

I. Purpose

The purpose of this policy is to establish procedures for retrenchment of programs for the campuses, divisions and units of the University of Arkansas System. Retrenchment is a reduction in programs and/or services which results in the termination of employment only because of (1) a bona fide financial exigency or (2) formal academic planning including Board approved changes in institutional missions, substantial program changes (pursuant to Board Policy 620.1), or major reallocations of resources for academic or support services. In the implementation of retrenchment, fair and humane treatment of faculty, staff, and students is of great concern. Serious efforts shall be made to relocate affected faculty and staff in other parts of the program area or in a different program area of the same campus or division. Similarly, currently enrolled students will be permitted, through special arrangements, to complete a program of studies begun before retrenchment was implemented.

II. Financial Exigency Retrenchment

A bona fide financial exigency will be certified when a unit of the University of Arkansas is threatened by an imminent monetary crisis which is of such gravity as to make imperative the termination of personnel. A certification of financial exigency shall involve the following steps:

1. The head of a unit<sup>1</sup> proposes a situation of financial exigency documented with budget summaries and projections.
2. Academic administrative personnel and a unit-wide governance standing committee which is representative of unit constituencies shall separately evaluate the documentation and within 10 calendar days recommend to the unit head whether they concur with the determination of the bona fide exigency. The governance body shall be informed of the recommendation made by its standing committee.
3. The unit head shall evaluate the recommendations made by the academic administrative personnel and by the committee and shall forward them, along with his/her final recommendation, to the President, who will report the results of the campus deliberation, along with his/her own recommendations, to the Board of Trustees for action.
4. The Board of Trustees shall either certify a bona fide financial exigency and the unit head shall initiate the retrenchment process, or declare the situation to be a financial stringency and the unit head shall ameliorate the situation through budget reductions which shall not involve the immediate termination of personnel.

If the Board of Trustees certifies a bona fide financial exigency, the unit shall initiate retrenchment. The unit head shall consult with appropriate administrators and the standing committee of the governance body before determining that major sub-unit(s) are to be

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<sup>1</sup>Hereafter the Chancellor, Vice President for Agriculture, or director of a unit which reports directly to the President will be referred to as a head of a unit.

retrenched and the financial level of retrenchment. In determining major sub-units to be retrenched, the following criteria must be considered: (1) centrality of the sub-unit to the mission of the institution, (2) quality of the sub-unit, and (3) cost of the sub-unit, including the relative degree of economic self-sufficiency. In making this determination they shall examine nonacademic areas and programs for possible retrenchment as well as academic programs.

Once the extent of necessary retrenchment has been ascertained, each affected academic dean<sup>2</sup> or administrative officer of nonacademic areas shall be responsible for recommending programs to be retrenched and the number of personnel affected in accordance with criteria and procedures established by the appropriate campus governance body. In recommending programs to be retrenched, the criteria, listed above, must be considered. Alternatives to termination of personnel shall be considered such as early retirement, transfer, voluntary salary reduction, leave-of-absence without pay, as well as normal attrition of personnel, and reductions or postponements in benefits. Within a given department, any faculty member with tenure must be retained over a person who does not have tenure.

The college dean<sup>3</sup> or other administrative officer shall report his/her recommendations to the unit head through appropriate administrative channels. The unit head shall notify the employee(s) who are to be terminated. A person who has been terminated may, in writing, appeal the decision within ten (10) calendar days of the receipt of a certified letter of notification of termination. The appeal shall be based on whether there was material deviation from the established campuswide guidelines for termination because of retrenchment and shall be filed with the unit head and heard by a committee designated by the campus governance body. The committee shall make a report and recommendations within five working days to the unit head who shall make the final decision and notify the appellant immediately.

Nonexempt employees<sup>4</sup> retrenched because of financial exigency will be terminated in accord with Board Policy 405.4 and in no case will termination be effected without 30 days notice. Non-classified employees retrenched because of financial exigency cannot be assured that notice of the duration specified in Board Policy 405.1 will precede termination. Exempt employees retrenched because of financial exigency shall be given notice at least 60 days in advance of termination.

### III. Academic Planning Retrenchment

Academic Planning Retrenchment occurs when faculty, tenured or untenured, are to be terminated as a result of established planning activities. The three reasons for this retrenchment are Board approved changes in institutional mission, substantial program changes and major reallocations of resources for academic or support services. Academic Planning Retrenchment shall involve the following steps:

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<sup>2</sup>The dean of a college or school or the head of a major academic sub-unit.

<sup>3</sup>See footnote 2.

<sup>4</sup> As defined by the Fair Labor Standards Act

1. The head of a unit shall propose a retrenchment and justify the proposal with appropriate documentation.
2. The proposal shall be reviewed and recommendations made by the appropriate academic and other administrators and by the appropriate governance body or bodies. In all cases involving academic programs, the review shall be made pursuant to Board Policy 620.1.
3. The unit head shall evaluate the recommendations and shall forward them, along with his/her final recommendations, to the President, who will report the results of the campus deliberation, along with his/her own recommendations to the Board of Trustees.

If the Board of Trustees declares an Academic Planning Retrenchment, the unit head shall work with the appropriate administrators to determine the needed level of retrenchment and the personnel affected. Within a given academic program, any faculty member with tenure must be retained over a person who does not have tenure.

Faculty members, tenured and non-tenured, who are terminated under Academic Planning Retrenchment shall be given notice specified in Board of Trustees Policy 405.1, Section IV.B. Staff who are terminated under Academic Planning Retrenchment shall be governed by Board of Trustees Policy 405.4. Any appeal made as a result of Academic Planning Retrenchment shall be in accord with the existing appellate structure.

#### IV. Board of Trustees Approval

All retrenchment recommendations, financial and academic, must be approved by the Board of Trustees.

The foregoing policy shall be utilized only in those instances in which the Board of Trustees has specifically determined that the policy and procedures therein are applicable. It is recognized that the President, Chancellors and the Vice President for Agriculture on occasion may be required to terminate staff or faculty members and other academic employees in positions for which tenure may not be awarded under the provisions of Board Policy 405.4 to implement functional changes, for budgetary reasons or other reallocation of institutional resources. The President, Chancellors and the Vice President for Agriculture shall continue to be authorized to effect terminations of such employees for the foregoing reasons on such terms and under such procedures as they might deem fair, reasonable and appropriate, consistent with the required notification provisions of Board Policy 405.4, and this Board Policy 405.5 shall not be applicable to such terminations.

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