Summary Implementation Procedures
for Salary Restoration / Unpaid Leave Continuation (FY14 and FY15) - UNLV

Summary

In the 77th Session of the Nevada Legislature, Assembly Bill 511 was passed and, while the initial versions of the bill included continuation of the 2.5% base salary reduction, the final version had no reference to salary reductions. As such, once signed by Governor Sandoval, prior direct salary reductions of 2.5% will be restored to employees effective on July 1, 2013. That said, Assembly Bill 511 continued unpaid leave reductions of 2.3% (6 days in each year for full time employees).

The Board of Regents acted on June 6, 2013 to adopt the legislatively approved unpaid leave (also referred to as furlough in some of the Board documents) requirement of six (6) total days per fiscal year (48 hours, based on full time employment). An exception was approved for those Academic and Administrative Faculty in positions with 90% to 100% grant and/or contract funding to the extent that they remain so funded by external grant and/or contract dollars for the biennium – this is a new exemption from what was in place this biennium. Each classified employee and all other Academic and Administrative Faculty are required to participate in the leave reductions. Prior leave reduction exceptions applicable to UNLV employees will continue and include LOA’s, temporary faculty, graduate assistants, dental residents, post docs and students. This unpaid leave reduction amount continues to be eligible for retirement contributions by the employee and employer [as you might recall, new retirement contribution rates of 13.25% for both employer and employee are effective July 1, 2013; this equates to an increase of one (1) percentage point for each contribution].

With respect to retirement rate increases, please note that those individuals in PERS will see an increase in their individual expense with no direct increase in their ultimate defined benefit at retirement. The changes to these rates were made as a result of actuarial studies and were enacted, not as a direct benefit to the employee, but as a mechanism to more fully fund the PERS program at large. Said another way, the employee increase of 1% in PERS contribution will equate to a salary reduction.

The majority of Academic and Administrative Faculty are not part of the PERS program; instead these employees are part of the defined contribution program known as the NSHE Retirement Plan Alternative (RPA) program. For these employees, because their program is a defined contribution program, the increase is rates will result in an increase in total compensation. As both the employee and employer contributions fully vest with the individual at the time of contribution, the rate increases result in a direct benefit to the employee.

Unfortunately, as in recent years, Cost of Living adjustments were not approved for Fiscal Year 2014 or Fiscal Year 2015.

For classified employees, Assembly Bill 511 continues the suspension of longevity pay during the 2013-2015 biennium. However, effective during Fiscal Year 2015, eligible classified employees will see a return of merit pay increases on the pay progression date of the employee (usually the hire date or the date of last promotion). Merit remains to be granted only when the last rating of performance is rated
as standard or better. Additional, merit is only available to those classified employees that have not attained the top step (step ten) of his or her grade.

Academic and Administrative Faculty will see a return of merit pay in Fiscal Year 2015, recipients of merit would see additions to base pay effective on July 1, 2014. As shared to the campus in prior communications, the President and Provost plan to work this upcoming summer and fall with the cabinet, the deans, the Faculty Senate and other representative faculty bodies to develop a campus approach to implementing merit pay for contract year 2014 – 2015.

The remainder of this document highlights the facts relative to the implementation of these legislative and Board of Regent actions.

As in previous years, it continues to be imperative that these unpaid leave reductions not be taken in the manner of reduced class time and/or reduced office hours for our students. We must continue our focus on our academic mission and remain committed to rigorous educational programs and the highest standards of a liberal education. Although these unpaid leave represent a continuation of less than ideal circumstances, our students continue to deserve the best that we have to offer.

**Unpaid Leave Reductions (FY14 and FY15) - UNLV**

**What was adopted?**

The 2.5% base salary reduction in place during FY12 and FY13 was eliminated for all NSHE employees.

The unpaid leave reduction requirements remain at the same levels as in FY12 and FY13 at six (6) total days per fiscal year (48 hours, based on full time employment). A limited exception was approved by the Board of Regents for those Academic and Administrative Faculty in positions with 90% to 100% grant and/or contract funding to the extent that they remain so funded at those levels by external grant and/or contract dollars for the biennium – this is a new exemption from what was in place in FY12 and FY13. This unpaid leave equates to 2.3% of salary; however this amount is eligible for employer and employee retirement contributions, as was the case with the unpaid leave in the current biennium. The other exceptions applicable to UNLV employees include LOA’s, temporary faculty, graduate assistants, dental residents, post docs and students; these employees were exempted this biennium as well.

Employees that are less than full time will have the unpaid leave requirement prorated.

**Who is impacted?**

The reduction described above was included in Assembly Bill 511 and this legislation impacts all employees for the State of Nevada, including all employed by NSHE. However, as stated above, 90+% grant and/or contract funded employees (that meet the requirements above) will see no reductions for unpaid leave. All state classified (regardless of funding source) and non 90+-grant funded academic faculty and administrative faculty (regardless as to tenure status) will be impacted. These include:

- Presidents, Vice Presidents, Deans and all other executive positions
- Tenured and Tenure-Track Faculty, Faculty in Residence and Visiting Faculty
- Professional Staff
- State Classified
- Stipends, shift differentials, bilingual pay and other like salary components are also impacted
- Entire “A” or “B” contract is subject to reductions
Who is Excluded? – The following employee groups were not included in the unpaid leave requirements.

- Academic and Administrative Faculty that are 90+% grant and/or contract funded will be exempt from the 2.3% unpaid leave reduction to the extent that they remain so funded by external grant and/or contract dollars for the biennium – this is a new exemption from what was in place this biennium.
- Contract Employees (to the extent their contract does not allow such adjustments – most of ours do), Temporary Employees, Post-Doctoral Scholars, Part-Time Instructors/Letters of Appointment, Graduate Assistants, Hourly-Paid Employees and Student Employees.

What is the schedule for these changes?

The new requirements of Assembly Bill 511 are effective 7/1/13 – 6/30/15. Action in the 2015 legislative session will determine what happens to salary levels for state employees after the 7/1/13 through 6/30/15 time period.

How will these policies be implemented?

The human resources and budget office will restore the salary levels for all impacted employees by 2.5%, and no other action is needed by individual departments. HR will also work with the Office of Sponsored Programs (OSP) to ensure all 90+% grant and/or contract funded individuals are exempted from the unpaid leave reduction, and the OSP will also monitor the continued 90+% grant and/or contract funding status for these individuals during the biennium (this is required in order to retain the exemption). As for the 48 hours of unpaid leave, this will be implemented in a manner similar to what was done for FY12 and FY13, with employees working directly with their supervisors to schedule and approve the 6 days / 48 hours of unpaid leave in each year of the biennium.

Unpaid Leave Specifics:

Unpaid leave may be taken in full day increments or less than full day increments. For state classified employees the State Department of Personnel has determined that Federal wage and hour laws require unpaid leave be taken to match hours of unpaid leave charged in a pay period – the same as it was implemented for the past two years. For Federal wage and hour exempt employees (academic faculty and administrative faculty) the unpaid leave can be used similar to annual leave – the same as it was implemented for the past two years. Unpaid leave days for academic and administrative faculty must be fully taken in each fiscal year – i.e. for full time employees six (6) days of unpaid leave must be taken or will be lost in both FY14 and FY15, leave from one fiscal year cannot be taken in the other.

Unpaid leave will not impact (same as this current biennium):

- Accrual of annual leave and sick leave (applies to all employees)
- Pay progression dates (state classified)
- Continuity of service dates (state classified)
- Years of service for longevity purposes (state classified)
- Duration of probationary status (state classified)
- Eligibility for holiday pay (state classified)
- Seniority for all purposes; including layoffs (state classified)
- Public Employees Benefits Program eligibility
- Public Employees Retirement System or NSHE Retirement Plan contributions
Overtime Considerations for State Classified Employees:

As was the case for the past two years, overtime, compensatory time accrual and added regular time for work as a part-time employee will not be allowed in the same work week as unpaid leave. Limited exceptions must be approved, in advance, via petition through the UNLV Human Resources Office to the Senior Vice President for Finance and Business (same process as existed this current biennium).

Supervisor Responsibilities for Unpaid leave:

Unpaid leave and associated reductions are mandatory and supervisors cannot waive this requirement or make adjustments to base salary or overtime to compensate for this loss.

Collaborative scheduling is encouraged, however supervisors need to maintain adequate coverage of their department/unit, and faculty must maintain existing class time and office hours.

Overtime and compensatory time accrual are not an option during the same work week as unpaid leave (state classified only).

FY14 / FY15 Unpaid leave Mandatory Actions.

The assumption on unpaid leave days required over the biennium is highlighted below:

- 12-month, full time professional staff and state classified: 6 days/48 Hours
- “B” contract employees: 4.2 days/33 hours

Less than full time employees would have an appropriate proportion calculated (e.g. 75% time staff member would have 4.5 unpaid leave days required over each year of the biennium).

Employees Separating from Employment or New to Employment at UNLV:

Employees leaving before the end of the fiscal year will not be reimbursed for any unpaid leave taken (there is no cash value to unpaid leave).

Supervisors are responsible for assuring the employee takes the appropriate proportional unpaid leave prior to their separation and assuring they have not taken unpaid leave ahead of their monthly reduction in salary (to be addressed when their resignation is submitted).

New employees hired in the 2013-2015 biennium will have the same unpaid leave requirement, appropriately proportioned if they were not on contract all of FY14 or FY15 (e.g. a professional position starting September 1, 2013 will be responsible for five (5) unpaid leave days in FY14).

Academic Faculty and Administrative Faculty Salary Reduction for Unpaid leave:

UNLV will implement the unpaid leaves from a technical perspective through a consistent reduction in the monthly salary by the equivalent of one-half day per month and leave it up to the individual and their supervisor to arrange for the unpaid time to be taken. As the University has many less people to support institutional requirements, we cannot create new significant burdens on reporting/tracking of these issues.

The unpaid leave can be taken in any increment approved by the supervisor, does not have to be in eight (8) hour increments, and it may be preferable if they were taken in blocks (like their vacation
period). Unpaid leaves must be booked/taken during the appropriate fiscal year as there will be no carryover or reimbursement for unused days at the end of each fiscal year.

NOTE: professional employees will have more flexibility than state classified employees relative to taking the unpaid leave in blocks of time, this is due to the fact that federal wage and hour laws are very different for state classified (“non-exempt” employees) vs. professional staff (“exempt” employees).

Classified Salary Reduction and Unpaid Leave: Key Points (While the current classified furlough leave guidance in the Nevada Administrative Code 284.531 are effective only through June 30, 2013, it is anticipated that this section of NAC with be renew with minor to no revisions.)

The differences between this legislation and the practices and rules over the past two year are anticipated to virtually identical. As such, implementation should not be troublesome. In addition to what you have read before, here are some key points to keep in mind when scheduling unpaid leave:

a. Unpaid leave does need to be approved by the supervisor and the supervisor should agree to any reasonable request that will not materially impact the operations of the unit.

b. Employees and supervisors will be required to establish a leave schedule six months at a time; the first schedule will cover July 1 through December 31, 2013.

c. Deductions from pay for unpaid leave will occur in the pay period in which the leave occurs.

d. Unpaid leave cannot be taken in excess of twelve hours in any work week. UNLV work weeks run between Sunday and Saturday, as such nothing would preclude an employee from requesting leave on Friday and the following Monday. However, if both those dates are in the same pay period, both would be deducted from a single check.

e. There are no unpaid leave exemptions for classified employees.

Classified Salary Reduction and Unpaid leave, State Department of Personnel Changes to the Nevada Administrative Code:

The following language was adopted by the Personnel Commission in 2011 and is expect to remain in effect on July 1, 2013 through June 30, 2015.

NAC 284.531 Furlough leave. [Effective through June 30, 2013.] (NRS 284.065, 284.345; ch. 374, Stats. 2011)

1. The total number of hours of furlough leave required to be taken in a fiscal year by an employee who is initially appointed to state service after the commencement of the fiscal year is:

(a) For a full-time employee, the equivalent of 4 hours of furlough leave for each full month remaining in the fiscal year.

(b) For a part-time employee, the equivalent of the portion of 4 hours of furlough leave for each full month remaining in the fiscal year that is proportional to the average number of hours worked by the part-time employee.
If such an employee is appointed on a day other than the first day of a month, the month in which the employee is appointed is not included in the calculation set forth in this subsection.

2. An appointing authority may establish a policy that defines the minimum increment of furlough leave required to be taken at any one time by an employee of the appointing authority if the appointing authority determines that the minimum increment is necessary based on business necessity. The policy may provide different increments for employees in different divisions, locations or work groups based on business necessity. The appointing authority shall disseminate the policy to each employee under its authority who is required to take furlough leave.

3. To the extent practicable, an employee who is required to take furlough leave and his or her supervisor shall jointly determine in advance a schedule pursuant to which the employee will take furlough leave. If, because of business necessity, such a schedule cannot be mutually agreed upon, a supervisor may direct an employee to take furlough leave on a specific day or at a specific time, or both.

4. Movement of an employee from one position to another position must not alter the amount of furlough leave required to be taken by the employee.

5. The amount of furlough leave that an employee is required to take must not be offset by any savings realized as a result of a delay in filling the position that the employee holds.

6. An appointing authority shall not require or allow an employee to take more than 12 hours of furlough leave in a workweek.

7. Unless approved in advance by the Administrator of the Division of Human Resource Management and the Director of the Department of Administration or their designated representatives or, in the case of employees of the Nevada System of Higher Education, by the chief financial officer of the applicable institution, an appointing authority shall not require or allow an employee to work additional time during the same workweek in which the employee takes furlough leave if the additional time would be:

(a) Overtime for which the employee would be entitled to be compensated; or

(b) Added regular time for work as a part-time employee.

8. An employee who leaves state service will not be reimbursed for any furlough leave taken.

9. Any furlough leave taken by an employee must be considered time worked for the purpose of calculating the employee’s eligibility to take leave under the federal Family and Medical Leave Act. Any furlough leave that is taken during the time in which an employee takes leave that qualifies under the Family and Medical Leave Act will not be counted against the amount of leave which an employee is entitled to take under the Family and Medical Leave Act.

10. As used in this section, “furlough leave” means the unpaid leave required to be taken pursuant to the provisions of chapter 374, Statutes of Nevada 2011, at page 2207.

(Added to NAC by Personnel Comm’n by R021-11, 10-26-2011, eff. 10-31-2011)
**Employees that are 90+% Grant and/or Contract Funded:**

Classified employees, regardless of funding source, ARE REQUIRED to take all salary and unpaid leave reductions, there are no exemptions from these reductions for any classified employee.

Academic and Administrative Faculty that are 90+% grant and/or contract funded will be exempt from the 2.3% unpaid leave reduction to the extent that they remain so funded by external grant and/or contract dollars for the biennium – this is a new exemption from what was in place this biennium.

Human Resources will work with the Office of Sponsored Programs (OSP) to ensure all 90+% grant and/or contract funded individuals are exempted from the 2.3% unpaid leave reduction, and the OSP will also monitor the continued 90+% grant and/or contract funding status for these individuals during the biennium (this is required in order to retain the exemption). Additionally, the OSP will be responsible for tracking and reporting on this requirement during the biennium.