

# CHAPTER III

## FACULTY AND STAFF

### SECTION XVI. FINANCIAL EXIGENCY

- A. Staff Reduction. The Board recognizes circumstances that may indicate a need for staff reduction such as financial exigency. Financial exigency may exist-at the institution, program or budget unit level and shall be verified by the System staff.
  
- B. Board Policy on Financial Exigency. Anything in the RULES of the Board of Supervisors for the University of Louisiana System to the contrary notwithstanding, if the Board determines that a condition of financial exigency exists at an institution, program, or budget unit within an institution, or in the University of Louisiana System generally, then the furlough, layoff, and/or termination of tenured faculty, non-tenured faculty, or other contract employees before the end of their contract term will be handled in accordance with the financial exigency policy set forth below.
  - 1. Definition of Financial Exigency. A condition of financial exigency shall exist whenever the financial resources of an institution, program or budget unit are not sufficient to support the existing programs and personnel without substantial impairment of the ability of the entity to maintain the appropriate level of programs and services. Financial exigency may result from a substantial reduction in financial resources or from the failure to receive increases in financial resources sufficient to maintain the appropriate level of service. Evidence of financial exigency may include, among other factors, reduction of state appropriations, faculty and staff salary levels substantially below national

their programs, within the limits of budgetary restraints, at the institution or by transfer to another institution.

A declaration of financial exigency shall represent a determination by the Board, upon recommendation of the institution president and System President, that the financial condition of the System, an institution, program, or budget unit has reached a crisis in which the entity must carefully reexamine its priorities and reduce programs or personnel or both to effect a cost savings sufficient to alleviate the financial exigency.

The determination of financial exigency affecting the System, institution, program or budget unit shall be the sole responsibility of the Board. However, the president of an institution, after consultation with representative faculty members and approval by the System President, may request such a determination by the Board through the System President. When such determinations are made, this policy, along with any implementing procedures, will take precedence over those applicable Board policies that govern normal operating procedures. Implementation of a declaration of financial exigency by the Board shall be developed with the understanding that action taken will be consistent with the basic mission of the System to provide the best possible education, research, and public service.

3. Implementation of Declaration of Financial Exigency. Upon a declaration of financial exigency by the Board, the president of each institution, after consultation with representative faculty and staff, and approval by the System President, shall determine whether furloughs, layoffs, and/or terminations are required and which employees will be affected. This determination shall be made in accordance with procedures established by the System President, and approved by the Board, which will give primary consideration to the maintenance



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