

RETRENCHMENT

I. Purpose

The purpose of this policy is to establish procedures for the retrenchment of programs for the campuses, divisions, and units¹ of the University of Arkansas System. Under certain circumstances, the University may be compelled to reduce the staffing of certain departments of instruction, academic disciplines, services, or programs or eliminate some departments and programs altogether. This policy establishes the circumstances under which retrenchment may be implemented and establishes the process for implementing retrenchment.

II. Applicability

Retrenchment shall be utilized only in those instances in which the Board of Trustees has specifically authorized a retrenchment. This policy does not limit the authority of the President, the chancellor, or the chief executive officer for any campus, division or unit to terminate employees holding positions for which tenure may not be awarded, to implement functional changes, for budgetary reasons, or to reallocate institutional resources. This policy also does not limit the authority of the President, chancellors, chief executive officers, or campus administrators to terminate employees pursuant to Board Policies 405.1, 405.4, and other applicable policies.

III. Definitions

Retrenchment is a reduction or elimination of programs 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 and major reallocations of resources for academic, research, or support services.

Financial Exigency Retrenchment occurs when a campus, division, or unit is threatened by an imminent financial crisis which is of such gravity as to make imperative the termination of personnel.

Academic Planning Retrenchment occurs when faculty (tenured or untenured) are to be terminated as a result of established planning activities, including Board-approved changes in institutional mission, substantial program changes, a reduction or elimination of programs, or major reallocations of resources for academic, research, or support services.

1. The Arkansas Archeological Survey; the Arkansas School for Mathematics, Sciences, and the Arts; the Criminal Justice Institute; and the University of Arkansas Grantham are not subject to this policy.

IV. Financial Exigency Retrenchment

A. The following process shall be followed for Certification of Financial Exigency:

1. The chancellor or chief executive officer of a campus, division, or unit shall propose a Financial Exigency Retrenchment and support the proposal with budget summaries and projections and other appropriate documentation.
2. The appropriate administrators² and a committee appointed by the campus governance structure representative of all campus constituencies shall separately evaluate the proposal and, within 10 calendar days, make a recommendation to the chancellor or chief executive officer as to whether they concur with the proposal. The governance structure shall be informed of the recommendation made by the committee.
3. The chancellor or chief executive officer shall evaluate the recommendations and forward them, along with the final recommendation of the chancellor or chief executive officer, to the President, who will report the results of the campus deliberation, along with the President's own recommendations, to the Board of Trustees.
4. The Board of Trustees shall (1) certify a *bona fide* financial exigency and direct the chancellor or chief executive officer to initiate the retrenchment process; (2) declare the situation to be a financial difficulty and direct the chancellor or chief executive officer to ameliorate the situation through budget reductions that do not require the immediate termination of personnel; or (3) determine that no financial exigency or difficulty exists and require no action.

B. Implementing Financial Exigency Retrenchment

1. If the Board of Trustees certifies a *bona fide* financial exigency, the chancellor or chief executive officer shall initiate retrenchment.
2. The chancellor or chief executive officer shall consult with the appropriate administrators and the committee appointed by the governance structure representative of all campus constituencies before determining that major sub-units² or programs are to be 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, nonacademic areas and programs shall

² For purposes of this policy, a major sub-unit is generally a college or school of a campus, or in the case of a unit that is neither a college nor a university, an administrative division or department.

be examined for possible budget reductions or retrenchment in addition to academic programs.

3. Once the extent of necessary retrenchment has been determined, each affected academic dean³ or the administrative officer of a nonacademic area shall be responsible for recommending programs to be retrenched and the number of personnel affected in accordance with criteria and procedures established by this policy and the applicable campus policy (if any) previously adopted by the campus governance structure and approved by the President. In recommending programs to be retrenched, the above-listed criteria must be considered. Alternatives to termination of personnel shall be considered such as early retirement, transfer, salary reduction, leave-of-absence without pay, as well as normal attrition of personnel and reductions or postponements in benefits.
4. The college dean or other administrative officer shall report his or her recommendations to the chancellor or chief executive officer through appropriate administrative channels, who will make the final decisions and notify the employees who are terminated.
5. Tenured, tenure-track, and clinical or other non-tenure track faculty with merit-based multi-year appointments under Board Policy 405.4 who are terminated because of a Financial Exigency Retrenchment shall be given notice at least 60 days prior to termination. All other employees terminated because of a Financial Exigency Retrenchment shall receive notice in accordance with Board Policy 405.4.

V. Academic Planning Retrenchment

A. The following process shall be followed for Academic Planning Retrenchment:

1. The chancellor or chief executive officer shall propose an Academic Planning Retrenchment and justify the proposal with appropriate documentation.
2. The appropriate administrators and governance entity shall separately and promptly review the proposal and make any recommendations. This requirement is satisfied by the review procedures set forth in Board Policy 620.1, which applies to all Academic Planning Retrenchments that require the addition, deletion, or significant modification of an academic program.
3. The chancellor or chief executive officer shall evaluate the recommendations and forward them, along with the final recommendation of the chancellor or chief executive officer, to the President, who will report the results of the campus

³ The dean of a college or school or the head of a major sub-unit.

deliberation, along with the President's own recommendations, to the Board of Trustees.

4. The Board of Trustees shall declare an Academic Planning Retrenchment or determine that no action is required.
- B. Implementing Academic Planning Retrenchment
1. The chancellor or chief executive officer shall work with the appropriate administrators to determine the needed level of retrenchment and the personnel affected.
 2. Tenure-track and tenured faculty who are terminated under Academic Planning Retrenchment shall be given notice as specified in Board Policy 405.1, Section IV.B. Any appeal by a tenure-track or tenured faculty member under Academic Planning Retrenchment shall be in accordance with Section VI.C. of this policy.
 3. Other employees terminated because of an Academic Planning Retrenchment shall receive notice in accordance with Board Policy 405.4.

VI. Processes Applicable to All Retrenchments

- A. The order of retrenchment shall be as follows:
1. Within a given department or program (including a clinical program), a faculty member with tenure must be retained over one who does not have tenure.
 2. Unless the campus specifies otherwise in a policy adopted by the campus governance structure and approved by the President prior to the commencement of the retrenchment process, retrenchment of faculty members within the same department or program (including a clinical program) should be based on the following criteria in the stated order: (1) relevance and expertise, determined in consultation with relevant faculty; (2) rank; (3) the last into the rank will be the first out; and (4) seniority at the institution.
 3. This order of retrenchment is conditioned upon the remaining faculty members having the necessary qualifications and credentialing to teach the remaining courses and perform remaining duties (including clinical duties).
- B. In the implementation of retrenchment, fair and respectful treatment of faculty, staff, and students is of great concern. Faculty members holding positions eliminated by reduction or elimination of programs will be relocated to other academic units of the campus for which they are qualified whenever possible. Based on the qualifications of a relocated tenured faculty member, the campus may recommend the faculty member

to the President for tenure in the new academic program or unit. Similarly, currently enrolled students will be provided with reasonable arrangements to complete a program of study begun before retrenchment was implemented.

- C. Tenure-track, tenured, and clinical or other non-tenure track faculty with merit-based multi-year appointments under Board Policy 405.1 who are terminated through a retrenchment may appeal the decision, in writing, within 10 calendar days of notification of termination. The only basis for an appeal is if the termination decision resulted from a material deviation from this policy or the previously established campus retrenchment policy approved by the President prior to the commencement of the retrenchment process. The appeal shall be filed with the chancellor or chief executive officer and heard by a committee designated by the campus governance structure for this purpose. The committee shall make a report and recommendation within five working days to the chancellor or chief executive officer, who shall make the final decision and immediately notify the appellant.

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