



Report of the UW-La Crosse Faculty Representative Report April 17, 2020

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A. The Campus “Reserve Balance” Disaster of 2013 and Its Negative Repercussions Now

In 2013, the leaders of the Wisconsin State Legislature “discovered” that some UW System campuses were carrying significant unspent revenue balances [“reserves”]. As a result, the UW System’s campuses was required by the Wisconsin State Legislature to significantly spend down its reserves. This action by the legislature has made it difficult for the campuses to deal with the current crisis.

B. Federal Allocations to Wisconsin Under the CARES Act

1. Under the U.S. government’s CARES Act, signed into law by President Trump on March 27, the following allocations are expected to come to the state of Wisconsin:

a) Aid Specifically Targeted to Education

- Approximately \$94,000,000, directly to the University of Wisconsin System, of which \$47,000,000 must go to students.
- \$46,500,000 to the governor, to address the needs of education in general: K-12, Technical colleges, and ~ possibly, the UW-System.

The UW-System has made a request for \$25,000,000 of the \$46.5 million education allocation, based on the fact that the UW is sustaining the greatest losses from the crisis: losses which are unique to our system [examples: loss of athletic revenues; reimbursement of students for dorm charges; reimbursement for meals, etc].

b) General Aid to the State of Wisconsin

- In addition to allocations that are earmarked for education, the state of Wisconsin is receiving \$3,000,000,000. This is all-purpose aid, related to the comprehensive impact of the Novel Coronavirus on Wisconsin.
- It is not known whether any of this comprehensively-earmarked aid will be provided to any part of the UW System

C. Scope and Rationale for the UW System’s Current Cost-Saving Strategy [pertaining to personnel issues].

- Presently, UW System’s plan for dealing with the impact of the Coronavirus Emergency is limited to temporary measures. There is no “Plan B” at this time.
- The Coronavirus Emergency is viewed as a temporary problem that will have a permanent impact on the University of Wisconsin System.
- Furloughs were chosen as the cost-savings strategy that would be least painful to employees, and that would be least disruptive to the operations of the university system.
- The furlough plan is the System’s only major personnel cost-saving strategy at this point. **Because the crisis is viewed as temporary, layoffs are not part of System's plan, at this time.**
- Before the action by the Executive Committee of the UW System Board of Regents on April 16, 2020, the UW System did not have a policy on furloughs. The authorization by the BOR of the System’s temporary furlough policy was thus necessary.
- The authority to institute and manage the Furlough Initiative is granted to the UW System, not to individual chancellors.
- By July 10, the UW System will make a decision regarding the status of its operations for the 2020-21 Academic year. On or around that date, the UW System will make a decision on whether to resume face-face-operations in Fall, 2020.
- Developments around the Coronavirus, including the continuing severity of its impact, will determine decisions regarding 2020-21.
- The System may allow face-to-face operations with very specific safety protocols [possibly limiting the number of individuals within groups; testing of participants, etc].
- If individual campuses incur additional costs to deliver instruction, such as additional costs to deliver online instruction, including lab instruction, the System will reimburse campuses.

D. The Mechanics of Furloughs: Who will be furloughed, and how will the work?

1. The furlough will apply to all UW-System employees.
2. The UW System recognizes that some positions can only be justified by the presence of students on campus, such as dormitory services, certain food and beverage services, some counseling services, etc. However, the UW System does not feel that a disproportionate cost of the crisis should be borne by employees who provide certain non-academic student-related services.
3. Employees who work directly for the UW System will be the first to be furloughed.
4. UW-Madison has its own personnel system. Madison’s furlough plan may differ from the plans of the Comprehensive campuses.
5. In cases where essential services are required by law, and a campus has a limited number of employees to provide these service, the campus may have to work with the UW System Administration to find a solution.
6. There are two types of furloughs: “complete” furloughs, and “intermittent” furloughs. Complete furloughs are leaves for a specified period. Intermittent furloughs are furloughs

that require employees to take a limited number of days off during a specific period, such as a week or a month. [The furloughs instituted by Governor Doyle in 2009 is an example of an “intermittent” furlough.]

7. At present, the UW System leadership is “looking at” 1-2 days per month.
8. Faculty will likely be limited to intermittent furloughs, due to the particular services faculty provide.
9. Staff who are furloughed for more than a week may apply for Unemployment Compensation [“Unemployment Insurance”].
10. Furloughs will have no direct impact on the following:
 - employee health benefits;
 - sick leave accumulation;
 - retirement benefits related to length of service.
11. Furloughs will negatively impact the retirement formula, however, due to the fact that during the year or years of furlough, the annual earnings of employee will be reduced.