

PROCEDURE

Number: 3.3.11.1
Related Policy: 3.3.11
Title: Mandatory Furlough Programs
Responsibility: Vice President, Human Resources and Employee Relations

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President

DISCLAIMER

PURSUANT TO SECTION 41-1-110 OF THE CODE OF LAWS OF SC, AS AMENDED, THE LANGUAGE USED IN THIS DOCUMENT DOES NOT CREATE AN EMPLOYMENT CONTRACT BETWEEN THE EMPLOYEE AND THE AGENCY.

I. PURPOSE

The following procedure establishes the guidelines by which the South Carolina Technical College System may maximize personnel savings by instituting a mandatory furlough. The Mandatory Furlough Program (MFP) options are contingent upon the agency meeting legislative guidelines stipulated in State law and in the annual General Appropriations Act. The System Office and individual technical colleges may implement a mandatory employee furlough based on agency procedure, state and federal law and applicable South Carolina Department of Administration Human Resources Division (HRD) regulations.

II. DEFINITION

A mandatory furlough is a work arrangement whereby employees are mandated to take a leave of absence from work without pay for a specified period.

III. GENERAL STATEMENTS

- A. The College President may institute a Higher Education (HE) Mandatory Furlough in a fiscal year in which the general funds appropriated for the agency, not the individual college, are less than the preceding fiscal year or whenever the General Assembly or Executive Budget Office implements a midyear across-the-board reduction. A HE MFP cannot be enacted if an agency's reduction is due solely to the General Assembly transferring or deleting a program.

- B. The college shall develop a plan consistent with agency procedure, State and federal law and HRD guidelines.
- C. The college must submit their plan to the System Office Human Resources Services prior to implementation.
- D. In the event the College implements both a voluntary furlough program and a mandatory furlough program during the fiscal year, furlough days taken voluntarily will count toward furlough days required by the mandatory furlough.

IV. PARTICIPATION ELIGIBILITY

- A. Employees in full-time equivalent (FTE) positions, time limited positions, temporary grant positions, and temporary employees may be subject to a mandatory furlough.
- B. In determining which employees must participate in the program, the College President should give consideration to furlough for contract employees, and post Teacher and Employee Retention Incentive (TERI) employees before other employees.
- C. The South Carolina Department of Administration_Human Resources Division encourages agencies to research any restrictions on federal or other funds associated with positions before implementing a furlough. In some instances, federal laws associated with funding for certain programs may prohibit employees from participating in mandatory furlough. In those situations, if a position is only partially federally funded, the mandatory furlough may be prorated.
- D. The United States Department of Labor Regulations (20 CFR 655.731) does not allow the wages of employees working on H1B visa to be reduced through mandatory furlough. They can, however, participate in a voluntary furlough.

V. PROGRAM GUIDELINES

- A. HE Mandatory Furlough
 - 1. The furlough must be inclusive of all employees at the College, regardless of source of funds or place of work and must include employees in classified and unclassified positions as well as the College President.
 - 2. An employee may be furloughed not more than twenty (20) working days in the fiscal year in which the deficit is projected to occur.
 - 3. Scheduling of furlough days, or portions of days, shall be at the discretion of the College.
 - 4. Affected employees shall be entitled to receive the same benefits as otherwise available to them with the exception of receiving their salary. When participating in

the HE Higher Education Mandatory Furlough, employees will be placed in leave without pay status.

5. An employee will continue to accrue annual and sick leave as if they were in pay status.
6. If a holiday falls during the furlough period, the employee shall be paid for the holiday, as observed by the College.
7. As to those benefits which require employee and employee contributions, including but not limited to contributions to the South Carolina Retirement System or the optional retirement program, the College will be responsible for making both employer and employee contributions during the time of the furlough.
8. The employee remains solely responsible for making contributions that require only employee contributions.
9. Individuals affected by a HE Mandatory Furlough do not have grievance or appeal rights under the State Employee Grievance Act.

Agencies may allocate FTE employees' reduction in pay over the balance of the fiscal year for payroll purposes regardless of the pay period within which the furlough occurs, however, deductions for exempt employees must occur in full day increments.

B. Statewide State Employee Furlough

A Statewide State Employee Furlough may only be enacted during the fiscal year when the Board of Economic Advisors officially estimates and the State Budget and Control Board formally certifies that revenues likely will result in a deficit in excess of the combined reserves in the Capital Reserve Fund and the General Fund Reserve and the board, by unanimous consent, authorizes, to the extent possible, a statewide furlough.

VI. CONDITIONS OF MANDATORY FURLOUGH

- A. A HE Mandatory Furlough will be based on management consideration of workloads and work requirements to ensure that agency mission and program needs are met.
- B. An employee's performance review date will not be adjusted.
- C. An employee's hire date and continuous state service date will not be adjusted.
- D. An employee may be eligible for weekly unemployment compensation if during the week, the employee earns less than their maximum weekly benefit amount.
- E. The South Carolina Department of Administration Human Resources Division and Comptroller General's Office recommend the following method for determining the

amount of salary reduction: (hourly rate x number of hours in average workday) x (number of days furloughed). The hourly rate should include the total compensation earned by the employee.

- F. In accordance with Section 41-10-30 of the SC Code of Laws, employers are required to provide an employee notice of any changes to the employee's wages and hours in writing at least seven (7) days before the effective date of the change. Therefore, the College should ensure that seven (7) days have passed between notification of the furlough program and the payroll effective date of any salary reductions.
- G. At the end of the HE Mandatory Furlough period, the employee will be expected to resume their regular schedule of work at the primary work location.

VII. DOCUMENTATION AND REPORTING

- A. The College must submit a Supplement Service Report (Form 1224) to the South Carolina Retirement System monthly for all employees participating in the HE MFP as well as any additional forms necessary for reporting purposes.
- B. The College must provide to the HRD the following information regarding furloughed employees:
 - 1. Division or Program furloughed
 - 2. Total number of furloughed employees
 - 3. Total number of furlough days
 - 4. Estimated cost savings

The System Office's Human Resources Services shall coordinate the submission of HE MFP information to the HRD.

- C. The College must maintain internal documentation for record-keeping purposes that document the terms of the furlough.