

**STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION**

**PROCEDURE**

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**TITLE:** MANDATORY FURLOUGH PROGRAMS

**POLICY  
REFERENCE NUMBER:** 8-1-102

**DIVISION  
OF RESPONSIBILITY:** Human Resource Services

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**DATE OF LAST REVISION:** May 24, 2013

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**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 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 State Budget & Control Board's Human Resource Division (SHRD) regulations.

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### **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 System/College President may institute a Commission on Higher Education (CHE) Mandatory Furlough in a fiscal year in which the general funds appropriated for the agency, not the individual colleges, are less than the preceding fiscal year or whenever the General Assembly or Budget and Control Board implements a midyear across-the-board reduction. A CHE Mandatory Furlough cannot be enacted if an agency's reduction is due solely to the General Assembly transferring or deleting a program.
- B. The System Office/College shall develop a plan consistent with agency procedure, state and federal law, and the Budget & Control Board's Human Resource Division guidelines.
- C. Individual colleges wishing to implement a CHE Mandatory Furlough must submit their plan to the System Office Human Resource Services prior to implementation.
- D. In the event that the System Office or individual 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 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 System/College President should give consideration to furlough for contract employees, post-TERI employees, and TERI employees before other employees.
- C. OHR 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

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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 an H1B visa to be reduced through mandatory furlough. They can, however, participate in a voluntary furlough.

### V. PROGRAM GUIDELINES

#### A. CHE Mandatory Furlough

1. The furlough must be inclusive of all employees at the System Office or individual college, or within a designated department or program regardless of source of funds or place of work and must include employees in classified and unclassified positions as well as the System President in the case of a System Office furlough or the Technical College President in the case of a college furlough. A furlough program may also be implemented by pay band for classified employees and by pay rate for unclassified employees.
2. Law enforcement, employees who provide direct patient or client care, and front-line employees who deliver direct customer services may be exempted from a mandatory furlough. The agency will have the discretion to define who constitutes a front-line employee.
3. An employee may be furloughed not more than twenty (20) working days in the fiscal year in which the deficit is projected to occur.
4. Scheduling of furlough days, or portions of days, shall be at the discretion of the System Office or individual college.
5. 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 CHE Mandatory Furlough, employees will be placed in leave without pay status.
6. An employee will continue to accrue annual and sick leave as if they were in pay status.
7. If a holiday falls during the furlough period, the employee shall be paid for the holiday, as observed by either the System Office or individual college.

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8. As to those benefits which require employer and employee contributions, including but not limited to contributions to the South Carolina Retirement System or the optional retirement program, the System Office or individual college will be responsible for making both employer and employee contributions during the time of the furlough .
9. The employee remains solely responsible for making contributions that require only employee contributions.
10. Individuals affected by a CHE Mandatory Furlough do not have grievance or appeal rights under the State Employee Grievance Act.
11. Agencies may allocate non-exempt employees' reduction in pay over the balance of the fiscal year for payroll purposes regardless of the pay period within which the furlough occurs. The reduction in pay should not be spread over the balance of the fiscal year for temporary employees.

### B. Statewide State Employee Furlough

A Statewide State Employee Furlough may only be enacted during a 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 CHE 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.

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- E. The Budget & Control Board's Human Resources Division and Comptroller General's Office recommend the following method for determining the amount of salary reduction: (hourly rate x # of hours in average work day) x (#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 System Office or individual 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 CHE Mandatory Furlough period, the employee will be expected to resume his/her regular schedule of work at the primary work location.

## **VII. DOCUMENTATION AND REPORTING**

- A. The System Office or individual college must submit a Supplemental Service Report (Form 1224) to the South Carolina Retirement Systems monthly for all employees participating in the CHE Mandatory Furlough as well as any additional forms necessary for reporting purposes.
- B. The System Office or individual college must provide to the Budget & Control Board's Human Resources Division 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 Resource Services shall coordinate the submission of CHE Mandatory Furlough information to the Budget & Control Board's Human Resources Division.

- C. The System Office or individual college must maintain internal documentation for record-keeping purposes that document the terms of the furlough.