sup>th</sup>.**

-Some of the furloughs were based on non-essential services (such as dental hygienists) and these furloughs are to start in May and continue for two months. However, given the announcement by the Governor, these services may start back up soon, and the employees will be needed in June. What is the process for changing decisions, made now once essential services are able to reopen?

**HR put together a schedule of dates people can come back after being furloughed. This information will be shared shortly.**

-What was the rationale to extend elimination of retirement contributions to July 31st? Earlier discussion and communication indicated the original end date of June 30th as a strategy to shore up this fiscal year.

**The university targeted nine million in savings from this strategy and stopping the university contribution generates three million per month. Since the Board of Trustees could not approve this strategy until late April and that approval could not be retroactive**

**to April 1, the stoppage began in May and will run for three months to generate the required savings.**

-We know that departments have to pay for the employee portion of insurance costs for furloughed employees. For grant employees who are being furloughed, the employer part can't be paid from the grant. How is the university handling this?

**Funding sources are charged \$6.52 per employee per month for unemployment insurance coverage that the state provides to us, including grants. It works very much like an insurance policy- the state tells us what the costs is and that cost is allocated by number of employees and if that employee is funded from a grant the grant pays its pro-rata share.**

**General concerns/comments:**

Employees who work second jobs and are furloughed will not be "made whole" as they will have to report the income from the second job or quit that job. This will most likely create a further financial burden on our most vulnerable employees.

**From Dan Durbin: "We have absolutely zero way of knowing (or accommodating) each employee's individual financial situation and had to make decisions that served the greater good (students and employees) and allowed the University to remain solvent. I rarely use the word "crisis" but this is truly a crisis that has already closed other higher education institutions and we cannot allow that to happen to us- 20,000 students are depending on us to get this monumental task right in a short period of time. Our strategy might appear to be "imperfect" but this entire situation is imperfect and we acted with best of intentions for all considered. It also saddens me to drive through a commercial areas on Saturday and see the vacant parking lots and closed stores knowing that the families of our students are not working and trying to figure a way to keep their child in college- this thing has been cruel and unfair to all.**

**The staff does have access to funding to assist them during difficult times and John has the information on how to access those funds."**

Some furloughed employees are being told to not say they are being furloughed. There was no general reasoning given for this.

Employees are being furloughed even though there is meaningful work to be done. There is frustration that either the work will sit there until the furlough is over or someone else in the department will have to pick up the work in addition to their current workload. The concern raised was about how the furlough message was communicated. Initially, many supervisors were told that if your staff had meaningful work to do, they would not be furloughed, however, now people are being furloughed, work or not.

**Supervisors must have business reason for furloughing employees. Must be one of the four criteria being used to determine whether someone is being furlough or not:**

**Reason for Furlough (List applicable reason(s) by employee group):**

- a. Lack of funding (including self-generated funding) to support the position**
- b. Meaningful work on campus is not possible and not eligible for remote work**
- c. Must work on campus, but work is currently not essential/not required and there is no remote work option available**
- d. Can work remotely, but work is currently not constant/not essential/not required for daily operations; or work can be assumed through work-sharing, delegation, or intermittent workload**

-Constituents are asking that someone from HR talk to everyone about the furlough process at a Town Hall type meeting.

**HR is holding meetings in departments for personnel who have been furloughed. Supervisors are invited and encouraged to attend.**

-If possible, constituents would like to see BusinessOps create an online tutorial for people who need assistance filling out their portion of the unemployment forms.

**If employee has problem with filing, employees should call, system will not let HR have screen shots.**

**Additional comments:**

In preparation for budgetary shortfalls extending into the 2021 fiscal year, PED would like to request the following be addressed and revisited before extending current practices beyond July 1:

-Dental and vision coverage should not be exempt from university paying for that coverage

**As these are elective, unlike insurance, which is paid for by the university, in this case, the university is a pass through for payment. There is no pool of funds that can be drawn upon to pay these premiums.**

The comments below received no, or required no, detailed response:

Guarantee for job security, is the single largest concern of all employees. We understand that given the uncertainty of the situation that a statement of guarantee is not possible, however, some

supervisors are basically promising this, while others are saying there is no guarantee. This inconsistency across campuses is only adding to the generalized anxiety.

- Upper administration should consider taking a higher percentage of a pay cut if this moves past July 1, and be included in furlough considerations

- The university should consider other ways of recouping needed funds. For example, if a supervisor offers to voluntarily reduce their salary temporarily to cover all/some of departmental shortfall, it should be permitted by the Dean, VP, etc. (This is a scenario we were presented with, is it correct?)

- Budget freezes need to be across the board

- GA positions should be considered for temporary funding suspension

Finally, it seems counter to our strategic goal of making UofL a great place to work if furloughed employees, who are then let go, are only paid out for 44 vacation days. Many furloughed employees most likely have hours that they were unable to take due to COVID-19 or the current furlough situation. Should RIFs become necessary, there should be a mechanism in place so that these employees do not lose significant vacation time, as this is entirely out of their control.