

Date: August 7, 2009 Code: TECHNICAL LETTER
HR/Salary 2009-07
Supplement #1

To: Human Resources Directors
Payroll Managers

From: Evelyn Nazario 
Assistant Vice Chancellor
Human Resources Management Reference: Technical Letter
HR/Salary2009-07

Subject: Furlough Program Implementation- California State University Employee's Union (CSUEU)

Overview

Audience: Human Resource Directors, Campus Payroll Managers and/or campus designees responsible for CSUEU employee payroll processing.

Action Item: Implement 2009/2010 CSU Furlough Program

**Affected Employee:
Group(s)/Unit(s)** CSUEU employees subject to the 2009/2010 Furlough Program

Summary

The procedures described in this technical letter communication are in response to the CSU's Furlough Program implementation. Campus designees with responsibility for furlough program implementation for CSUEU employees should review the remainder of this letter for detailed information.

The salary administrative procedures described herein are in response to the July 6, 2009, Memorandum of Understanding reached between the California State University (CSU) and California State University Employee's Union (CSUEU) on the CSU/CSUEU Furlough Program for the period effective July 1, 2009, through June 30, 2010.

❖ **Exemptions from Furlough**

Pursuant to Item 7 of the MOU, employees who perform the work of public safety positions (such as dispatchers and community service workers) regardless of their job classification, shall be exempt from any furlough program. Campuses are responsible for preparing a list which identifies exempted classifications and/or employees. CSUEU public safety-related classifications are provided below for reference, however based upon campus decision, this may not qualify any individual appointed in such classification to be automatically exempted from furlough:

8800	Police Dispatcher	12 month
8801	Police Dispatcher	11/12
8802	Police Dispatcher	10/12

Distribution:

CSU Chancellor
CSU Presidents
Executive Vice Chancellor and CAO
Executive Vice Chancellor and CFO
Vice Chancellor, Human Resources

Vice Presidents, Administration
Vice Presidents, Academic Affairs
Vice Presidents, Student Administration
Budget Officers

8820	Community Service Specialist	12 month
8821	Community Service Specialist	11/12
8822	Community Service Specialist	10/12

❖ **Furlough Time and Pay Reduction Requirements**

2-Day Furlough Per Pay Period (24 Days for 12-Month Employees) Reduction Requirement: CSUEU employees in classifications paid over 12 months, and who were also in active payroll status effective July 2009 pay period, will have an approximate 10.07% pay reduction in salary over the remaining eleven (11) month period, August 2009 through June 2010 (9.23 x 12/11 = 10.07%.) The 10.07% reduction incorporates the July 2009 furlough requirement. Campuses shall schedule the 2-day furlough requirement for July 2009 to another pay period within the 2009/2010 fiscal year.

Employees appointed in 12/12, 11/12, 10/12, 8/12 or 10/10 pay plans hired on or after July 31, 2009, or who were on a leave without pay or other unpaid payroll status in the July 2009 pay period shall have a pay reduction for the remainder of the fiscal year period at the rate of 9.23% beginning August 2009 pay period.

Employees in a 10/10 pay plan who were active in July 2009 will receive a pay reduction of 10.256% for the remaining 9 or less months of their appointment.

Employees appointed in academic year and cruise classifications will receive a 9.23% pay reduction spread over 12 months beginning with their respective academic year cycle.

❖ **Payroll Processing and Employment History Tracking of CSUEU Employees on Furlough**

PIMS Item 957 Eligibility Substantiation: Upon conclusion of the furlough program, Item 957 will be deleted. CSUEU values are provided as follows:

Item 957 Value	% Pay Reduction per Pay Period	Pay Plan
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GROUP: On Pay Status July 2009, paid over 10 or 12 months, fiscal year cycle July 2009 – June 2010

91	10.07	12/12
91	10.07	11/12
91	10.07	10/12
91	10.07	08/12
93	10.256 ¹	10/10

GROUP: Off Pay Status July 2009, paid over 10 or 12 months fiscal year cycle July 2009 – June 2010

92	9.23	12/12
92	9.23	11/12
92	9.23	10/12
92	9.23	08/12
92	9.23 ²	10/10

¹ In this instance, the July 2009 furlough requirement is incorporated. The employee will work nine (9) of the remaining 11 months, with two (2) months off pay status between August 2009 and June 2010.

² In this instance, the employee will work ten (10) of the 11 months, with one month off pay status between August 2009 and June 2010.

Item 957 Value	% Pay Reduction per Pay Period
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GROUP: Academic Year Non-Cruise, academic cycle effective September 2009 – August 2010
(implementation in September)

92	9.23
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GROUP: Cruise cycle effective August 2009 – July 2010

92	9.23
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Override

89	manual override ³
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Positive, Special and Supplemental Payments: Furlough program reduction requirements for employees appointed in hourly intermittent positions will be accomplished by reducing the employee's work schedule. CSUEU supplemental payments entered through PIP such as stipends, bonuses, shift and other differentials are not included in the systems change. However, stipends, bonuses and other related payments must be calculated pursuant to provisions 20.39 and 20.44 of the MOU. For example, pursuant to provision 20.39, a bonus award based on a percentage of annual gross salary would be subject to the furlough reduction, while pursuant to provision 20.44(c), a 3% - 10% stipend amount would be based upon the base monthly salary rate, which would exclude the furlough reduction.

❖ Pay Plans and Work Schedules

Pay Plan Schedules: Pursuant to the MOU, employees on the respective pay plan schedule would be subject to no more than three (3) furlough days per "working" pay period, with a one-time exception of up to five (5) days. Refer to the general provisions contained in HR Salary Technical Letter 2009-07 for additional information.

For Hourly Intermittent/Per Diem appointments, pursuant to provision 4e. of the CSU/CSUEU MOU, the number of days in the pay period that Per Diem or intermittent employees are allowed to work shall be reduced by two (2) days, with the maximum number of days allowed to work in a 21 day pay period being 19, or in a 22 day pay period being 20.

Alternate/Compressed Work Schedules: Employees on alternate or compressed work schedules remain subject to furlough program requirements.

- Pursuant to provision 4c. of the CSU/CSUEU MOU, employees on 4/10 work schedules may be converted to 4/8 work schedules during the furlough work week.
- Refer to the general provisions contained in HR Salary Technical Letter 2009-07

Part Time Employees: Pursuant to provision 4d of the CSU/CSUEU Furlough MOU, part-time employees shall be subject to furloughs on a pro-rated basis.

❖ Fair Labor Standards Act (FLSA) Considerations

Computer professionals who meet the Computer Professional Test and are paid hourly (Time Base in PIMS is "INT") at the rate of at least \$27.63 per hour retain their FLSA exemption status during the furlough workweek period. We anticipate that this will affect very few employees, if any.

³ Manual overrides must be keyed by the campus in instances when pay reduction adjustments are needed, e.g., compensation is partially funded by grants or contract dollars that are exempt from furlough.

Worksheets

HR-ISA worked with CSU-Audits to provide worksheets via CIRS to assist campuses with identifying the August furlough population and keying the transactions. The criteria for selecting an employee is as follows:

- Active on or after July 31, 2009
- Appointment expiration date is after July 31, 2009
- Timebase is not intermittent or indeterminate
- Exclude employees in public safety classes:
 - 8800
 - 8801
 - 8802
 - 8820
 - 8821
 - 8822
- Exclude employees in AY classes (deferred to September Implementation)
- Item 957 - See processing instructions in appendix A.

The worksheets are split in two categories:

- 1) Employees who had a regular payment issued during the July 2009 pay period and are subject to the July catch-up (10.07% reduction), and
- 2) Employees who did not receive a regular payment due to either an unpaid leave of absence or is a new hire and is not subject to the July catch-up (9.23% reduction).

Campuses need to review the work schedules for these employees to ensure the appropriate Item 957 code has been assigned. It is also the responsibility of the campuses to ensure that no excluded employees were included (e.g. those on paid 30 days military leave).

HR-ISA created an additional report on employees for which no worksheet was provided. This report would include on leave employees, temporary employees with an expired appointment, employees with an existing red circle rate and employees who could be identified as exempt from the furlough due to MOU requirements or Chancellor's Office directive. Academic year positions are not included on the excluded report. Campuses are responsible for reviewing the information provided in this additional report and taking corrective action to furlough the employee if appropriate. All new appointments subject to furlough must have the appropriate code entered in Item 957 in order for the furlough reduction to take effect.

See the processing instructions in Attachment A for instructions on accessing the CIRS Compendium Report. Additional processing instructions can be found in the SCO personnel letter at http://www.sco.ca.gov/ppsd_sco_letters.html.

The following processing instructions are provided in Attachment A:

- ⇒ Furlough Program – I. Conversion 12 Month/10 Month
- ⇒ Furlough Program – II. Conversion Cruise (CMA only)

Questions regarding this technical letter may be directed to Human Resources Management at (562) 951-4411. This document is available on Human Resources Web site at: <http://www.calstate.edu/HRAdm/memos.shtml>.

EN/dth

Attachment

PROCESSING INSTRUCTIONS

FURLOUGH PROGRAM

I – Conversion 12 Month/10 Month

PAY SCALES IMPACT:	
Change Summary:	N/A
Class Code(s):	
CBID:	
Pay Scales Effective Date:	
Date in Production:	
Pay Letter:	

EMPLOYMENT HISTORY (EH)/PAYROLL IMPACT:	
Processing Responsibility:	Campus
Processing Date(s):	See SCO Personnel Letter
Effective Date:	07/ 31/09
PIMS Transaction:	CRO
Detailed Transaction Code (Item 719)	N/A (not required if Item 957 is one of the furlough codes)
EH Remarks (Item 215)	HR/SA 2009-07
Pay Amount:	N/A
Pay Form:	Salary reduction
Lump Sum Earnings ID:	N/A
Eligibility Substantiation (Item 957):	<ul style="list-style-type: none"> • 91 – 12/12, 11/12, 10/12, 8/12 employees on pay status July 2009 pay period • 93 – 10/10 employees on pay status July 2009 • 92 – Employees off pay status July 2009 pay period (all employee groups including 10/10, new hires, employees on leave) • 89 – manual override of system generated reduction in Item 815
Red Circle/Plus Salary (Item 815):	<ul style="list-style-type: none"> • If Item 957 contains code 89, enter the amount of reduction to apply to base pay. <u>Item 815 must be expressed as a full time equivalent. For all other codes, Item 815 is system generated.</u> When one of the furlough codes is entered, Item 330 does not need to be MAX or 9999.
Employees on Leave:	Refer to SCO's personnel letter
Additional Information:	<p>CIRS Compendium Reports</p> <ul style="list-style-type: none"> • <u>X80, cycle 0908</u>: CSUEU worksheets containing all required information for PIMS. • <u>X81, cycle 0908</u>: current employee position detail for those CSUEU employees on the X80 worksheets. <p><u>Available</u>: Noon on 08/04/09 reflecting the status of employees as of close of business on 08/03/09</p> <p><u>Access</u>: Express (F1) function in CIRS.</p> <ol style="list-style-type: none"> 1. Worksheets include all furloughed eligible positions for an employee. 2. Campuses need to ensure that any employee identified on the worksheet is not an employee exempt from furlough. 3. Campuses need to review multiple concurrent appointments that exceed full time and manually adjust the red circle rate on one position as appropriate. 4. Employees not on pay status in July 2009 (10/10 pay plan, unpaid leaves in July, and new hires as of 07/31/09) will need

	<p>to be reviewed to confirm their schedule and ensure the appropriate 957 code was assigned. These are identified by code 92 in Item 957 (non AY and cruise).</p> <ul style="list-style-type: none"> • <u>X82, cycle 0908</u>: identifies employee exceptions not contained in worksheets X80 or report X81. The types of exceptions are listed below. <u>Available</u>: By noon on 08/04/09 reflecting the status of employees as of close of business on 08/03/09 <u>Access</u>: Express (F1) function in CIRS. <ol style="list-style-type: none"> 1. Employees who went on leave on or before 07/31/09. Place on furlough upon return. 2. Review employees with expired appointments and either separate or reappoint with the appropriate code in Item 957. 3. Review employees with existing red circle rates and determine the appropriate new red circle rate and 957 code. 4. Review public safety employees in classes 8800, 8801, 8802, 8820, 8821 to confirm their exemption. <p>All new hires keyed after 08/04/09 must include the appropriate furlough code if the employee is subject.</p> <p>Academic year positions will not appear on the worksheet and will not appear on the exception report.</p>
SCO Personnel Letter:	http://www.sco.ca.gov/ppsd_sco_letters.html

CMS PROCESSING INFORMATION:	
Workforce Administration:	<ul style="list-style-type: none"> • CIRS campus file, L11, cycle 0022, will be available for download by noon on 08/24/09. This file will contain furlough CRO transactions keyed into PIMS from 08/10/09 through close of business 08/21/09. • A process is being provided in CMS Baseline to allow the campus to automatically load these transactions in Oracle/PeopleSoft.
Temporary Faculty:	N/A
Benefits:	N/A
Time and Labor:	N/A
Leave Accounting:	N/A
Absence Management:	N/A
Labor Cost Distribution:	N/A
Additional Instructions:	

FURLOUGH PROGRAM

II – Conversion Cruise (CMA only)

PAY SCALES IMPACT:	
Change Summary:	N/A
Class Code(s):	
CBID:	
Pay Scales Effective Date:	
Date in Production:	
Pay Letter:	

EMPLOYMENT HISTORY (EH)/PAYROLL IMPACT:	
Processing Responsibility:	Campus
Processing Date(s):	See SCO Personnel Letter
Effective Date:	07/31/09
PIMS Transaction:	CRO
Detailed Transaction Code (Item 719)	N/A (not required if Item 957 is one of the furlough codes)
EH Remarks (Item 215)	HR/SA 2009-07
Pay Amount:	N/A
Pay Form:	Salary reduction
Lump Sum Earnings ID:	N/A
Eligibility Substantiation (Item 957):	<ul style="list-style-type: none"> • 92– Cruise • 89 – manual override of system generated reduction in Item 815
Red Circle/Plus Salary (Item 815):	<ul style="list-style-type: none"> • If Item 957 contains code 89, enter the amount of reduction to apply to base pay. <u>Item 815 must be expressed as a full time equivalent.</u> For all other codes, Item 815 is system generated. When one of the furlough codes is entered, Item 330 does not need to be MAX or 9999.
Employees on Leave:	Refer to SCO's personnel letter
Additional Information:	<p>CIRS Compendium Reports</p> <ul style="list-style-type: none"> • <u>X80, cycle 0908</u>: CSUEU worksheets containing all required information for PIMS. • <u>X81, cycle 0908</u>: current employee position detail for those CSUEU employees on the X80 worksheets. <p><u>Available</u>: Noon on 08/04/09 reflecting the status of employees as of close of business on 08/03/09</p> <p><u>Access</u>: Express (F1) function in CIRS.</p> <ol style="list-style-type: none"> 1. Worksheets include all furloughed eligible positions for an employee. 2. Campuses need to ensure that any employee identified on the worksheet is not an employee exempt from furlough. 3. Campuses need to review multiple concurrent appointments that exceed full time and manually adjust the red circle rate on one position as appropriate. 4. Employees not on pay status in July 2009 (10/10 pay plan, unpaid leaves in July, and new hires as of 07/31/09) will need to be reviewed to confirm their schedule and ensure the appropriate 957 code was assigned. These are identified by code 92 in Item 957 (non AY and cruise). <ul style="list-style-type: none"> • <u>X82, cycle 0908</u>: identifies employee exceptions not contained in worksheets X80 or report X81. The types of exceptions are listed below.

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Temporary Faculty:	N/A
Benefits:	N/A
Time and Labor:	N/A
Leave Accounting:	N/A
Absence Management:	N/A
Labor Cost Distribution:	N/A
Additional Instructions:	<p>A Business Process Guide will provide keying instructions for campuses on how to enter furlough transactions into Oracle/PeopleSoft, including instructions regarding processing the CIRS campus file. Additional details to be provided via a future CMS communication.</p>