

CHAPTER III

FACULTY AND STAFF

SECTION XVI. FINANCIAL EXIGENCY

- A. Staff Reduction. The Board recognizes circumstances that may indicate a need for staff reduction such as financial exigency. Financial exigency may exist-at the institution, program or budget unit level and shall be verified by the System staTmETBT1 0 0 1 5585 509.55 T

their programs, within the limits of budgetary restraints, at the institution or by transfer to another institution.

A declaration of financial exigency shall represent a determination by the Board, upon recommendation of the institution president and System President, that the financial condition of the System, an institution, program, or budget unit has reached a crisis in which the entity must carefully reexamine its priorities and reduce programs or personnel or both to effect a cost savings sufficient to alleviate the financial exigency.

The determination of financial exigency affecting the System, institution, program or budget unit shall be the sole responsibility of the Board. However, the president of an institution, after consultation with representative faculty members and approval by the System President, may request such a determination by the Board through the System President. When such determinations are made, this policy, along with any implementing procedures, will take precedence over those applicable Board policies that govern normal operating procedures. Implementation of a declaration of financial exigency by the Board shall be developed with the understanding that action taken will be consistent with the basic mission of the System to provide the best possible education, research, and public service.

3. Implementation of Declaration of Financial Exigency. Upon a declaration of financial exigency by the Board, the president of each institution, after consultation with representative faculty and staff, and approval by the System President, shall determine whether furloughs, layoffs, and/or terminations are required and which employees will be affected. This determination shall be made in accordance with procedures established by the System President, and approved by the Board, which will give primary consideration to the maintenance

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