

Dear President Bowles,

The Staff Assembly recognizes that for several reasons furloughing employees is a better option than terminating them. The first reason is that it is better for the employees themselves. But it is also better for the employer. Furloughs are less expensive to implement than lay-offs, and they help maintain current staffing levels.

However, if your request for legislative authority is sought and, as was stated, "...is a good tool to have in the toolbox...", then the Staff Assembly would recommend that this tool:

1. Not be instituted for employees earning less than the Living Income Standard of \$42K, as calculated by [NC Justice](#).
2. Is implemented from the top of the pay-scale downwards in increments of \$25K until the budgetary goals or the LIS is reached.
3. Not effect employee benefits, i.e. retirement, leave, healthcare etc.
4. Is utilized for this specific economic crises and not be renewable without legislative approval.
5. Is not used for employees already working reduced schedules.
6. Allow each individual campus in the University system to utilize it to meet their particular operating needs.

After experiencing multiple years with little to no salary increases as well as increasing health care costs, staff earning at or below the Living Income Standard, should not be expected to shoulder the responsibility of the recent economic crises. The administration should be cognizant of the fact that other changes in the market have adversely affected our employees and many are ill-equipped to incur further income decreases at this time.

As previously stated, the Staff Assembly understands, recognizes and appreciates that authority to furlough is a kinder, gentler tool than position termination. However, we are also cognizant of the potential for adverse impact that this authority could have on the University's workforce in job performance, employee morale and the ability to recruit and retain top employees. Other relevant issues concerning staff include:

1. Public perception if furloughs were instituted – work would still get done, though theoretically it would appear that employees are working less for less pay.
2. Vagueness of the proposed language for triggering the use of furloughs.
3. Consequences of a highly sought new employee refusing to sign a salary agreement that included the possibility of furloughs.
4. Institutionalizing furloughs as a means for addressing financial problems.
5. Effects on staff support services for faculty and students.

Therefore, the Staff Assembly respectfully requests that these issues be addressed before any such tool is implemented in the University system.

It is important to the Staff Assembly that any, implementation of furloughs start with the General Administration and the administration on each campus, thereby setting the example for their people to follow.

Respectfully Submitted,

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Chair, UNC Staff Assembly