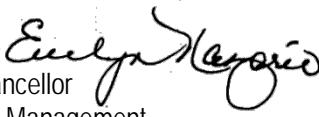


Date: August 13, 2009

Code: TECHNICAL LETTER
HR/Salary 2009-07
Supplement #2

To: Human Resources Directors
Payroll Managers

Reference: HR/Salary 2009-07

From: Evelyn Nazario 
Assistant Vice Chancellor
Human Resources Management

Subject: Furlough Program Implementation – Executives, Management Personnel Plan, Confidential and Excluded Employees

Overview

Audience: Human Resource Directors, Campus Payroll Managers and/or campus designees responsible for Executives, Management Personnel Plan, Confidential and Excluded employee payroll processing.

Action Item: Implement 2009/2010 CSU Furlough Program

Affected Employee Group(s)/Unit(s): Executives, Management Personnel Plan, Confidential and Excluded employees subject to the 2009/2010 Furlough Program

Summary

The procedures described in this technical letter are in response to the CSU's Furlough Program implementation. Campus designees with responsibility for furlough program implementation for Executive, Management Personnel Plan, Confidential and Excluded employees should review the remainder of this letter for detailed information.

The salary administrative procedures described below are in response to the July 21, 2009 CSU Board of Trustees Resolution RUF 07-09-02 and pursuant to Title 5, Article 6.8 - Furlough of Non-Represented Employees. Pursuant to the resolution, the CSU Furlough Program affects Executives, Management Personnel Plan (MPP), Confidential and Excluded employees, referred to as non-represented employees, for the period effective July 1, 2009 through June 30, 2010:

❖ **Employee Exemptions from Furlough**

Employees appointed in the following non-represented classifications shall be exempt from the furlough program:

- 1237 SFSU Head Start Program Specialist
- 8346 Police Officer Cadet – Non-represented
- 8347 Police Officer Intermittent – Non-represented

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
Associate Vice Presidents/Deans of Faculty
Budget Officers

MPP sworn officers and employees appointed to any non-represented classification funded by the Head Start Program are exempt from furlough.

❖ **Furlough Time and Pay Reduction Requirements**

2-Day Furlough Per Pay Period (24 Days for 12-Month Employees) Reduction Requirement: Non-represented 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 2009/10 fiscal year.

Employees appointed in 12/12, 11/12, or 10/12 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 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 Non-represented Employees on Furlough**

PIMS Item 957 Eligibility Substantiation: 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 12 months, fiscal year cycle July 2009 – June 2010

91	10.07	12/12
91	10.07	11/12
91	10.07	10/12

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

92	9.23	12/12
92	9.23	11/12
92	9.23	10/12

GROUP: Academic Year Non-Cruise, academic cycle effective September 2009 – August 2010 (implementation in September)

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

92	9.23	
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Override

89	manual override ¹	
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Positive, Special and Supplemental Payments: Furlough program reduction requirements for employees appointed in hourly intermittent (INT), special payment (A54) transaction and/or indeterminate (IND) positions may be accomplished by reducing the employee's work schedule based upon campus reduction

¹ 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.

targets and operational needs. Supplemental payments (i.e., MPP supplemental compensation stipend) will not be affected by the systems change and shall continue to be calculated based upon the respective policy provision.

❖ Pay Plans and Work Schedules

Refer to the general provisions contained in Technical Letter HR/Salary 2009-07 for information.

❖ Fair Labor Standards Act (FLSA) Considerations

CSU Attorneys retain their FLSA exemption status during the furlough workweek period.

❖ 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 the following classifications:
 - 1237
 - 8346
 - 8347
- Exclude employees in AY classes (deferred to September Implementation)
- Item 957 - See processing instructions in Appendix A

The worksheets should not include MPP sworn officers and employees appointed to any non-represented classification funded by the Head Start Program, other than class code 1237. Campuses must self-identify the appropriate employees in these specific positions.

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 are new hires and are 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 which includes employees on leave, 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 policy directive. Academic year positions were 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
- ⇒ Furlough Program – II. Conversion Cruise (CMA only)

Questions regarding this technical letter should 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

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 • 92 – Employees off pay status July 2009 pay period (all employee groups including 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.</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>: non-represented worksheets containing all required information for PIMS. <u>X81, cycle 0908</u>: current employee position detail for those non-represented employees on the X80 worksheets. <u>X83, cycle 0908</u>: provides data from X80 and X81 reports in tab delimited format. <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

	<p>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. <p><u>X84, cycle 0908</u>: provides data from X82 report in tab delimited format.</p> <p><u>Available</u>: By 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. 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. <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:	
Benefits:	
Time and Labor:	
Leave Accounting:	
Absence Management:	
Labor Cost Distribution:	
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> <i>For all other codes, Item 815 is system generated.</i> 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>: Non-represented worksheets containing all required information for PIMS. • <u>X81, cycle 0908</u>: current employee position detail for those non represented employees on the X80 worksheets. • <u>Available</u>: 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. 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). • <u>X82, cycle 0908</u>: identifies employee exceptions not contained in worksheets X80 or report X81. The types of exceptions are listed

	<p>below.</p> <p><u>Available:</u> By 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. Employees who went on leave prior to 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. <p>All new hires keyed after 08/04/09 must include the appropriate furlough code if the employee is subject.</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:	<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>