UC Davis Feedback Regarding Furloughs or Pay Reductions

This paper is in response to the Office of the President request that each campus provide feedback regarding the furlough and pay reduction options proposed June 17, 2009.

DATA COLLECTION

UC Davis had three main processes for collecting input:

1. UC Davis June 2009 Employee Survey on Potential Furloughs and Pay Reduction Programs
   a. It was open to all employees from June 19 to June 26.
   b. 4,812 total responses including 566 academic employees and 4,246 staff.
   c. In the survey, respondents:
      i. Indicated the type of position held (Academic or Staff) and their work location (Davis, Sacramento or Other)
      ii. Ranked each of the three options as most acceptable, moderately acceptable or least acceptable.
      iii. Provided written feedback, comments and suggestions.

2. UC Davis Staff Assembly conducted a furlough/pay reduction survey in April 2009 before the Office of the President specified the three options. The summary and analysis is posted at http://staff.ucdavis.edu/News/furlough. On July 1, 2009, the Executive Committee published a response to the options based on their survey and the committee’s discussions of the options. (Appendix B)

3. In response to the Chancellor and Provost's June 17, 2009 request for input, faculty and staff submitted inquiries and suggestions to Chancellor Vanderhoef, Provost and Executive Vice Chancellor Lavernia, HR executives, other campus leaders and Budget@ucdavis.edu.
   a. Staff and faculty sent over 400 emails. Each email received a response and some representative questions and answers have been posted on the budget website (http://budgetnews.ucdavis.edu/). The information was compiled to help inform this paper and for future use.

The UC Davis June 2009 Employee Survey is the source of the statistical data reported in this paper but the concerns, suggestions and preferences are drawn from all three processes.

STATISTICAL RESULTS (N=4,812)

More than two-thirds of academic employees (68%) and staff (73%) indicate that “Option II: 21 day furlough” is most acceptable. More than three-quarters of academic employees (78%) and staff (77%) indicate that “Option 1: salary reduction” is least acceptable. (See Charts 1 and 2)
Chart 1. Most Acceptable - By Position (n = 4,812)

- Option I - salary reduction: 17.5% Academic, 12.6% Staff, 13.1% Overall
- Option II - unpaid days off: 72.5% Academic, 72.1% Staff, 72.1% Overall
- Option III - combination of unpaid days off & salary reduction: 14.7% Academic, 14.9% Staff, 14.8% Overall

Chart 2. Least Acceptable - By Position (n = 4,812)

- Option I - salary reduction: 77.8% Academic, 76.8% Staff, 76.9% Overall
- Option II - unpaid days off: 13.5% Academic, 9.6% Staff, 10.1% Overall
- Option III - combination of unpaid days off & salary reduction: 8.7% Academic, 13.6% Staff, 13.0% Overall
The responses varied slightly depending on location (Davis, Sacramento or other) but the differences are small. See Appendix A for survey detail.

DOMINANT THEMES: CONCERNS, QUESTIONS, AND SUGGESTIONS

Hundreds of faculty and staff provided detailed concerns, suggestions, questions and preferences via the three collection processes. There is a great deal of valuable detail in the correspondence but, for purposes of this summary, we have identified the following recurring themes:

- Importance of providing furlough days rather than a straight pay cut to recognize the value of employees and so that employees have time off with family or for other work.
- Concern regarding the lack of gradation in the salary band structure and inequities that occur at any breakpoint in a salary band structure.
- Importance of an action or process to deal with personal hardships resulting from reduced pay.
- Importance of protecting retirement and benefits.
- Challenges of a furlough when amount of work to be done does not change.
- Challenges of a furlough when work patterns and responsibilities are so disparate (clinical work, office work, hourly work, hospital work, animal care, faculty teaching and research work that may be spread over 7 days a week, etc.).
- Concern regarding the validity of pay reductions and furloughs applied equally to all employees regardless of the source of the salary.
- Concern regarding including in the furloughs and pay reductions employees who are funded by grants and contracts.
- Suggestion of providing additional incentives to potential retirees.
- Specific suggestions for reducing costs and improving business operations.
- Questions about how the furlough/pay cut will be applied to represented employees.
- Concern that unpaid holidays appear as a straight salary reduction with no value to employees.
- Concern regarding the impact on employees whose appointment will fall below 50% with a potential furlough.
- Questions about how post-docs and graduate students will be impacted.
- Need for clarity about how these programs connect to the START program and need for parity between the programs.
- Appreciation for being consulted and hope that employee opinions and suggestions will be used in the decision process.

In addition to the themes summarized above, the Staff Assembly July 1, 2009, position paper (Appendix B), which has a “qualified support” position for Option II, provides detailed concerns on five issues:

- A lack of a detailed plan on how to restore holidays, unpaid days or pay cuts.
- A lack of recognition that many will continue to work through closed days and unpaid holidays.
• The furlough plan utilizing holidays does not provide the equitable exchange for reduced working days.
• The furlough plan utilizing holidays will not capture additional savings from closing operations for 21 days.
• A need to resolve issues surrounding benefits and retirement calculations to ensure there is no secondary effect of these cuts.

STEPS PLANNED AT UC DAVIS

As noted earlier, hundreds of employees have provided and are continuing to provide suggestions and concerns, some of which can be implemented or resolved at the campus level. We will ensure that the submissions are reviewed and included in our campus budget and program review.

An open forum is scheduled for July 9th in Freeborn Hall (capacity of 1,000) to provide information about human resources services and resources available to UC Davis employees. The campus routinely communicates using the campus Dateline newspaper and weekly electronic message, the UC Davis Budget News webpage, direct correspondence to the campus community and many presentations to groups of faculty, staff and students.

CONCLUSION

Given the three options and no other choices, UC Davis employees overwhelming choose Option II. However, they have very serious concerns about the details of implementation and about the impact on their lives and on the university.
June 2009 Survey
Potential Furloughs and Pay Reduction Programs

UC Davis employees were surveyed about the options for furloughs or pay reductions that are being considered by the Office of the President and the Regents. Respondents were provided with the following summary of options:

**OPTION I: 8 Percent Salary Reduction**

**Plan:** Salaries for all faculty and staff be reduced by 8%. Salaries for faculty and staff earning less than $46,000 per year be reduced by 4%.

**OPTION II: 21 Unpaid Days Off**

**Plan:** Through a combination of certain unpaid holidays and scheduled furlough days totaling 21 days (14 days for academic year faculty and 19 days for fiscal year faculty), staff and faculty salaries would be reduced by 8%. For staff and faculty earning less than $46,000 per year, the Plan would include 11 unpaid holidays and scheduled furlough days (7 days for academic year faculty and 10 days for fiscal year faculty). Accrued vacation and/or sick leave could not be applied to unpaid days.

**OPTION III: 12 Unpaid Days Off Plus a 3.4% Salary Reduction**

**Plan:** Through a combination of unpaid holidays and scheduled furlough days totaling 12 days (8 days for academic year faculty and 11 days for fiscal year faculty), and imposing a 3.4% salary reduction resulting in an overall reduction in salaries of 8%. Faculty and staff earning less than $46,000 per year would have their salaries reduced by 4 percent though a combination of 6 unpaid holiday and scheduled furlough days (4 days for academic year faculty and 5 days for fiscal year faculty) and a 1.7 percent salary reduction. Accrued vacation and/or sick leave could not be applied to unpaid days.
### Summary of Responses by Demographic

#### Most Acceptable

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June 2009 Survey
Potential Furloughs and Pay Reduction Programs

Most Acceptable Option - Overall

- Option I - salary reduction: 13.1%
- Option II - unpaid days off: 72.1%
- Option III - combination of unpaid days off & salary reduction: 14.8%

Percentage of All Responses
Moderately Acceptable Option - Overall

- Option I - salary reduction: 9.3%
- Option II - unpaid days off: 19.7%
- Option III - combination of unpaid days off & salary reduction: 71.0%
Least Acceptable Option - Overall

- Option I - salary reduction: 76.9%
- Option II - unpaid days off: 10.1%
- Option III - combination of unpaid days off & salary reduction: 13.0%
Respondent Demographics - Position

- **Academic:** 566
- **Staff:** 4246

Number of Respondents

- **Academic**
  - 566
- **Staff**
  - 4246
Most Acceptable Option - By Position

Option I - salary reduction
- Academic: 17.5%
- Staff: 12.6%
- Overall: 13.1%

Option II - unpaid days off
- Academic: 67.8%
- Staff: 72.5%
- Overall: 72.1%

Option III - combination of unpaid days off & salary reduction
- Academic: 14.7%
- Staff: 14.9%
- Overall: 14.8%
Moderately Acceptable Option - By Position

Option I - salary reduction
- Academic: 4.8%
- Staff: 9.9%
- Overall: 9.3%

Option II - unpaid days off
- Academic: 19.1%
- Staff: 19.9%
- Overall: 19.7%

Option III - combination of unpaid days off & salary reduction
- Academic: 76.1%
- Staff: 70.2%
- Overall: 71.0%
Least Acceptable Option - By Position

- **Option I - salary reduction**: 77.8% Academic, 76.8% Staff, 76.9% Overall
- **Option II - unpaid days off**: 9.6% Academic, 10.1% Staff, 10.1% Overall
- **Option III - combination of unpaid days off & salary reduction**: 8.7% Academic, 13.6% Staff, 13.0% Overall
Respondent Demographics - Location

- Davis: 2668
- Sacramento: 1926
- Other Location: 218

Number of Respondents
Most Acceptable Option - By Location

Option I - salary reduction
- Davis: 12.7%
- Sacramento: 13.6%
- Other Location: 16.1%
- Overall: 13.1%

Option II - unpaid days off
- Davis: 74.0%
- Sacramento: 70.2%
- Other Location: 62.4%
- Overall: 72.1%

Option III - combination of unpaid days off & salary reduction
- Davis: 13.3%
- Sacramento: 16.2%
- Other Location: 21.6%
- Overall: 14.8%
Moderately Acceptable Option - By Location

- **Option I** - salary reduction
  - Davis: 7.1%
  - Sacramento: 12.0%
  - Other Location: 12.7%
  - Overall: 9.3%

- **Option II** - unpaid days off
  - Davis: 18.1%
  - Sacramento: 21.5%
  - Other Location: 26.9%
  - Overall: 19.7%

- **Option III** - combination of unpaid days off & salary reduction
  - Davis: 74.8%
  - Sacramento: 66.5%
  - Other Location: 60.4%
  - Overall: 71.0%
Least Acceptable Option - By Location

- Option I - salary reduction
  - Davis: 80.1%
  - Sacramento: 73.5%
  - Other Location: 68.1%
  - Overall: 76.9%

- Option II - unpaid days off
  - Davis: 7.4%
  - Sacramento: 11.1%
  - Other Location: 10.2%
  - Overall: 10.1%

- Option III - combination of unpaid days off & salary reduction
  - Davis: 10.6%
  - Sacramento: 15.4%
  - Other Location: 21.8%
  - Overall: 13.0%
Moderately Acceptable Option - By Position & Location

Option I - salary reduction
- Academic - Davis: 4%
- Academic - Sacramento: 5%
- Academic - Other Location: 6%
- Staff - Davis: 8%
- Staff - Sacramento: 12%
- Staff - Other Location: 9%
- Overall: 14%

Option II - unpaid days off
- Academic - Davis: 19%
- Academic - Sacramento: 14%
- Academic - Other Location: 18%
- Staff - Davis: 22%
- Staff - Sacramento: 28%
- Staff - Other Location: 21%
- Overall: 28%

Option III - combination of unpaid days off & salary reduction
- Academic - Davis: 77%
- Academic - Sacramento: 74%
- Academic - Other Location: 58%
- Staff - Davis: 71%
- Staff - Sacramento: 66%
- Staff - Other Location: 71%
- Overall: 71%
Least Acceptable Option - By Position & Location

- **Option I - salary reduction**: Overall 78%, Academic - Davis 74%, Academic - Sacramento 80%, Academic - Other Location 73%, Staff - Davis 67%, Staff - Sacramento 11%, Staff - Other Location 8%
- **Option II - unpaid days off**: Overall 77%, Academic - Davis 74%, Academic - Sacramento 80%, Academic - Other Location 73%, Staff - Davis 67%, Staff - Sacramento 11%, Staff - Other Location 8%
- **Option III - combination of unpaid days off & salary reduction**: Overall 23%, Academic - Davis 14%, Academic - Sacramento 12%, Academic - Other Location 13%, Staff - Davis 10%, Staff - Sacramento 11%, Staff - Other Location 13%
Appendix B

UC Davis--Special Edition of Staff Voice--Staff Assembly’s Response to Furlough Options, July 1, 2009

As discussions occur regarding a variety of proposals regarding salary reductions in either a pay cut, furlough days or a combination of both, Staff Assembly’s Executive Committee met and have the following response regarding these options.

UC Davis’ Staff Assembly provides a qualified support for the 21 furlough days option. There are a variety of reasons for our preference as well as concerns that need to be addressed for us to provide full support. In all of these options, we recognize the numerous staff and their time required to implement these changes above their normal duties in ensuring that UC employees are paid. We continue to also remind everyone that these plans do not arrive at the full cost reductions required to meet the budget and that there are likely additional impacts. UC Davis’ Staff Assembly sees the following additional issues:

- A lack of a detailed plan on how to restore holidays, unpaid days or pay cuts
- A lack of recognition that many will continue to work through closed days and unpaid holidays
- The furlough plan utilizing holidays does not provide the equitable exchange for reduced working days
- The furlough plan utilizing holidays will not capture additional savings from closing operations for 21 days
- A need to resolve issues surrounding benefits and retirement calculations to ensure there is no secondary effect of these cuts

A Lack of a Detailed Plan to Restore Cuts

While the plans indicate an end date, it does not provide any details on restoring pay cuts, holidays or unpaid days off. If the budget returns but not at the amount to restore all days to all employees, will the money be redirected to other programs until there is a big enough restoration to restore all days cut? Will the application of new funding be applied to a limited subset of employees such as high-turn over positions, highly valued faculty or administrators or to low wage workers? We are deeply concerned that what we are asked to choose from is only a partial plan and many of our members require the complete plan to provide full support.

A Lack of Recognition that Many Will Continue to Work Through Closed Days and Unpaid Holidays

Numerous employees are governed more about the completion of assigned tasks and projects rather than by the number of hours worked. Many others feel obligated to complete assigned tasks and projects regardless of their schedule to ensure the university meets its obligations. There are obligations beyond the university such as those for federal contracts and grants, sporting events, a variety of event support for conferences, and other services the university provides to the general public. While the proposal recognizes health care issues, the proposal should consider options for others who must work, even on closed days, to meet university commitments. Will there be recognition of such employees either financially or in other ways for their contribution?
The Furlough Plan Utilizing Holidays Does Not Provide the Equitable Exchange for Reduced Working Days

As our surveys indicated, the furlough was favored beyond pay cuts but that is based on a perception that it reduces the number of working days. The use of holidays means that it is saving working days. While this is beneficial in the university operations to support research, education, and its public service mission, it does so at the expense of staff. Holiday reduction is effectively a salary cut. In addition, having a university shutter its doors clearly communicates to the public the profound impact of the state’s decisions on higher education funding. Staff perceive holidays as part of the benefits of working at the university and offsets higher pay they may receive in the private industry. If there was a silver lining to a furlough, it was that employees could spend more time with family, relax, work on their own home projects, etc. This is not the case with the option for 21 furlough days as it uses a significant amount of holiday days. Staff Assembly does not agree to this component of the plan.

The Furlough Plan Utilizing Holidays will not Capture Additional Savings

The concept of a furlough day with the reduction of operations could have also included savings from expenses other than salaries. Other expenses, primarily energy expenses, would be reduced as a function of the university closing its doors for several extra days. In a similar way, pay cuts do not capture these additional savings. As was mentioned, the furlough plans do not address additional gaps in the budget to each campus. The additional gaps maybe met with layoffs or additional pay cuts applied at the campus levels. A furlough day resulting in additional university closed days would recognize additional savings that can be used to offset additional programmatic cuts applied on a campus-by-campus basis.

A Need to Resolve Issues Surrounding Benefits and Retirement Calculations

There are a variety of other impacts that could occur based on the furlough and salary reduction plans. These need to be identified, communicated, and resolved. If furloughs and pay cuts impact retirement calculations and benefit calculations, each employee should know the exact impact as it relates to each option. The university should be transparent and communicate if the cuts will be more than 8% at this time given the uncertainty of the benefits and retirement calculations. The alternative is to make a strong commitment that the cuts will only be 8% and have no impact beyond pay.

While we continue to support the university in these challenging times, it is critical that the university does its best to minimize the impact to its employees. We are concerned not only with these salary reduction efforts, but also on additional cuts required as well as the expected return of retirement contributions from the monthly salary. All of these impact the lives of UC employees and is an important component in their decision to become or remain UC employees. The quality of staff have a profound impact in the ability of the university to complete its education, research and public service mission.