



**Minnesota**  
STATE COLLEGES  
& UNIVERSITIES

# Human Resources Guideline & Interpretation

## State University Faculty Retrenchment

### STG0003

**Purpose:** These guidelines offer suggestions for consideration by university administrators faced with circumstances which suggest that faculty retrenchment may be necessary. Where applicable, they should be undertaken in the order listed. Retrenchment is defined in the IFO contract as "...the lay-off of tenured or probationary faculty members ..." While the information provided below includes references to other types of faculty appointments, these guidelines are only necessary when the possibility of lay-off of probationary and/or tenured faculty exists. The contract does not require this process for the separation of faculty with other types of appointments.

**Affects:** All universities

**Authoritative References:** Article 23, Agreement Between IFO and MnSCU

**Required Forms:** None

**Responsibility for Implementation:** State University managers

**Attachments:** None

**Introduction:** The following process should be followed in the event of retrenchment.

#### **Prior to retrenchment consideration:**

1. Carefully review the budget, program and enrollment data which suggests a reduction in services to ascertain that they will, in fact, necessitate a cut-back in services.
2. Review supply and expense expenditures and personnel expenditures which exceed employee base salaries for potential reduction and program implications. These could include overload, extended appointments, reassigned time, travel and other items not contractually required. Document areas to be reduced and develop a written statement of reasons why these activities should be reduced. Share this information with the Faculty Association as soon as is reasonably possible.
3. If reductions in areas identified in #2 above are not sufficient to meet anticipated funding or enrollment, consider reductions in staffing as follows in the order described below:

- a) Attrition
- b) Freezing vacancies/selective filling of vacancies
- c) Retraining for purposes of reassignment to another area
- d) Intra system transfers
- e) Other assignments within the university
- f) Phased retirements/Annuitant Employment Program (AEP) appointments
- g) Early separations

**If it is determined that retrenchment is necessary:**

4. When it is clear that retrenchment must be considered (i.e., the procedures described in paragraph 3 will not produce the necessary cost savings), the University should arrange a meet and confer with the Faculty Association as soon as practicable. It is strongly recommended that the President personally meet and confer with the Faculty Association.

NOTE: Retrenchment can be based only on system or university budget reductions, budget reallocations, expenditure freezes, or unfunded increases in operating costs, resulting from action by either the Legislature, the Governor, or the Minnesota State Colleges and Universities Board of Trustees, or program changes, or enrollment shifts, or legislative mandate.

5. To establish the basis for retrenchment, presidents should have staff assemble written documentation which may include budget memos from the Legislature, Department of Finance, Governor; bills and appropriation riders; budget documents and memos from the Office of the Chancellor or from the Board; Executive Orders; Board resolutions; reports by HESO, the Legislative Auditor or other legislatively established agencies on program duplication; analyses of program changes showing diminished need for course offerings or staffing; prior, current and projected student enrollment figures showing enrolling shifts by program, department, college or university; or written evidence of legislative mandate. This information should be used in the Meet and Confer, and provided to the Faculty Association in advance of the Meet and Confer.

6. At the initial Meet and Confer session, the President should:

- a) Give the reason(s) for considering retrenchment. The reasons should be given in writing, and be only those reasons listed in #4 above.
- b) Provide information of anticipated attrition, meaning a projection based on the university's analysis of how many employees, in all bargaining units and plans, will leave, thus freeing up resources.
- c) Provide statistics and financial data to support the need for retrenchment. The data should be enough to fairly and accurately portray the economic and/or programmatic environment at the system and university level necessitating the retrenchment. Data such as the following should be provided as applicable to the specific circumstances:

- i. Total budget reductions required.
- ii. Non-personnel expenditures which have been reduced and the amounts by which they were reduced.
- iii. Enrollment information if pertinent to the situation.
- iv. Staff, other than faculty, reductions.
- v. The following information on faculty positions, broken down by department, program, center or area:
  - a. List of all positions by category (tenured, probationary, non-tenure track, fixed-term, adjunct).
  - b. List of positions considered vacant and identify how long vacant as well as additional vacancies proposed to be frozen.
  - c. List of retirements, including faculty on phased retirement and the Annuitant Employment Program (AEP), during the past two (2) years, and salary amounts.
  - d. List of which retirements, including faculty on phased retirement and the Annuitant Employment Program (AEP), will not be replaced.
  - e. List of which retirements, including faculty on phased retirement and the Annuitant Employment Program (AEP), will be replaced during the next two (2) years and anticipated salary amount.
  - f. List of vacant positions that will be replaced during the next two (2) years and anticipated salary amount.
  - g. List of fixed-term and adjunct positions which will not be renewed during the next two (2) years.
  - h. List of new positions which will be added during the next two (2) years and anticipated salary amount.
  - i. Documented rationale for hiring in other areas when retrenchment is being considered.

7. Ensure, in accordance with Article 6, that the Meet and Confer was properly noticed to the Faculty Association and that the ten (10) duty days to respond in writing after the meeting is met or that, if requested, a second Meet and Confer has occurred..

8. After taking into consideration input received through Meet and Confer, the President should reconsider if the necessary cost savings can be achieved through the use of attrition, phased retirements, early separation, freezing vacancies, other assignments within the university, intra-system transfers, or re-training in order to meet the necessary reductions.

9. If necessary, the President should then determine the department(s) and program(s) in which retrenchment will occur. Retrenchment should occur on a department or program basis unless the President concludes that all departments and programs are to be retrenched.

10. The President shall consult with the Chancellor or his/her designee, regarding anticipated retrenchment and alternatives considered and provide written notice of the data and reasons given to the Faculty Association and discuss the information gained in the Meet and Confer process.

11. In order to retrench probationary and tenured individuals, the following order for retrenching faculty in departments or programs must be implemented:

- A. Adjunct, community, fixed-term, NTT, without priority, based upon programmatic needs. The President shall provide written reasons as to why each individual has been noticed from a programmatic need standpoint;
- B. Probationary;
- C. Tenured faculty, in inverse seniority; or those fixed-term or probationary faculty in positions funded by external jurisdictions or agencies, unless qualified tenured faculty, as determined by the President, can fill those positions. Where faculty have equal seniority, the President must comply with Article 23, Section B, Subd. (3d). (Note: faculty with twenty (20) or more years of service can have their positions eliminated but must either be reassigned within the unit or develop a mutually agreed upon retraining plan with the president/designee. Failing these alternatives, such faculty's employment will terminate three years from initial date of notice.
- D. If two (2) or more faculty members have equal seniority, then those with greater length of tenured service shall have priority for retention.
- E. Should faculty members still be equal in seniority, then those with greater length of total service in the university shall have priority in retention.
- F. Beyond this, the decision of which faculty member to retain will be based upon the programmatic needs of university as determined by the President.

While the separation of faculty identified in paragraph A may not technically be a retrenchment, continued use of such faculty in departments or programs where probationary/tenured faculty have been retrenched will likely be the subject of a grievance.

12. If the President proceeds with retrenchment after consultation with the Chancellor or his/her designee, the President should schedule another Meet and Confer with the Faculty Association within 10 duty days of the last Meet and Confer at which retrenchment was discussed. At this Meet and Confer, the President should indicate in writing the particular department(s) or program(s) in which retrenchments will occur. The President should identify the individuals who are to be retrenched.

13.

- A. If identified retrenchments would result in discontinuance of an academic program, such action should be taken to local Meet and Confer for appropriate discussion. However, program discontinuance is not a formal part of the Article 23 process noted in the Agreement. Local curriculum procedures, student needs, System Guidelines for Program Discontinuance and other applicable processes and/or regulations should be taken into consideration at this time.
- B. If identified retrenchments would result in the redefinition of an academic department or program, such action should be taken to local Meet and Confer for appropriate discussion as set

forth in Article 20. Please note that a program redefinition is not a formal part of the Article 23 process noted in the Agreement.

14. After completion of 1-12 above, the President must give notice\* of separation and/or retrenchment in accordance with Article 25.

- A. Adjunct - formal notice of separation is not required since the appointment specifies the employment end date. If it becomes necessary to shorten the appointment of Adjunct/Fixed Term faculty, their appointments may be reduced or ended by written notice prior to completion of the appointment.
- B. Fixed Term - same as adjunct EXCEPT: employees funded from external funds with more than three years of service - by March 15 of the current academic year.
- C. Non-Tenure Track - by August 1 before the final year of employment, for budget reduction or internal reallocation reasons, which should be stated in writing.
- D. Probationary -
  - 1) For first-year faculty - by November 1 of the second (2<sup>nd</sup>) academic year of appointment to become effective at the end of the second (2<sup>nd</sup>) academic year of employment.
  - 2) For all other probationary faculty - by August 1 to become effective at the end of the following academic year.

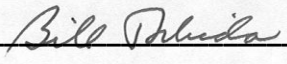
E. Tenured - no later than the 20<sup>th</sup> day of the fall term to be effective on the last day of the next spring term. Meet & Confer needs to be held prior to the date of layoff notice.

\*Notice under Article 23 and 25 means written service by first class mail to the last known home address of the faculty member contained in the official personnel file, or handed to the faculty member in person.

15. The President should notify the Associate Vice Chancellor for Personnel of tenured faculty members retrenched at the time of notice of retrenchment, with a copy to the faculty member and the Faculty Association. The Associate Vice Chancellor for Personnel will process such notices in compliance with the Minnesota State Colleges and Universities System Process for Maintaining Faculty Retrenchment List (copy attached).

16. Retrenched faculty shall, during the terminal year, be offered the opportunity to work with an outplacement consultant selected jointly by the Office of the Chancellor and Inter-Faculty Organization.

**Original Approval: December 12, 1996**  
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**January 28, 2003**  
**February 14, 2003**  
**March 22, 2007**

  
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**Vice Chancellor, Human Resources**

March 22, 2007  
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**Date**