

**POLICIES AND PROCEDURES FOR RESPONDING TO
FINANCIAL EMERGENCIES WITHIN THE SOUTHERN UNIVERSITY SYSTEM
(Revised)**

I. Introductory Statement

- A. This document sets forth policies and procedures for the orderly development and implementation of plans for addressing financial emergencies at Southern University and A & M College, Southern University at New Orleans, Southern University at Shreveport, Southern University Law Center and Southern University Agricultural Research and Extension Center campuses (hereinafter called University). In specific terms, this document:
1. Defines the term “financial emergency;”
 2. Establishes the process by which a financial emergency may be administratively determined and declared;
 3. Establishes the guidelines that will be used to govern retrenchment planning processes; and
 4. Establishes the guidelines for implementing retrenchment plans.
- B. The policies and procedures expressed herein have been developed in recognition of the need to ensure objective action during a financial emergency. Furthermore, both the declaration of a “financial emergency” and the development and implementation of plans to address such a situation will be done with consideration for the welfare of the principal components that compromise the Southern University System.

II. Definition of Financial Emergency

For the purposes of this document, the term “financial emergency” means a condition of significant financial stress which demands immediate attention to protect the overall stability of the University and/or its departments (academic and non-academic), as determined by the Southern University Board of Supervisors.

Such an emergency is a situation calling for the reduction and/or reallocation of expenditures, including reduction, reorganization, or termination of the University’s program activities and employees, as the Board of Supervisors shall determine. A financial emergency may be the result of a substantial decline or shift

in student enrollment, a reduction in State funding, a reduction or loss of revenue from non-State sources or other loss of income, or other events requiring unanticipated expenditures.

III. Procedures for Determination and Declaration of a Financial Emergency

- A. An official “financial emergency” at the University shall be declared only by the Board of Supervisors but may be announced either by the President of the Southern University System or other authorized representatives of the Board.
- B. Should the Chancellor of the University observe evidence of serious financial difficulties, he/she shall consult with the President of the Southern University System and initiate review of the financial status of the university and the stability of its campuses and centers to determine whether a condition of “financial emergency” exists. After this review has been rendered and after appropriate discussion with faculty, students and other advisors, if the evidence examined indicates that a “financial emergency” exists or is anticipated, the Chancellor shall prepare and submit a Report of Financial Emergency to the President of Southern University System for approval; and the President submit the Chancellor’s report to the Board of Supervisors for approval.
- C. After the Board of Supervisors considers the Report of Financial Emergency and recommendations of the Chancellor and the President, the Board may formally declare a condition of “financial emergency” and authorize the development of a preliminary retrenchment plan consistent with the nature and severity of the “financial emergency.”

IV. Guidelines for Retrenchment Planning: Development of the Preliminary Retrenchment Plan

- A. When a “financial emergency” has been declared by the Board of Supervisors, the Chancellor of the University shall direct the development of a preliminary retrenchment plan to effectively address the emergency. Where the fiscal conditions of the State and the public comments or actions of the Governor and/or Legislature cause the University to infer that a state of financial emergency for the University is likely to develop for the ensuing year, the Board may direct the Chancellor to begin development of a preliminary retrenchment plan before the actual declaration of financial emergency by the Board. Such a plan will not be implemented, however, until the Board declares financial emergency, and is expected to otherwise meet the policies and procedures of this document.

- B. In drafting the preliminary retrenchment plan, the following statements shall guide all planning processes:
1. The mission of the University, current university goals, purposes, and institutional priorities; and
 2. Applicable federal and State laws, rules, regulations, policies and procedures. Other directives of the State of Louisiana as articulated by the Legislature, the Governor, the Board of Regents, the Commissioner of Administration or other authorized State officials, and/or regulatory bodies shall be considered.
- C. The preliminary retrenchment plan may propose the reduction, reorganization, consolidation, or termination of programs and/or activities, including positions. In considering such action, the following guidelines shall be observed:
1. Both academic and non-academic programs and/or activities may be reviewed for possible retrenchment action; and
 2. In order to ensure excellence, the financial stability of the programs and/or activities, some reductions may be applied on a university-wide basis while others may be applied to selected activities as appropriate. Such reductions are not required to be uniform throughout the University. Selective reductions may be applied to certain areas in order that other areas of priority may be strengthened. Therefore, the preliminary retrenchment plan may require the complete elimination of some programs and/or activities while requiring the reorganization, reduction, or strengthening of others.
- D. The review of programs as a part of the retrenchment planning process will be done in recognition of - but will not necessarily be limited to - the following criteria:
1. *Centrality* - Relationship to mission, goals, and priorities of the University.
 2. *Quality* - National, regional, and State ranking, accreditation status, strength of faculty, and reputation of graduates.

3. *Demand* – Current and projected enrollment, number of majors, quality of applicants, number of graduates during the last three to five years, and outlook for placement of graduates.
 4. *Critical Relationships to Other Programs* – Service courses taught and negative impact on other programs, if significantly reduced or terminated.
 5. *Costs in Relation to Productivity* – Positions required, classrooms and other resources needed, revenue generated and expended, and productivity and consumption data.
 6. *Research Implications* – The extent to which research outputs contribute to teaching and learning processes and/or other University priorities.
 7. *Potential for External Financial Support* – Probability of federal, State, foundation, corporate, or local support.
 8. *External Considerations* – Only program available to serve a special need within the State or region.
 9. *Alternative Actions* – The extent to which other efficiency measures may serve as adequate alternatives to curtailment or discontinuation.
- E. When the Board of Supervisors officially declares a “financial emergency” or otherwise directs the Chancellors to begin development of a preliminary retrenchment plan, the development of a preliminary retrenchment plan shall be preceded by general notification to the University community of such Board action. The Chancellor of the University will provide opportunity for a special meeting of the various faculty organizations to explain the nature and scope of the financial emergency and obtain recommendations concerning proper initial action.
- F. The Chancellors will coordinate the review of programs and the development of retrenchment strategies and recommendations for their respective units. Other University personnel may be called upon for comments and suggestions, as appropriate.
- G. The Chancellors will prepare retrenchment strategies and recommendations.
- H. The set of retrenchment strategies and recommendations developed for each area shall be designated as a retrenchment proposal and must be submitted

to the President of the Southern University System for consideration as an element of the preliminary retrenchment plan.

- I. Each retrenchment proposal shall be concise and as specific as possible with regard to the identification of the programs and activities being recommended for modification. The rationale for each proposed action must be clearly indicated and the programmatic, budgetary, and personnel impacts must be explained. For each proposed action, the number(s) and type(s) of position(s) affected must be stated along with an identification of the specific positions involved.
- J. Each proposal will be evaluated in terms of its compliance with established criteria, guidelines, and its adequacy for addressing the financial emergency at hand.
- K. After the Chancellor has prepared a preliminary retrenchment plan, he/she may convene for the purpose of discussing the plan with each faculty organization in order for each to have the opportunity to make recommendations regarding the plan, but the Chancellor must set a deadline for any review action in which each organization may participate.
- L. Should the Chancellor consult and receive recommendations from the faculty organizations, he/she may modify the preliminary retrenchment plan, as needed.
- M. The Chancellor's preliminary retrenchment plan shall be as specific as possible with respect to the programs affected, the rationale for each action proposed, and the programmatic, budgetary, and personnel impact of each action. The plan should state the number(s) and type(s) of position(s) affected by each action as well as identify the specific position(s) involved. The preliminary retrenchment plan will then be submitted to the President of the Southern University System, the president will submit the preliminary retrenchment plan to the Board of Supervisors for consideration.

V. **Guidelines for Implementing the Official Retrenchment Plan**

- A. After considering the preliminary plan and other advice, the Board of Supervisors may adopt an official retrenchment plan in response to the financial emergency and authorize appropriate administrative action in accordance with the policies and procedures addressed in this document.

The University *Faculty Handbook* and other personnel documents outline the procedures for terminating faculty and staff personnel for reasons other than a financial emergency. During a period of financial emergency, however, the special termination policies promulgated in this document will supersede all statements in the *Faculty Handbook* and all other personnel policies pertaining to the employment, appointment, non-reappointment and termination of all classes of university employees, except classified personnel.

Any termination or change of status of classified personnel will be in accordance with Civil Service Rules, Chapter 12.

- B. During deliberations regarding the persons to be terminated, consideration must be given to the following:
1. Transferring faculty or other employees to other areas of the University;
 2. Retraining faculty or other employees for new job assignments at the University; and
 3. Giving terminated employees first priority in filling future vacancies for which they are qualified and able to fill.
- C. After the Board has adopted an official retrenchment plan, the President will inform the Chancellor of the Board's action and direct its prompt implementation.

VI. Termination Notices to Affected Individuals

A. Notice to Personnel:

1. Each person who is notified of his termination or of some other involuntary status change because of financial emergency shall be given notice of such action, in writing, by the Chancellor. Such notice will be transmitted by certified mail and/or delivered personally.
2. The notification to all affected personnel shall be at least thirty days prior to the termination or change-of-status date.
3. The Chancellor's notice shall include the following:
 - a. A brief statement concerning the financial emergency and the general procedures followed in identifying programs and personnel for reduction;
 - b. A clear statement explaining the basis for the decision in the particular case of the person affected;
 - c. A statement indicating the employee's right to appeal the notice of termination or change of status, as provided herein; and
 - d. A statement indicating future employment priority, if applicable.
4. In addition, the Chancellor's notice shall indicate that the termination is because of a financial emergency and does not reflect negatively on the individual's performance. The letter shall offer to provide letters of reference upon request and letters of explanation to prospective employers to assist in suitable placement.

B. Appeals

1. An employee who has been issued a termination notice or other involuntary change of status because of "financial emergency" may appeal the decision if such appeal is filed at the Chancellor's Office

within seven days of the date of the notice. The appeal must be in writing and shall describe, with reasonable specificity, the basis for the appeal.

2. The Chancellor will examine the substance of the appeal and transmit his response to the employee within seven (7) days after receipt of the appeal, unless the Chancellor makes a request for additional time to further investigate the appeal in the interest of fairness to both the University and the affected individuals. The Chancellor will either sustain the original notice of termination or cancel the termination notice. If the notice is terminated, it must be in writing.
3. If the Chancellor sustains the notice of termination, the employee may appeal the decision to the president, provided such appeal is filed in the President's Office within five (5) working days of receiving the Chancellor's adverse decision. The appeal must be in writing and shall describe, with reasonable specificity, the basis of the appeal. The President shall submit his appeal decision to the Board of Supervisors, along with his/her recommendations, within ten (10) working days after receipt of appeals. The Board may require further investigations or hearings as appropriate to the case.
4. After the Board completes its review of all recommendations regarding the appeal, the Board Chairman shall notify the affected employee of Board's decision.
 - a. If the Board of Supervisors accepts the President's recommendation to terminate the employee, the decision shall be communicated to the employee, in writing, within five (5) days after the Board's decision.
 - b. If the Board of Supervisors reverses the President's decision to terminate the employee, the President shall inform the employee within five (5) days after the Board's decision and the case is closed.
 - c. Where no final action is taken by the Board, the employee shall be notified, in writing, by the President that the appeal is still pending. The termination notice, however, will remain in effect pending a final decision by the Board.

VII. Rights and Responsibilities of the Board of Supervisors

The Board of Supervisors reserves its right and responsibility to determine the mission and priorities of the Southern University System and does not waive its authority to modify, amend, or repeal the foregoing policy at any time in the future, provided, however, no such modification, amendment, or repeal will apply retroactively in prejudice to any affected employee.

Effective, October 28, 2011