

University of Louisiana System

**Title: TENURED FACULTY- STRATEGIC
REDUCTION INITIATIVE**

Effective Date: December 4, 2009

Cancellation: None

Chapter: Faculty and Staff

Policy and Procedures Memorandum

Projected declines in state revenues over the next several years will present challenges for system institutions in reducing their operating budgets while continuing to meet their respective role, scope and mission.

The Board recognizes the important contributions which have been made over the years by its employees and has authorized both retirement and resignation incentives and phased retirement options for tenured faculty so as to afford a smooth transition of active employees into retirement, and to assist the campuses in meeting the challenges created by fewer financial resources, which may require a reduction in workforce.

In order to address these challenges and in accordance with these guidelines, University Presidents may develop plans which incentivize retirement or resignation of tenured faculty. Campus leadership shall remain aware that these offerings are designed to assist them in transitioning to a campus workforce that will be smaller in the future and will ensure that implementation of such a plan shall result in savings over the target period.

I. Benefits

The voluntary actions of currently tenured faculty members who choose to participate in either retirement or resignation options are expected to provide both financial and academic benefits to the university. These include, but are not limited to:

- A. Helps spread the loss of tenured faculty over several years without disrupting the academic environment.
- B. Reduces the need for adjunct faculty and instructors by increasing the number of classes taught by plan participants.
- C. At no time shall the operational effectiveness of the institution be reduced as a result of this plan.

II. Eligibility

A. Phased Retirement and Retirement Incentive Option

- 1. Only currently tenured full-time faculty members (including those serving in administrative positions) may be eligible to participate in either plan.
- 2. Participants must be eligible for regular retirement under Louisiana State Employees Retirement System (LASERS) or Teachers' Retirement System of Louisiana (TRSL) or the Optional Retirement Plan who meet TRSL eligibility requirements as of their application date.
- 3. Employees shall not have applied for retirement nor received notice of termination prior to application to participate in this plan. This exclusion shall not include those who are technically retired under DROP and are still working.

B. Resignation Incentive Option

- 1. Any currently tenured full-time faculty members (including those serving in administrative positions) not eligible for retirement may still be eligible to participate under the resignation option.

III. Plan Development

- A. Any campus choosing to implement these retirement and resignation incentive options shall submit that plan to the System office for review and approval.
- B. Implementation of the plan should demonstrate significant savings and benefits to the campus over the plan's three (3) year term.
 - 1. The plan shall define the process to be used for application, review and approval.
 - 2. The plan may provide for limitations to specific academic units and/or divisions as part of an overall university cost reduction strategy.
 - 3. The plan may provide for a cap on the number of participants or a specified savings amount.
 - 4. The plan shall identify any transition issues for the campus.

5. The plan shall identify whether the position is to be abolished following the offering or will require replacement, and the subsequent cost vs net savings.
6. The plan shall include documentation of total projected saving each year for a three (3) year period. The plan shall exhibit a three (3) year savings for each participant's position.
7. The plan shall not discriminate against any class of employee.

IV. Employee Status

A. Phased Retirement and Retirement Incentive Option

1. Participants shall be considered retired and relinquish all rights to tenure/permanent status.
2. All retirement benefits and leave earnings shall be calculated in accordance with state law and retirement systems rules and policies
3. The decision to participate is irrevocable once an application to participate in this plan has been submitted.

B. Resignation Incentive Option

1. Participants shall be considered resigned and relinquish all rights to tenure/permanent status.
2. The decision to participate is irrevocable once an application to participate in this plan has been submitted.

V. Phased Retirement Option

A. Employee Participation

1. The period of re-employment shall not be more than three (3) consecutive years from the date of retirement.
 - a. Extensions for a period up to two (2) years may be granted upon recommendation of the University President.
 - b. Such extensions should only be made under extenuating circumstances and must be approved by the Board.
 - c. An individual may not be hired by another UL System institution while they are participating in this option unless mutually agreed upon by both campuses.
2. Campus participation as well as campus privileges afforded to participants shall be determined by the University President.

3. Upon mutual agreement of the University President or his designee, participant may decline to participate during any academic year but such decision shall not extend the original three (3) year period or phased compensation schedule.
4. Participant may terminate the phased retirement agreement with one semester/quarter advanced notice to the appropriate University official.
5. Teaching shall be the primary role of the participant during the plan term. Services to be performed shall be limited to classroom instructional duties only. Any exceptions to these duties must be approved in advance by the System Office. A summary of each participant's teaching activities shall be included in the annual report required by this PPM.
6. Tenured faculty holding administrative positions shall maintain their full administrative responsibilities for the first year. For the remainder of the plan term the employee may assume a teaching role or continue with his or her administrative function with a concomitant reduction in salary-
7. Participants' retirement date shall be no later than June 30, 2010.

B. Compensation and Benefits

1. Salary Calculations:
 - a. Employee may receive 100% of current salary during first year of retirement. However, in accordance with current law, participants in the TRSL may not receive retirement earnings during this time. Employees shall maintain a full instructional schedule during the first academic year.
 - b. Employee shall receive not more than (75%) of salary during the second year of retirement with a concomitant reduction in instructional schedules for the academic year.
 - c. Employee shall receive not more than (50%) of salary during the third year of retirement with a concomitant reduction in instructional schedules for the academic year.
 - d. If extended beyond the third year, employee salary shall not exceed 50% of salary at time of original option application. Instructional schedules shall be jointly determined by the University President or his designee and the employee.
2. Employee shall not be eligible for pay adjustments during the term of this plan or any extension of the term.
3. Employee leave earnings shall be calculated in accordance with applicable state guidelines.
4. Employee and Employer retirement contributions shall be made as required by law.

VI. Retirement Incentive and Resignation Incentive Options

A. Employee Participation

1. Participant's retirement or resignation date shall be no later than June 30, 2010.
2. Participants shall not be rehired at any UL System Institution on a full-time or part-time basis for a period of one year beginning July 1, 2010.

B. Compensation

1. Payments shall not exceed 50% of the employee's annual salary; no payment shall exceed \$50,000.
2. Incentives shall be in the form of a one-time lump sum payment and are subject to all applicable state and federal tax laws and regulations.
3. Incentives shall not be paid prior to official notification of retirement or resignation of the employee.

VII. Reporting Requirements

Campuses shall submit an annual report on actual cost savings realized as the result of implementation of this plan. The report is due October 1 of each year.

Review Process:

System Office Staff
Presidents
Vice Presidents for Business and Finance
Legal Counsel
Board of Supervisors

Distribution:

University Presidents
Vice Presidents for Business and Finance