

June 22, 2010

TO: The UMBC Community

FR: Freeman Hrabowski
Elliot Hirshman

RE: Message from the President and Provost: Temporary Salary Reduction Plan and Town Meeting on Thursday, June 24

In keeping with the mandates of the State of Maryland and the USM Board of Regents, UMBC is implementing a temporary salary reduction plan for 2010-2011. The details of UMBC's plan are outlined in the following communication from Valerie Thomas, Associate Vice President for Human Resources.

We developed this year's plan in consultation with the campus Senates and the Faculty Senate Executive Committee, and through collective bargaining with our unions. We appreciate everyone's advice and candor, and we are continuing to take a progressive approach that is tailored to different pay levels.

Clearly, the past few years have been very challenging for our entire university community. We have been required to make \$23 million in reductions, including (1) \$6 million in permanent reductions in our operating budget, (2) another \$13-million reduction in our reserves, and (3) \$3.8 million associated with furloughs and temporary salary reductions in FY 2009 and FY 2010. The temporary salary reduction target for FY 2011 is another \$2.4 million. (Please remember that funds from our capital budget for building construction cannot be used to meet the required targeted savings in our operating budget.)

To make sure that everyone understands this plan and its impact on campus operations, we will host a meeting open to all members of the campus community on Thursday, June 24, at 9 a.m. in the Administration Building Lecture Hall 3. This meeting will be followed by a Human Resources training session for payroll preparers, also in the Cf o k p u t c v k p ' D w k f k p i " Ngewtg'J cm'50"Y g'y kn'uj ctg'a link to the video of the meeting as soon as it becomes available.

We understand and deeply appreciate the sacrifice being made by UMBC faculty and staff as we protect the academic program – both instruction and research – and preserve jobs. As we implement the temporary salary reduction plan, faculty and staff members should contact their department chair or supervisor to discuss leave days associated with the temporary salary reduction, as well as its impact on expectations for the upcoming academic year. In this context, we wish to emphasize that our robust tradition of shared governance continues to help us during these difficult budgetary times.

We continue to be encouraged by your positive approach, and thank you for all that you do for UMBC.

June 22, 2010

TO: The UMBC Community

FROM: Valerie A. Thomas
Associate Vice President for Human Resources

RE: Temporary Salary Reduction Plan

The Board of Regents (BOR) authorized a furlough/temporary salary reduction plan for the University System of Maryland, with guidelines giving campuses the flexibility to tailor plans to their communities for FY 2011.

The guiding principles developed this past year by the Senates' leadership, the President, Provost, and other campus leaders, continue to guide us this year, and include the following:

- Acknowledging the spirit of sacrifice being made by UMBC faculty and staff in order to protect the quality of education we provide our students.
- Creating a plan that is progressive, with those employees at lower salary levels taking fewer days than those with higher salaries.
- Spreading these temporary salary reductions as evenly as possible over the course of the year.
- Minimizing the impact on students and their academic programs.
- Minimizing the impact on research productivity.
- Maintaining consistency with the principles enunciated in the BOR's resolution on furloughs/temporary salary reductions, as well as all applicable State and Federal laws and regulations.
- Communicating and explaining the final plan thoroughly and widely.
- Continuing to plan responsibly for likely additional budget cuts over the course of the next year.

Campus leaders met with the Professional Staff Senate, Non-exempt Staff Senate, Faculty Senate, and the Faculty Senate Executive Committee to discuss plan options and to determine which plan would be best for the UMBC community. The subject of temporary salary reductions/furloughs was discussed extensively at the Faculty Senate's May meeting and a resolution regarding the importance of clarifying leave procedures for faculty members was adopted. Meetings were also held with representatives from our unions.

In keeping with UMBC's guiding principles and the Board of Regents Resolution, the UMBC plan will meet the required targeted savings for FY 2011 (\$2.4 million) through a temporary salary reduction plan. The plan will allow us to spread the reductions evenly over

FY 2011 periods (beginning with pay date July 4, 2010 and ending June 25, 2011). Like last year's plan, it uses a progressive scale so that employees with lower salaries are required to take fewer numbers of uncompensated days. The plan requires campus closures using 5 of our existing holidays and 5 additional days selected after review of the academic and holiday schedules.

The following categories are excluded from the temporary salary reduction plan: graduate assistants, student employees, hourly Contingent I, adjunct faculty (part-time instructors), and employees on H1-B visas. Also excluded are employees who are 80% or more grant-funded, which is consistent with the practice of other research campuses in the USM and allows us to continue to maximize research expenditures and indirect funding.

Temporary Salary Reduction Plan

The following information and an FAQ are available at <http://www.umbc.edu/hr/temporariesalaryreduction.html>

- The campus will be closed for 10 days.

November 26, 2010 (day after Thanksgiving – existing holiday)

December 23, 2010 (winter break - administrative leave day)

January 17, 2011 (Martin Luther King, Jr. Day – existing holiday)

March 21-25, 2011 (spring break - 2 existing University holidays and 3 administrative leave days)

May 27, 2011 (Friday before Memorial Day – administrative leave day)

May 30, 2011 (Memorial Day – existing holiday)

- Employees' salaries will be reduced by the following equivalent number of days based on salary level.

\$30,000 and under	2 days
\$30,001 to \$40,000	3 days
\$40,001 to \$60,000	5 days
\$60,001 to \$80,000	7 days
\$80,001 to \$100,000	8 days
\$100,001 to \$150,000	9 days
\$150,000 and above	10 days
President	15 days

- Employees will be given administrative leave for each day equivalent to the amount their

salaries are reduced to use on additional days the campus is closed. (Schedule A)

- Employees excluded from the temporary salary reduction plan and employees with salary reduction for less than 5 days must take accrued annual leave, personal leave, or nonexempt comp time during the balance of the added campus closure days. Examples:
 - 2 Day Schedule: employees required to take a temporary salary reduction equivalent to 2 days of leave will take the 5 existing holidays, take administrative leave for 2 of the additional days the University is closed, and take accrued leave for the final 3 added days the University is closed.
 - 3 Day Schedule: employees required to take a temporary salary reduction equivalent to 3 days of leave will take the 5 existing holidays, take administrative leave for 3 of the additional days the University is closed, and take accrued leave for the final 2 added days the University is closed.
 - 5 Day Schedule: employees required to take a temporary salary reduction equivalent to 5 days of leave will take the 5 holidays and 5 administrative leave days. No accrued leave is required.
- Employees whose salary reduction level is 7 or more days will take administrative leave for each of the additional days the University is closed and for the holidays required to meet their total. Those holidays will then be given as floating holidays to be used by the employee before December 31, 2011. (See Schedule A)
- In cases where a leave day falls on a scheduled holiday or outside the period of faculty contracts, faculty members should consult with their department chairs regarding the designation of appropriate leave days.

The temporary salary reduction plan does not affect your benefits.

- Health benefits will not be affected because there will be no change in your health benefits deductions.
- Retirement will not be affected because there is no change in your reported annual salary.
- Leave accrual rates will not be reduced.
- Supplemental retirement deductions (e.g., 401k, 403b, 457b, if applicable) will not be affected.

Additional information about the UMBC temporary salary reduction plan can be found on the HR website <http://www.umbc.edu/hr/temporarysalaryreduction.html> including Frequently Asked Questions (FAQs), a calculator to determine the bi-weekly salary reduction to your gross pay, a campus closure chart (Schedule A), a bi-weekly pay estimate chart (Schedule B), and a list of workshops and resources to manage financial and stress-related matters (Support

for Faculty and Staff to Deal with Challenging Times).

Please contact any member of the HR support team if you have questions.

Valerie A. Thomas: valerie.thomas@umbc.edu, ext. 5-3142

Lisa Drouillard (Payroll): ldrouillard@umbc.edu, ext. 5-1791

Sherrell McNamara (Leave): mcnamara@umbc.edu, ext. 5-3646

Rochelle Sanders (General Questions): rsanders@umbc.edu, ext. 5-3842

Terri Werner (Workshops): twerner@umbc.edu, ext. 5-1767

We know that temporary salary reductions represent a significant sacrifice. Thank you for your understanding and support as we work together to weather these challenging times.

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