# TEMPORARY REDUCTION IN FORCE/FURLOUGH PILOT

The Arizona Department of Administration Director, in an effort to improve the delivery of Human Resources, is implementing a temporary reduction in force pilot project. This pilot is in effect February 9, 2009 through May 1, 2009. This project is authorized by Personnel Rule R2-5-103.B, and in conformance to the Standards of a Merit System of Personnel Administration, 5 CFR Part 900, Subpart F, Section 900.603.

**The following procedures shall be used by agencies participating in the pilot program**. If the procedures are silent regarding any type of personnel action impacting an employee, the agency shall refer to the Personnel Rules (Title 2, Chapter 5) or contact ADOA Human Resources regarding how to proceed. If there is a conflict between these procedures and any federal or state statute, the federal or state statutes will prevail.

Agencies must comply with ADOA's reporting requirements as specified in these procedures.

## A. GENERAL

1. When funding necessary to pay employees is suspended or reduced, a temporary reduction in force, hereinafter referred to as "furlough," may be conducted and shall be processed in accordance with the provisions of this Pilot.

## B. PARAMETERS

1. The total number of days an employee is placed on a furlough during this pilot shall not exceed 12 days. Furlough days are unpaid. An agency head may or may not allow employees to participate in scheduling the leave.
2. Furlough days may or may not be consecutive. A furlough may occur for a consecutive period of work days, e.g. one work week; or may occur at timed intervals, e.g. one day per month. In no event shall an employee be placed on more than five consecutive furlough days.
3. All state service employees in the agency, unit, geographic location and/or classification or classification series, identified shall be subject to the furlough in the same manner.

4. An agency head shall not approve the use of any paid leave to substitute for furlough days. An agency may cancel any approved paid or unpaid leave in progress for an employee who is designated for furlough except for approved Family and Medical Leave Act (FMLA) leave or military leave. If applicable, the agency head shall notify the affected employee in writing of the cancellation of the approved leave for the duration of the furlough. If the previously approved leave was scheduled to extend beyond the furlough, the employee may return to paid leave status following the furlough period.
5. Pay for time on furlough may only be restored to an employee if, and to the extent that, federal or state law specifically authorizes payment.
6. An employee affected by a furlough pursuant to this pilot shall return to work in the same position occupied at the start of the furlough if the reason for the furlough is abated.
7. Furloughs shall not adversely affect an employee's service anniversary date; create a break in service or constitute an absence from state service; impact the accrual of leave credits or payment of benefits.
8. Scheduling of furloughs shall be determined at the discretion of the agency, but agencies must continue any operations required by law.
9. An employee may not work during the period of the furlough except that in the event of an emergency the appointing authority may revoke the furlough and the employee shall be paid for that time. An employee whose furlough is revoked due to an emergency shall be required to take the furlough on another day.
10. Agency heads shall comply with the Fair Labor Standards Act (FLSA). With some exceptions, FLSA-exempt employees will lose their exemption for any workweek in which they are furloughed for less than the full workweek. The loss of exemption applies only to that particular week.

## C. NOTIFCATION AND DOCUMENTATION

1. If funding to pay employees is suspended or reduced, an agency head may conduct a furlough in accordance with this pilot. Agencies shall notify the Arizona Department of Administration Director of an impending furlough. The notification shall include:

   a. Whether the furlough will be conducted agency-wide, by unit, by geographic location, and/or by classification or classification series;
   b. Each unit, geographic location, and/or classification affected (if the furlough is to be conducted less than agency-wide);
   c. For each unit, geographic location, and/or classification the total number of employees scheduled for furlough, the number of days and date ranges for the furlough; and
   d. If employees are to have input in scheduling furlough days, the agency's procedures for scheduling leave in a fair and equitable manner, consistent with the agency's business needs.

2. The agency head shall develop and maintain a plan and procedures prior to the furlough being conducted. The plan and procedures shall include:

   a. Whether the furlough will be conducted agency-wide, by unit, by geographic location, and/or by classification or classification series;
   b. Each unit, geographic location, and/or classification affected (if the furlough is to be conducted less than agency-wide);
   c. If agency-wide, the total number of employees affected by classification;
   d. If by unit, geographic location, and/or classification the total number of employees scheduled for furlough, the number of days and date ranges for the furlough.
   e. If employees are to have input in scheduling furlough days, the agency's procedures for scheduling leave in a fair and equitable manner, consistent with the agency's business needs, and
   f. The notification procedures to employees. The furlough plan and procedure shall require the agency head to provide the employee with a written notice of the day or number of days the employee is scheduled to be placed on leave without pay due to a furlough.

If the agency has selected the dates of the furlough, the notice shall provide the employee with those dates. If the employee is to have input into the scheduling of the furlough, the agency shall provide the employee with the number of days, the date range in which the days must be taken, and the agency's procedures for scheduling the furlough days.

D. **EMPOYEE REQUEST FOR REVIEW**

1. An employee may request an accelerated review of the employee's placement on furlough. No later than three working days after receipt of a furlough notice, an employee may submit a request for review of the determination resulting in the employee's furlough and a proposed resolution. An employee must request an accelerated review in writing to the agency head who shall respond with a final decision within three working days after receipt of the request. The request for review shall not delay implementation of the furlough.

**E. PILOT EVALUATION**

1. The Department of Administration Human Resources Division may conduct site visits at any time during the pilot for the purpose of reviewing any or all related documentation. An agency head must ensure that documentation as outlined above is maintained to ensure that the pilot may be evaluated to determine level of success.
2. If at any time during the pilot, it is determined that an agency is not in compliance with the standards established, the Department of Administration may withdraw any or all of the delegated functions.
3. Indicators of Success will include:

   a. Effectiveness in meeting budget reductions,
   b. Turnover data by classification, and
   c. Number of concerns and type of concern.