



		Policy Section:	Institutional Support
Policy Number:	5521-01	Policy Title:	Organizational Restructuring
Original Effective Date:	03/27/2001	Department:	Human Resources
Date Last Revised:	4/14/20		

Purpose:

To establish the process by which organizational restructuring will occur and to outline the severance policy to be implemented when faculty and/or staff positions are eliminated.

Definitions:

For purposes of this policy, the terms below are to be understood as defined.

Critical Positions or Functions: Positions held by a single individual, or functions, performed by one or more individuals, that are deemed essential to the continued viability of the University's operations. Critical positions or functions are those requiring specialized knowledge, skills, or abilities.

Fiscal Crisis: Exists when economic, enrollment, and other factors result in, or are anticipated to result in, the University's inability to meet its expenses.

University's Programs: The method and scope of delivery of services to students. University Programs may include academic courses, methods of delivering student services, scope of extra-curricular activities, or a set of requirements or procedures for achieving various objectives of the University. Examples: Athletics programs, financial aid programs, enrollment programs, student ministry programs, resident life programs, employee benefits programs, fundraising programs, etc.

Policy:

It is the policy of Cairn University to maintain a stable yet responsive work force necessary to accomplish its mission. When economic circumstances necessitate temporary or permanent reduction of, or changes to, Cairn University's work force, actions shall be taken consistent with the policies and philosophy of Cairn University. The University will render such decisions without taking into consideration any of the following factors: the employee's race, gender, color, age, national or ethnic origin, disability, or other protected characteristics.

Insofar as is possible, organizational restructuring due to a fiscal crisis requiring a reduction in force may be preceded or accompanied by cost saving measures including, but not limited to:

- Cost reduction programs;
- Normal attrition and hiring freezes;
- Reduction in overtime;
- Voluntary work schedule and pay reductions;
- Voluntary leaves without pay;
- Interdepartmental transfers.

In the event of a more severe fiscal crisis, the following measures may be taken in addition to or separate from a reduction in force:

- Reduction, suspension, and/or change in cost sharing arrangements of benefits;
- Freeze or reductions in salaries.

Except in the case of critical positions and functions, employees who have transferred, quit, retired, been released or discharged, or otherwise terminated their relationship with the organization shall not be replaced. Vacant positions shall not be filled unless determined to be operationally necessary.

Aside from fiscal factors, changes to the University's programs may necessitate organizational restructuring. Periodic evaluation of programs includes examination of the alignment of its personnel to organizational needs. These periodic evaluations occasionally result in the need to add, eliminate, or change duties and responsibilities of positions. While organizational changes may provide promotional and advancement opportunities for employees, they may also require the elimination of positions or demotion or reassignment of employees.

Each step of the organizational restructuring procedure shall be administered in accordance with applicable state and federal laws.

Procedures:

1. Organizational Restructuring Guidelines – Reduction in Force

1.1 In light of the severity and anticipated duration of the fiscal crisis requiring reduction in force, the President and Cabinet members, in conjunction with department heads, will evaluate positions and personnel. The University's goals will be to reduce salary and benefit expenses while retaining faculty and staff in positions essential to sustaining and rebuilding the University.

1.2 Faculty Positions - Decision making of faculty members to be retained:

1.2.1 Criteria - The following criteria, presented in rank order, will be used to determine which faculty members will be retained as a result of a reduction in force:

- 1.2.1.1 Demonstrated capability to teach multiple disciplines;
- 1.2.1.2 Demonstrated ability to teach multiple courses within a given field;
- 1.2.1.3 Demonstrated ability to develop and teach online courses;
- 1.2.1.4 Demonstrated ability to contribute to co-curricular and student life activities;
- 1.2.1.5 Academic credentials;
- 1.2.1.6 Record of performance;
- 1.2.1.7 Seniority.

1.2.2 Procedure

- 1.2.2.1 The Provost or his/her adjutant will consult with the deans of schools concerning the coverage of classes;
- 1.2.2.2 The Provost or his/her adjutant will submit a proposal to the President;
- 1.2.2.3 The President will, in consultation with the President's Cabinet, determine which faculty members will be retained.

1.3 Staff Positions – Decision making of staff members to be retained:

1.3.1 Criteria - The following criteria, presented in rank order, will be used to determine which staff members will be retained as a result of a reduction in force:

- 1.3.1.1 Demonstrated capability to perform multiple functions across departments;
- 1.3.1.2 Demonstrated ability to perform multiple tasks within a given department;
- 1.3.1.3 Demonstrated ability to contribute to co-curricular and student life activities;
- 1.3.1.4 Record of performance;
- 1.3.1.5 Seniority.

1.3.2 Procedure

- 1.3.2.1 The Vice President of Human Resources (VPHR) will consult with supervisors concerning the coverage of services;
- 1.3.2.2 The VPHR will submit a proposal to the President;
- 1.3.2.3 The President will, in consultation with the President's Cabinet, determine which staff members will be retained.

2. Organizational Restructuring Guidelines – Alignment with Program Needs

- 2.1 The University strives to maintain a workforce which can adequately sustain its operations in order to directly benefit students and to indirectly provide tuition-producing enrollment necessary for the University to be able to provide employment. To this end, when current faculty and staff positions do not align with the needs of the University's programs, identification of employee training, development, reassignment, or termination is discussed.
- 2.2 Decision making of faculty and staff to be terminated:
 - 2.2.1 Criteria – The following factors will be used to determine positions to be eliminated or changed, resulting in termination of employment:
 - 2.2.1.1 The program no longer requires the role or function; or
 - 2.2.1.2 The role or function is significantly changed, requiring different qualifications, knowledge, skills, or abilities; and
 - 2.2.1.3 The employee(s) in the role or function to be eliminated or changed does not possess the qualifications, knowledge, skills and abilities necessary to remain in the position, or to fill or be developed to fill a currently or foreseeably-open position within the University.

3. Organizational Restructuring Guidelines - General

An employee whose position is selected for elimination and who declines an offer of transfer to a position of comparable duties, will lose eligibility for severance benefits in effect at the time of separation, and will be terminated as a voluntary resignation. Those who accept placement in a lower-paid position will retain their current base salary for the duration of the maximum severance period for which the employee qualifies.

4. Notification of Intent, Notice Period, Severance, and Unused Allotted PTO

- 4.1 Notice of 1) intent to terminate employment, 2) notice period or pay in lieu of notice, and 3) severance pay to be offered shall be provided to the affected employees.
 - 4.1.1 Intent: The notice of intent to terminate employment shall be provided in written form.
 - 4.1.2 Notice Period: Generally, the notice period shall be two weeks. The University shall decide whether to request or permit the employee to work through some or all of a notice period, or to pay the employee in lieu of notice. At the University's discretion, this decision may be made in conjunction with the employee.
 - 4.1.3 Severance: Severance pay is a benefit provided to assist employees during transition to new employment. Therefore, employees offered severance are required to sign a Severance Agreement and General Release in order to qualify to receive severance payment.
 - 4.1.3.1 In the event of an organizational restructuring resulting from realignment, payment of severance shall be made to affected employees.
 - 4.1.3.2 In the event of an organizational restructuring resulting from a fiscal crisis, the University may not be able to provide payment of unused PTO, or severance, or may be able to provide a partial severance amount. This is to be determined based on the severity of the crisis.
 - 4.1.3.3 When employment is terminated due to an organizational restructuring, employees are eligible to receive unemployment compensation benefits. Unemployment compensation is state mandated, and benefits depend on state and federal laws in effect at the time of termination.
 - 4.1.3.4 Unemployment compensation is a form of severance that is issued by the state but reimbursed to the state by the University. It is the University's intention that, except in a severe fiscal crisis, employees affected by organizational restructuring receive a total weekly severance (unemployment compensation benefit plus University-paid severance) which approximates their weekly pay at time of separation. Therefore, severance paid to the employee by the University will be

55% of employee's normal weekly pay, issued for one week for each year of completed service to the University, but not more than 24 weeks.

4.1.3.5 Part time employees' University-issued severance pay shall be calculated at 55% of the average weekly hours worked during the six month period prior to the date of notification.

4.1.3.6 Severance Pay will be discontinued when the affected employee starts a new position. In the event the new position's weekly salary is less than the weekly severance (University-paid severance plus unemployment compensation benefit), the University will continue to pay the difference for the length of the severance period.



President's Cabinet Representative

April 14, 2020

Date