

FAYETTEVILLE STATE UNIVERSITY
Fayetteville, NC 28301-4298

MEMORANDUM

TO: Chancellor, Vice Chancellors, Associate Vice Chancellors, Deans, Directors, and
Department Chairs

FROM: Leonard L. Covington
Director of Human Resources

DATE: January 1, 2000

SUBJECT: *EMPLOYMENT – Reduction in Force Guidelines*

1. **Reference**

State Personnel Manual, Section 11, Pages 5 - 8, Subject: Reduction in Force

2. **General**

a. A reduction in force is an action taken to downsize the University's work force or a unit within the University. Such actions are taken only after examining all other available alternatives. When normal attrition does not produce the desired results and no other measures seem feasible, the University may terminate the employment of permanent staff employees subject to the State Personnel Act.

b. The policy of the State of North Carolina regarding reduction in force is stated in the reference above as follows:

“An agency has the authority to separate an employee whenever it is necessary due to shortage of funds or work, abolishment of a position, or other material change in duties or organization. Retention of employees in classes affected shall be based on systematic consideration of all the following factors: type of appointment, relative efficiency, and actual or potential adverse impact on protected group individuals, and length of service. Neither temporary, probationary, nor trainee employees in their initial six months of training shall be retained in classes where employees with a permanent appointment (those who have satisfactorily completed a probationary or equivalent trail period) must be separated in the same or related class.” (December 1, 1995)

- c. Reduction in force will not be used as a means of separating employees who should be separated for poor performance, unacceptable conduct, or other issues, which should be addressed through the disciplinary process.

3. **Bases for a Reduction in Force**

The following are permissible bases for a reduction in force:

- a. Reorganization of positions within the unit, which materially changes the nature of one or more positions.
- b. Abolishment of a filled position.
- c. Material change in duties assigned to a position to the extent that the incumbent does not qualify for the revised responsibilities or that the resulting reclassification is such that the incumbent is not reasonably considered a candidate for the new position.
- d. Shortage of work.
- e. Cancellation or termination of grant or contract.
- f. Financial exigency.

4. **Identifying Employees for Reduction in Force Actions**

- a. For the purpose of determining which employee(s) will be adversely affected by a reduction in force, comparisons between employees with the same or related classification titles will be made. [A position classification title is closely related to the target position if it has the same salary grade and there is a reasonable skills transfer (i.e., Could the incumbents be interchanged and have the knowledge and skills to do the job without unreasonable loss of efficiency?)]
- b. The resources of the Human Resources Department are available to assist in completing the appropriate comparative analyses upon which reduction in force decisions will be made and may be obtained by contacting the Director of Human Resources.
- c. *Actions to be taken because of reorganization, abolishment of a filled position, a material change in duties, shortage of work, or cancellation/termination of a grant or contract:*
 - 1. Decisions with one or more of these bases are to be made by or with the full concurrence of the appropriate Vice Chancellor/Director of Athletics.

2. The appropriate Vice Chancellor (or delegate)/Director of Athletics (or delegate) will conduct a comparative analysis before selecting the person(s) whose employment will be terminated. The analysis will begin with a determination of the targeted classification title(s) of the position(s) and closely related classification titles. Then a review of all employees holding those positions will be made on the basis of the following factors:
 - a. Type of appointment

Permanent employees will be retained over temporary, probationary, and trainee employees in their six months of training in positions that have the same or closely related classification titles.
 - b. Relative performance

Reduction in force often results in fewer employees to perform the same work tasks. Therefore, in the interest of efficiency, the better performers must be retained. Performance management evaluations should be compared. Those whose evaluations consistently show above “Good” will be given preference over those whose performance is “Below Good” or “Unsatisfactory.”
 - c. Length of service

Total length of service with state government will be considered in determining which employees are to be separated. Years of service may become a differentiating factor in the separation decision, particularly in instances where other retention criteria are equivalent.
3. The above factors will be considered in turn, beginning with the type of appointment. After all non-permanent employees have been eliminated with the same or related classification titles, the remaining permanent employees will be evaluated on the basis of their performance management reviews. Finally, length of service will be compared for any employees whose performance records are similar.
4. The boundaries for conducting this analysis will be the departments, offices, or other units as specified in advance of each division by each Vice Chancellor and as approved by the Chancellor as “Reduction in Force Boundaries.” Once approved, the list of “Reduction in Force Boundaries” will be appended to this document and reviewed annually under the direction of the Director of Human Resources. In the consideration of particular reductions in force, a vice chancellor may, at

his or her discretion, specify a broader boundary of comparison by providing written notification to the Direction of Human Resources.

5. The effect of this analysis is that the incumbent in the targeted position may not be the person removed by the reduction in force action. Another employee may be removed instead, with the opening in the retained position to be filled by the employee who formerly occupied the targeted position.
6. After conducting the comparative analysis and selecting the person(s) whose employment must be terminated, the appropriate Vice Chancellor (or delegate)/Director of Athletics (or delegate) records the steps taken to reach the decision and forwards a confidential copy of the documentation to the Director of Human Resources. The Director of Human Resources then conducts an “adverse Affirmative Action Goals. If there will be a negative effect, the Director of Human Resources discusses with the Vice Chancellor/Director of Athletics approaches toward ensuring future progress toward goals that will compensate for the action to be taken.
7. The Director of Human Resources reviews all the steps toward selection of the person to be separated and general compliance with this policy. The Director of Human Resources communicates that advice by a confidential letter to the Vice Chancellor/Director of Athletics and provides guidance regarding notification to the affected employees(s).

d. *Actions to be taken because of financial exigency:*

1. When in the Chancellor’s view a financial exigency cannot be accommodated by other alternatives, the Chancellor will decide how the exigency will be accommodated. Once the appropriate Vice Chancellors and/or Director of Athletics have identified which positions will be eliminated, incumbents will be compared with others holding positions with the same related classification titles. The criteria and steps described above [4c(1)-(6)] will be followed. The boundaries of the comparison will be the entire University. The Chancellor will review the results of the comparative analysis and communicated the decision to the Director of Human Resources. The Chancellor may delegate responsibility for conducting the analysis to the Vice Chancellors or to other persons. The person(s) conducting the analysis will recommendation will be copied to the Vice Chancellor or Director of Athletics overseeing the affected person.
2. The effect of the comparative analysis may be that an employee whose position is being eliminated may not be the person removed by the reduction in force action. Another employee may be removed with the

opening in the retained position to be filled by the employee who formerly occupied the targeted position.

3. The Chancellor may communicate the institution's decision to the affected employee(s) through a delegate.

5. **Notice to Affected Employees**

- a. Affected employees are to be notified as soon as possible after approval for the decision is received. The employee must be given a minimum notice of 30 calendar days with full pay. The Director of Human Resources and the appropriate department or office head should conduct an individual meeting with the employee in order to explain the decision process. During that meeting related issue, including priority reemployment consideration, severance salary continuation, retirement options, and other rights of the employee will be briefly covered.
- b. At the conclusion of the meeting, the Director of Human Resources will provide the employee(s) being laid off a letter containing the following information:
 1. The reason for reduction in force;
 2. The effective date of the reduction in force (at least 30 calendar days following the notification date);
 3. Direction to contact the Benefits Manager to obtain necessary information on retirement system membership and benefit options including continuation of medical insurance (COBRA), Unemployment Insurance benefits eligibility and Severance Salary Continuation;
 4. Direction to contact the Director of Human Resources – Management for information on the following:
 - i. The University's policy on priority reemployment;
 - ii. Completion of necessary applications forms; and
 - iii. The availability of aid in seeking other employment; and
 5. Direction to contact the Director of Human Resources – for information on the right of permanent employees to appeal the reduction in force through the Staff Grievance Procedure.

Employees declining reemployment assistance from the Human Resources Department and/or Office of State Personnel will be asked to sign a statement

indicating the employee is not interested in receiving reemployment assistance. A copy of this statement will be forwarded to the Office of State Personnel.

6. **Rights of Employee**

One whose employment is terminated because of a reduction in force is eligible to receive benefits described below:

- a. A permanent full-time or part-time (20 hours per week and over) employee who does not obtain another permanent job as a state employee by the effective date of the reduction in force may be eligible for severance salary continuation. This provision does not apply to employees whose reduction in force is not considered permanent; that is, employees who are reduced in force on a temporary or reasonable basis with the expectation that they will return to work within twelve months. Payment is based on total state service supplemented by an age factor. The “Severance Salary Continuation Policy” is administered by the Department of Human Resources (Benefits Manager).
- b. Permanent employees separated under reduction in force are eligible to receive priority reemployment consideration for a period of twelve months from the date of notification. Within the University, the employee will be offered any available vacant position with a salary grade level equal or below the position held at the time of notification, provided the employee meets the qualifications for the position and could perform the job in a reasonable length of time, including normal orientation and training given to any new employee. The “Policy on Priority Consideration” are administered by the Human Resources Department.
- c. A permanent state employee who is separated due to reduction in force based on a reorganization, abolishment of a filled position, a material change in duties, or shortage of work has the right to appeal under the University’s Grievance Policy and Procedures for Staff Employees.” In those cases where the separation is due to a reduction in force based on shortage of funds, the decision is considered to be an institutional one made by the Chancellor. Therefore, in those cases, an affected employee can appeal to the State Personnel Commission so long as the employee has been employed the requisite time period for career status as determined by the Commission.

Questions regarding this document may be referred to the Director of Human Resources by calling (910) 672-1696.