

**RESOLUTION OF THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND
AUTHORIZING FURLOUGHS AND TEMPORARY SALARY REDUCTIONS OF EMPLOYEES for FY 2021**

(Approved by the Board of Regents, June 19, 2020)

WHEREAS, the COVID-19 pandemic has had a devastating impact on our state and national economies; and

WHEREAS, the University System of Maryland (USM) is among virtually every organization, public and private, undertaking difficult decisions in the face of this financial crisis; and

WHEREAS, the crisis in the national economy and the economy of the State of Maryland due to the COVID-19 pandemic has required budget cutbacks across State government, including the institutions of the University System of Maryland (USM), and is expected to result in future fiscal constraints; and

WHEREAS, the USM institutions have incurred additional costs and experienced a loss of revenue related to the COVID-19 pandemic and expect those costs and losses to continue during Fiscal Year 2021;

WHEREAS, the USM and its institutions are preparing to take a range of actions to reduce costs in response to this economic crisis; and

WHEREAS, the responsibility of the Board of Regents for the governance of the USM includes the establishment of personnel policies under Annotated Code of Maryland, Education Article, Sections 12-110 and 12-111; and

WHEREAS, the Board of Regents has determined that it is in the best interest of the USM Office, the USM institutions, and the USM Regional Higher Education Centers to have available the option to take one or more actions, including personnel actions such as furloughs, temporary salary reductions, or equivalent salary-related measures, to assist in their efforts to achieve the USM's expected budget reduction and to address additional costs and loss of revenue due to the COVID-19 pandemic; and

WHEREAS, the Board of Regents regrets that such measures are necessary at this time;

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Regents authorizes the Presidents of the USM institutions, with the review of the Chancellor, in consultation with appropriate employee organizations, and the Chancellor on behalf of the employees in the USM Office, to develop and implement an institution or USM Office furlough or temporary salary reduction plan for Fiscal Year 2021 (the "Plan") for their institution, consistent with the following principles:

- A. The Plan may allow for the institution to close for a number of days in order to partially meet its necessary budget reduction targets or to address costs and losses of revenue related to the pandemic; however, an institution must ensure the continuation of essential services with minimum disruption to the institution, particularly with respect to the maintenance of class schedules, essential student services and institution patient care activities;
- B. If a furlough plan is implemented, accrued annual, holiday or personal leave may be used if an institution's number of closure days exceeds the number of target furlough days for an employee. Otherwise, no annual, holiday or personal leave may be used in lieu of a period of furlough;
- C. If a salary reduction plan is implemented, no accrued annual, holiday or personal leave may be used by the employee in lieu of the assigned salary reduction.
- D. No overtime or compensatory time may be granted to compensate for the loss of services of furloughed employees under the Plan;
- E. Under federal law, employees may not report to work, either at the worksite or remotely, on a furlough day, except in the event of an emergency;
- F. There will be no reduction of employment benefits, including retirement, health or leave benefits as a result of implementation of the Plan unless required by federal or Maryland law; and
- G. The Plan may allow for exclusion of certain individuals as required by law or institutional needs.

BE IT FURTHER RESOLVED THAT any furlough/temporary salary reduction plan developed by an institution shall be submitted to the Chancellor for advance review and shall:

- A. Reflect the best interests of the institution, taking into account the impact on faculty and staff;
- B. Be developed in consultation with appropriate employee organizations and consistent with shared governance principles;
- C. Achieve savings in an amount that contributes to the institution's financial stability;
- D. Address the financial impact of furloughs and temporary salary reductions on USM employees by taking employee compensation levels into account in establishing the numbers of furlough days or temporary salary reduction amounts required by the Plan;

E. Provide that any temporary salary reductions do not extend past the end of FY 2021.

BE IT FINALLY RESOLVED THAT the Plan shall include any implementation procedures deemed necessary by the Chancellor and shall be implemented within the schedule set forth in the Plan.