

REGENTS' POLICY
PART IV – HUMAN RESOURCES
Chapter 04.09 - Financial Exigency

P04.09.010. Financial Exigency: Controlling Policy.

Notwithstanding any other regents' policy, university regulation or university or campus practice or procedure, if the board determines that a condition of financial exigency exists either in the university generally, or in a major administrative unit or an academic or other unit of a major administrative unit, then the layoff or termination of tenured faculty, non-tenured faculty and other employees before the end of their employment term will be handled in accordance with this financial exigency policy. As used herein, the term "unit" means any identifiable component of the university at any level of its organization that has an annual budget for the operation of such component.

(06-20-97)

P04.09.020. Determination of Financial Exigency.

- A. Financial exigency exists when the board determines that a shortfall in projected revenues for general operations, as compared with projected expenditures over the same period, will have a material adverse effect on the operation of the university generally, or on a major administrative unit or an academic or other unit of a major administrative unit.
- B. In the event of reduced appropriations, declining enrollments, or other actions or events that compel a reduction in the operating budget of the university generally, or in an MAU or an academic or other unit of an MAU, the board may, in the exercise of its educational and fiscal responsibility, decide to reduce the operation of, to modify, or to close one or more MAUs or an academic or other unit of an MAU. Such reductions, modifications, or closures may require the unilateral reduction of salaries; modification of terms of employee appointments, including the duration of appointments, layoffs or terminations of tenured faculty, non-tenured faculty, or other university employees before the end of their employment term. The board will not be required to reallocate resources from one unit to another to avoid a determination of financial exigency in an MAU or an academic or other unit of an MAU. Any action taken by the board and university in response to a financial exigency will be developed with the understanding that the action will be consistent with the basic mission of the university to provide quality education for its students.
- C. Within the limits of the budgetary constraints, the university will make reasonable efforts to ensure that students affected by a financial exigency determination will be allowed to complete their programs at the affected unit or by transfer to another unit of the university.
- D. The determination of the existence and extent of financial exigency affecting the university generally, or any MAU or an academic or other unit of an MAU is the sole responsibility of the board, but the president of the university may request such a determination by the board. When such determination is made, this policy and university

regulation will take precedence and control over those applicable regents' policy,

- B. The president or a chancellor designated by the president may depart from the priority order for position elimination resulting from financial exigency specified above if after consultation with the affected units and consideration of the educational mission of the units the financial savings to be realized, the need for continuity, and the qualifications of the remaining employees to perform the necessary tasks, the president or chancellor designated by the president determines that the best interests of the university as a whole so requires.
- C. An exempt employee whose position is eliminated because of financial exigency will be entitled to a minimum of 8 calendar weeks of notice in advance of the cessation of employment.
- D. A nonexempt employo rno

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