

Salem State University

FY2021 Furlough Proposal

Introduction: Due to the financial impact of the COVID-19 pandemic, Salem State University (hereafter referred to as “the university”) is facing a projected \$26 million budget shortfall. In an effort to create a balanced budget for fiscal year 2021, the university has proposed a variety of cost reduction measures. One such measure is a budgeted cost savings of \$8.5 million from a furlough program (salary and fringe). This document outlines the current implementation proposal.

Furlough: In this proposal, furlough is defined as an uncompensated leave of absence from work. In compliance with the FLSA, during furloughed time, employees will not be permitted to conduct any university-related business. The university proposes a standard of 25 furlough days (5 equivalent work weeks) for all eligible employees. The implementation of such leave will vary from union to union.

Insurance Benefits: The Group Insurance Commission (GIC) issued the bulletin “[2020-01: Guidance Regarding Benefit Eligibility of Furloughed Employees](#)” on 4/10/2020. This bulletin indicates that employees who are furloughed due to the COVID-19 pandemic will remain benefits-eligible as long as the employer and employee premiums continue to be paid. Therefore, insurance premiums will continue at the same rate even when receiving a reduced paycheck due to furlough time. This will ensure no disruption in insurance benefits provided to employees.

Retirement Benefits: The Commonwealth of Massachusetts Board of Retirement has issued assurances that furloughed time up to the equivalent of 20 days of work per calendar year will not impact employee creditable service. For employees approaching retirement, their overall annual salary for calendar years 2020 and 2021 will be reduced in light of furlough (assuming they take furlough weeks during both calendar years). As such, their highest grossing years for the purpose of retirement benefit calculations may be impacted.

Employees Hired After July 1, 2020: All employees will be required to participate in the furlough program, including those who start at any point during fiscal year 2021. However, their total number of furlough days will be reduced as appropriate.

Part Time Benefitted Employees: Part time benefitted employees will be required to participate in the furlough program. Part time employees will take their proportionate equivalent of 25 days furlough. For example, employees who work 4 hours a day as opposed to 7.5 hours will take 25 days of furlough at 4 hours per day. Employees who work 4 days a week will be required to take 5 weeks of furlough at 4 days a week.

Employees on Medical Leaves of Absence or Military Leave: Employees on approved medical leaves of absence or military leave will not be required to participate in furlough during the time period for which they are on approved leave. The amount of furlough they are required to take will be reduced in direct proportion to the number of pay periods they are on leave.

Scheduling of Furlough: All librarians will be required to submit a furlough plan outlining their proposal for the schedule of their furlough days. Managers will help determine and will approve the schedule based on operational needs. Approval shall be seniority-based and in alignment with the departmental approval process for vacation time. Attached in Appendix A

is the “Furlough Schedule” document to be completed by each librarian and submitted to HR no later than one month after a finalized furlough plan is published.

Unemployment: Employees on furlough may apply to receive unemployment benefits. Eligibility is solely determined by the Massachusetts Department of Unemployment Assistance. While the University cannot guarantee employee eligibility, the information outlined below suggests that furloughed employees may be eligible to collect unemployment.

Information from the Massachusetts Department of Unemployment Assistance COVID-19 FAQ states that “If the furlough is because of COVID-19, employees are eligible for unemployment benefits. Workers who are temporarily unemployed due to lack of work because of COVID-19 and expect to return to work will be eligible for unemployment benefits. Under the Emergency Regulations, individuals in such situations are in “Standby Status.” Standby status is meant to help both employers and their employees in situations where the unemployment is expected to be temporary. Employers maintain contact with their workforce during the period of unemployment (in this case, a furlough) and have experienced employees ready to return when work becomes available again. Employees who find themselves in those situations due to COVID-19 will be approved for benefits more quickly and will be relieved of traditional work search activities. In order to fulfill the requirements to be able, available and actively seeking work, individuals on standby status need only take reasonable measures to maintain contact with their employer, and to be available for hours offered by the employer.”

Further information and guidance for employees interested in collecting unemployment will be communicated with any announcement of furlough.

Summary of Furlough Logistics

Item	AFSCME & NUC	APA & NUP	MSCA
Total Furlough Days	25	25	25
Minimum Increment	1 Week	1 Week	1 Week

Summary of Furlough Cost Savings

Savings	AFSCME & NUC	APA & NUP	MSCA	Total
25 Days – Salary Only	\$958,445	\$2,357,559	\$2,734,208	\$ 6,050,213
25 Days – Fringe	\$172,712	\$424,832	\$492,704	\$1,090,248
25 Days – Salary + Fringe	\$1,131,157	\$2,782,391	\$3,226,913	\$7,140,461

MSCA Faculty

Proposal: All MSCA faculty, unless noted below, will be required to take 25 furlough days over the course of fiscal year 2021.

Due to their status as exempt employees under the Fair Labor Standards Act, faculty must take this furlough time in minimum 1-week increments. Faculty workload responsibilities will be adjusted by removing the required scholarship expectations for fiscal year 2021.

Furlough weeks are indicated as follows:

- December 27, 2020 – January 2, 2021
- January 3 – January 9, 2021
- January 10 – January 16, 2021
- March 14 – March 20, 2021
- May 23 – May 29, 2021

Employees Not Subject to Furlough: The following employee groups will not be subject to furlough:

- Employees on approved paid leave such as FMLA, Military Leave or Worker's Compensation during the time period which they are on leave.
- Employees currently on H-1B visas. Per Department of Labor and U.S. Citizenship and Immigration Services (USCIS) regulations, the university is required to honor its Labor Condition Application (LCA) obligations to its H-1B visa sponsored employees.

MSCA Librarians

Proposal: All MSCA librarians, unless noted below, will be required to take 25 furlough days over the course of fiscal year 2021.

Due to their status as exempt employees under the Fair Labor Standards Act, librarians must take this furlough time in minimum 1-week increments. Adjustments to work product expectations will be made in collaboration with the employee and their supervisor. With managerial approval, furlough time may be taken at any point during the fiscal year after an agreement is reached and concluding on June 30, 2021.

Employees Not Subject to Furlough: The following employee groups will not be subject to furlough:

- Employees on approved paid leave such as FMLA, Military Leave or Worker's Compensation during the time period which they are on leave.

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Appendix A

Requested Furlough Schedule

The purpose of this form is to establish an approved individual employee furlough schedule for fiscal year 2021. The employee should complete this form with their requested furlough schedule. The manager will review the schedule based on business operational needs and Salem State years of service seniority and determine the approved furlough schedule. Employee requests should be honored where possible. The completed form should be submitted to the area vice president for approval and human resources for processing.

Employee Name: _____ Employee ID: _____

Union: _____ Title: _____

Supervisor Name: _____ Department: _____

Requested Furlough Schedule: _____

Supervisor Approved Furlough Schedule: _____

Employee Signature: _____ Date: _____

Supervisor Signature: _____ Date: _____

Area Vice President Signature: _____ Date: _____