

**Summary Implementation Procedures for Salary Reductions/Mandatory Furloughs (FY12 and FY13) for Classified Employees, Academic Faculty, and Professional Staff  
&  
Other Changes Effective July 1, 2011**

**Informational Sessions on Salary Reductions/Mandatory Furlough**

Tuesday, June 28<sup>th</sup>, 9 – 11 a.m., West Charleston, I-108

Tuesday, June 28<sup>th</sup>, 2 – 4 p.m., Cheyenne, Telecommunications Building, 1772

Friday, July 1<sup>st</sup>, 11 a.m. – 1 p.m., Henderson, C-133

**Contract Signing for Faculty and Professional Staff**

The Office of Human Resources is in the process of preparing the new fiscal year contracts and payroll. Thank you for your cooperation as we continue to prepare the contracts, prepare for contract signing and the implementation of the salary reduction and mandatory furlough. An e-mail will be sent out from the e-mail sender, "Office of Human Resources" once the dates, times and locations for contract signing are established.

**Salary Reductions/Unpaid Leave (FY12 and FY13) - CSN**

The Board of Regents took action at their June 16-17, 2011 meeting to implement the legislatively approved 2.5% salary reduction and 2.3% (6 days in each year for full time employees) unpaid leave for all regularly appointed NSHE employees. This document highlights the facts relative to the implementation of these legislative and Board of Regents actions.

**What was adopted?**

A 2.5% salary reduction for the majority of regularly appointed NSHE employees was adopted and will be effective for FY12 and FY13 (July 1, 2011 – June 30, 2013). This 2.5% salary reduction amount will not be eligible for retirement contributions by the employee and employer.

The Board also adopted the legislatively approved unpaid leave (also referred to as furlough in some of the Board documents) requirement of six (6) total days per fiscal year (48 hours, based on full-time employment), also effective for FY12 and FY13. This unpaid leave equates to a 2.3% of salary reduction; however this amount is eligible for employer and employee retirement contributions, as was the case with the unpaid leave in the current biennium.

Taken together, the two measures will have a combined impact of 4.8% of salary for the majority of employees.

Employees that are less than full-time will have the unpaid leave requirement prorated.

These salary adjustments replace the 4.6% unpaid leave requirements of FY10 and FY11 put in place because of Senate Bill 433 from the 2009 legislative session.

### **Who is impacted?**

The reductions described above were included in Senate Bill 505 and this legislation impacts all employees for the State of Nevada, including all employed by NSHE:

- Presidents, Vice Presidents, Deans and all other executive positions
- Tenured and Tenure-Track Faculty
- Professional Staff
- State Classified
- Shift differentials, bilingual pay and other like salary components are also impacted.

### **Who is Excluded – The following employee groups were not included in the salary reduction and unpaid leave requirements.**

- Contract Employees (to the extent their contract does not allow such adjustments – most of ours do), Part-Time Instructors/Letters of Appointment, Hourly-Paid Employees and Student Employees.

### **What is the schedule for these changes?**

The new requirements of Senate Bill 505 are effective 7/1/11 – 6/30/13. Action in the 2013 legislative session will determine what happens to salary levels for state employees after the 7/1/11 through 6/30/13 time period.

### **How these policies will be implemented?**

The human resources and budget offices will reduce the salary levels for all impacted employees by 2.5%, and no other action is needed by individual departments. As for the days of unpaid leave, this will be implemented in a manner similar to what was done for FY10 and FY11, with employees working directly with their supervisors to schedule and approve the 6 days for Classified and “A” Contracted Employees, 4 days for “B” Contracted Employees, and 4.5 days for “B+” Contracted Employees of unpaid leave in each year of the biennium.

### **Unpaid Leave Specifics:**

Unpaid leave may be taken in full day increments or half day increments. For state classified employees the state department of personnel has determined that Federal wage and hour laws require it must be taken to match hours of unpaid leave charged in a pay period – the same as

it was implemented for the past two years. For Federal wage and hour exempt employees (academic faculty and administrative faculty) the unpaid leave can be used similar to annual leave – the same as it was implemented for the past two years.

Unpaid leave will not impact:

- \*Accrual of annual leave and sick leave (applies to all employees)
- \*Pay progression dates (state classified)
- \*Continuity of service dates (state classified)
- \*Years of service for longevity purposes (state classified)
- \*Duration of probationary status (state classified)
- \*Eligibility for holiday pay (state classified)
- \*Seniority for all purposes (including layoffs) (state classified)
- \*Public Employees Benefits Program eligibility
- \*Public Employees Retirement System or NSHE Retirement Plan contributions

**Overtime Considerations for State Classified Employees:**

As was the case for the past two years, overtime, compensatory time, stand-by pay, callback pay and added regular time for work as a part-time employee will not be allowed in the same pay period as unpaid leave. Limited exceptions must be approved, in advance, by the Senior Vice President of Finance & Facilities in conjunction with the relevant Appointing Authority and the Special Assistant to the President/Director of Administrative Operations in the Division of Human Resources

**Guidelines for Classified Staff Earning Additional Compensation:**

Compensation associated with classified employees teaching is considered additional pay (overtime).

For purposes of complying with furlough regulations, classified employees cannot earn additional compensation during a work week when the employee is in an unpaid furlough leave without an exception granted by the Senior Vice President of Finance and Facilities in conjunction with the Vice President of Academic Affairs and the Special Assistant to the President/Director of Administrative Operations in the Division of Human Resources.

An exception to teach in NOT necessary IF the classified employee will not be on an unpaid furlough leave during any calendar period in which they teach (e.g., a semester). This will necessitate such classified employees taking their unpaid furlough leave outside the required teaching schedule WHILE STILL ENSURING THAT THE MANDATORY QUARTERLY MINIMUMS FOR FURLOUGH ARE REACHED. (e.g., minimum of 12 hours per quarter in the fiscal year.)

**Supervisor Responsibilities for Unpaid leave:**

Unpaid leave and associated reductions are mandatory and supervisors cannot waive this requirement or make adjustments to base salary or overtime to compensate for this loss.

Collaborative scheduling is encouraged, however supervisors need to maintain adequate coverage of their department/unit.

Overtime and Stand-by pay are not an option during the same work week as unpaid leave (state classified only).

**FY12 Unpaid leave Mandatory Actions.**

The assumption on unpaid leave days required over the biennium is highlighted below:

12-month, full time professional staff and State classified	6 days
“B” contract employees	4 days
“B+” contract	4.5 days

Less than full time employees would have an appropriate proportion calculated.

**Employees Separating from Employment or New to Employment at CSN:**

Employees leaving before the end of the fiscal year will not be reimbursed for any unpaid leave taken (there is no cash value to unpaid leave).

Supervisors are responsible for assuring the employee takes the appropriate proportional unpaid leave prior to their separation and assuring they have not taken unpaid leave ahead of their monthly reduction in salary (to be addressed when their resignation is submitted).

New employees hired in the 2011-2013 biennium will have the same unpaid leave requirement, appropriately proportioned if they were not on contract all of FY12 or FY13 (e.g. a professional position starting September 1, 2011 will be responsible for five (5) unpaid leave days in FY12).

**Academic Faculty and Administrative Faculty Salary Reduction and Unpaid leave:**

CSN will implement the unpaid leaves from a technical perspective through a consistent reduction in the monthly salary by the equivalent of one-half day per month and leave it up to the individual and their supervisor to arrange for the unpaid time to be taken.

The unpaid leave can be taken in half-day whole-day increments approved by the supervisor; Unpaid leave will be taken during the appropriate fiscal year.

NOTE: professional employees will have more flexibility than state classified employees relative to taking the unpaid leave in blocks of time, this is due to the fact that federal wage and hour laws are very different for state classified (“non-exempt” employees) vs. professional staff (“exempt” employees).

### **Requesting Unpaid Leave**

Similar to this biennium, classified employees will request unpaid leave by completing the “Classified Mandatory Unpaid Furlough Leave Request Form” for furlough leave taken from July through December (the designation period will be every 6 months). All classified employee furlough forms must be submitted to the HR Office by Friday, July 8<sup>th</sup>. <http://www.csn.edu/pages/382.asp>

Academic faculty and professional staff must complete their requests for furlough usage on the “Notification of Leave – Professional Employees” request form. Please write “Furlough” and the dates of usage on the field titled, “Other Leave.”

[http://www.csn.edu/PDFFiles/HR/professional\\_leave\\_form.pdf](http://www.csn.edu/PDFFiles/HR/professional_leave_form.pdf)

### **Classified Salary Reduction and Unpaid Leave: Key Points**

The differences between this legislation and the practices and rules over the past two years are not large. As such, implementation should be much less troublesome and hectic than what we experienced two years ago. In addition to what you have read before, here are some key points to keep in mind when scheduling unpaid leave:

- a. Unpaid leave does need to be approved by the supervisor and the supervisor should agree to any reasonable request that will not materially impact the operations of the unit.
- b. Employees and supervisors will be required to establish a leave schedule six months at a time; the first schedule will cover July 1 through December 31, 2011.
- c. Deductions from pay for unpaid leave will occur in the pay period in which the leave occurs.
- d. Unpaid leave cannot be taken in excess of eight hours in any work week. CSN work weeks run between Sunday and Saturday, as such nothing would preclude an employee from requesting

leave on Friday and the following Monday. However, if both those dates are in the same pay period, both would be deducted from a single check.

e. There are no unpaid leave exemptions related to classified employees.

**Classified Salary Reduction and Unpaid leave, State Department of Personnel Changes to the Nevada Administrative Code:**

The following changes were adopted by the Personnel Commission and will be in effect on July 1, 2011.

**Unpaid furlough leave**

1. Except as otherwise provided in subsection 2 and Senate Bill No. **505 of the 2011 Legislative Session:**

(a) A full-time [classified] employee shall take

- (1) By September 30th a minimum of 12 hours of furlough leave in the fiscal year;***
- (2) By December 31th a minimum of 24 hours of furlough leave in the fiscal year;***
- (3) By March 31st a minimum of 36 hours of furlough leave in the fiscal year; and***
- (4) By June 30th a total of 48 hours of furlough leave in the fiscal year.***

***(b) A part-time employee shall take, at a minimum, the number of hours of furlough leave per quarter during the fiscal year that is equivalent proportionally to the requirement for a full-time employee. The employee shall not take proportionally more furlough leave than would be required of a full-time employee in the fiscal year.***

2. The requirements set forth in subsection 1, do not apply if:

(a) An employee's appointing authority files a plan with the Director and the Director of the Department of Administration or their designated representatives or, in the case of employees of the Nevada System of Higher Education, with the chief financial officer of the applicable institution for the employee to take furlough leave pursuant to an alternate schedule because of workload demands; and

(b) The plan is approved in advance by the Director and the Director of the Department of Administration or their designated representatives or by the chief financial officer of the institution, as applicable.

8. An employee may not:

(a) Take more than 8 hours of furlough leave in a workweek.

(b) Receive overtime pay, compensatory time, pay for standby status, added regular time for work as a part-time employee or callback pay in the same pay period in which the employee takes furlough leave, unless approved in advance by the Director and the Director of the Department of Administration or their designated representatives or, in the case of employees of the Nevada System of Higher Education, by the chief financial officer of the applicable institution.

(c) Be required to take more furlough leave than the amount of furlough leave required by the provisions of Senate Bill No. **505 of the 2011 Legislative Session**.

9. If an employee who leaves state service has taken more than the equivalent of **12** hours of furlough leave per **quarter** at the time of his separation from state service, the employee will not be reimbursed for the additional furlough leave taken.

10. Any furlough leave that an employee takes must be considered time worked for the purpose of calculating the employee's eligibility to take leave under the federal Family and Medical Leave Act. Any furlough leave that is taken during the time in which an employee takes leave that qualifies under the Family and Medical Leave Act will not be counted against the amount of leave for which an employee is entitled to take under the Family and Medical Leave Act.

11. As used in this section, furlough leave means the unpaid leave required to be taken pursuant to the provisions of Senate Bill No. **505 of the 2011 Legislative Session**.  
(Added to NAC by Personnel Comm'n by R080-09, eff. 10-27-09; R187-09, 6-30-10)

### **Introductory Information on Faculty Pay Date Shift**

The Board of Regents approved a transition from our current pay practices to one that will pay the salaries of faculty employees of the System on the first business day of the month immediately following the month in which the salary was earned. As you are undoubtedly aware, the current practice is to pay on the final business day of each month. There is no specific schedule on this transition at this time. More information on this transition will be available in the near future. The pay date change will be transparent to all state classified, as there will be no change or movement of their normal payroll dates.

### **Health Insurance Premiums and Retirement Percentage Increase**

The new health insurance premium increases will be effective in the July 31<sup>st</sup> payroll for academic faculty and professional staff. The premium increases for classified employees will be effective in the August 10<sup>th</sup> payroll.

A majority of classified employees across the NSHE Institutions have voted in favor of splitting the monthly health insurance premium deduction over both classified payrolls (vs. just once a

month on the 25<sup>th</sup> payroll). Please watch for announcements about the effective date for this processing change.

New retirement contribution rates of 12.25% for both employer and employee are effective July 1, 2011; this equates to an increase of one (1) percentage point for both contributions.