

# The Senate of Michigan Technological University

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**Superseded**

## PROPOSAL 7-85

### UNIVERSITY RETRENCHMENT POLICY

#### BACKGROUND:

The Senate Ad Hoc Retrenchment Policy Planning Committee, formed in January 1983, was charged with recommending a carefully designed and clearly articulated policy which incorporated faculty concerns on procedures to be followed and priorities to be established in situations when University retrenchment might be necessary.

The Committee focused its attentions upon the planning and adjustment phases of the retrenchment process. (The planning phase is the period in which the need for retrenchment is evaluated and communicated to the University and various approaches to retrenchment are outlined. The adjustment phase is the period in which areas are actually eliminated or curtailed and faculty adjustments (terminations) are made). Committee members felt that existing procedures were sufficient to address the program evaluation phase of retrenchment (the period in which specific areas are evaluated and in which decisions are made to curtail or eliminate areas). However, there are no formal University procedures which insure faculty input in the determination of the need to retrench, in deciding which areas ought to be considered for retrenchment, and in establishing guidelines for the treatment of faculty affected by retrenchment (the only University policies on the latter point are those layoffs and recalls given in the Procedures Manual, Volume 1, pp. 5-96, 5-97, dated 18 October 1982).

The proposed policy addresses these concerns. It has undergone several iterations. It was first presented to the Senate in the spring of 1983. The University's legal advisors reviewed it in the fall of 1983. In early 1984, the Committee reformulated the policy to incorporate reactions of these parties, circulated the revised policy among Senate members and sent it to the American Association of University Professors for its review. The Committee met again to discuss reactions and to revise the policy further in the fall of 1984. That version was sent to the AAUP and the the University Administration for their reviews. The proposed policy which follows represents a culmination of these various reviews plus discussions with the University Administration. The Committee recommends that the Senate adopt a proposal which encourages the University Administration to bring this policy before the Board of Control for its approval as the University's approach to retrenchment planning.

### UNIVERSITY RETRENCHMENT POLICY

1. Definition of Retrenchment: The Random House Dictionary of the English Language defines retrenchment as "the act of retrenching (to cut down, reduce, or diminish; curtail (expenses); a cutting down or off, as by the reduction of expenses)". In this policy, retrenchment will mean the University's reaction to financial distress which requires extraordinary measures to insure its integrity and stability. These extraordinary measures would involve elimination of an area (Department, School , College or state-mandated Research Institute), severe reduction (50% or more) in faculty in a given area, or the separation of tenured faculty for financial reasons as outlined in the "Statement of Intent"

of the University's Academic Tenure Policy ("abrupt declines in enrollment, serious loss of income, or conditions that result in curtailment or abandonment of programs or activities").

2. Intent of this Policy: Only the Board of Control has the authority to remove tenured personnel from the faculty (see *Sittler v. Board of Control*, 333 Michigan Reports, June, 1952, pp. 681-688). Therefore, it is understood that this proposal is intended to 1) insure faculty input into the University Administration's efforts to develop recommendations to the Board of Control for action when retrenchment may be necessary and 2) to insure that a consistent procedure is applied in the treatment of faculty, once the Board of Control has approved their termination or reassignment.

### 3. General Principles of Retrenchment

a. Selective Retrenchment Efforts: The University will use curtailment or reduction of selective activities, functions or programs within areas as the means of retrenchment rather than equally shared, across the board reductions. These selective curtailments or reductions will be made in such a way that the education of students currently enrolled in a program is not jeopardized.

b. Teaching and Research Least Affected: Since teaching and research are the major functions of the University, every effort will be made to insure that these functions will be the least affected by any retrenchment effort.

c. Evaluation of Areas: The areas for possible retrenchment will be evaluated under the criteria set out in the Committee C Report and Senate Proposal 10-70.

4. Faculty Role - the Long Range Planning Committee: It is imperative that the faculty be involved in monitoring the need for retrenchment on a continuous basis. The Long Range Planning Committee (hereafter LRPC) is the appropriate body for this faculty involvement. The LRPC will act as an advisory board to the University Administration. With the Administration, it will examine the need to retrench. Such examination will consider items such as enrollment trends, state and other financial support, etc. The Committee's role as an advisory board in this context should be considered as an ongoing task rather than a reaction to a specific situation. In addition, it will be the appropriate body to provide faculty input into any University long-range planning effort.

### 5. Planning Procedure

a. Identification of Areas of Retrenchment: If the Administration, with counsel from the Long Range Planning Committee, determines that retrenchment is likely, the Administration will request the Committee's advice in identifying possible areas (college, school, departments, institutes) in which retrenchment might occur. This request will be made by October 1, so that the committee will have two months to consider its recommendations to the Administration and have such recommendations reach the Administration six months (November 30) prior to the May 31 deadline for notification of termination or non-reappointment given in the University's policy on academic tenure (see the Procedures Manual, pp. 5-205, to 5-217, dated 20 July, 1984 for this policy).

b. Identification of Programs of Retrenchment Within Areas: Once specific areas have been identified for possible retrenchment activity, the Administration will request the faculty and immediate administrators of those areas to prioritize their programs in light of the requirements for quality, maintaining accreditation standards, and providing a continuing environment for quality research while keeping in mind the

needs and goals of the University as a complete unit. This request will be made by January 1 so that area faculty will have two months to consider recommended priorities and have its recommendations forwarded to the University Administration at least three months (February 28) prior to the May 31 deadline for notification of termination or non-reappointment.

6. Role of the Senate President: The Senate President will be made aware of the Administration's requests for retrenchment advice, and, as much as possible, encourage affected parties to transmit the specific faculty recommendations for retrenchment, as outlined above, to the Administration by the specified dates. The Senate President will keep Senate members informed of progress regarding such recommendations and may initiate appropriate Senate action when necessary.

## 7. Treatment of Faculty During Retrenchment

a. Definition of Faculty: The term "faculty" refers to: (a) the Undergraduate Faculty - "members of the learned profession who are engaged in teaching for a degree in one of the learned professions and/or the direct supervision thereof;" (b) the Graduate Faculty - "members of the Faculty who have been appointed by the Dean of the Graduate School to be members of the Graduate Faculty" and (c) the Research Faculty - "members of the learned professions who are engaged primarily in conducting research and/or the direct supervision thereof" (Board of Control Manual, p. 16-2, dated 28 January, 1982).

### b. Termination of Appointments

1. Termination of a tenured appointment, or a non-tenured, or special appointment before the end of the specified term, shall not occur except under the retrenchment conditions described in Section (1) above and except under the procedures described in Section (5) above.
2. Termination of a tenured faculty member in favor of retaining an untenured faculty member shall not occur except for extraordinary circumstances where a serious distortion of the program would otherwise result.
3. If the University, because of retrenchment, terminates appointments in a program, it will not at the same time make new appointments in that program except for extraordinary circumstances where a serious distortion of that program would otherwise result.

### c. Termination Notices:

1. Non-tenured Undergraduate and Graduate Faculty: Non-tenured undergraduate and graduate faculty members whose appointments are terminated by the Board of Control shall complete 1) the academic year if no contract exists or 2) the appointment as designated by contract provided the rules governing notice of non-renewal, as specified in the University tenure policy, are not violated.
2. Tenured Undergraduate or Graduate Faculty: Tenured faculty members will be given advance notice of termination of no less than one full calendar year.
3. Research Faculty: Non-tenured research faculty members shall receive a minimum of three months notification of non-reappointment if they have less

than seven years or its equivalence in a faculty position, and a minimum of six months notification if they have seven or more years in a faculty position. (Hereafter, faculty in this latter category are designated with longevity).

- d. Reassignments: The Administration will evaluate the qualifications of each faculty member whose position has been eliminated. When feasible, the Administration will recommend that the Board of Control offer suitable employment in a related field. Those faculty members with tenure will retain such tenure in such cases. If additional training is needed for that related field, the University will offer special leave, generally not to exceed one calendar year, to the affected faculty member. When possible, study will be at the University with tuition reimbursed by the University. If this is not feasible, every effort should be made to provide the faculty member with a grant to meet part or all of tuition and other expenses at another institution. Faculty members who possess the requisite characteristics, skills, and interests may request or be offered a professional appointment that is administrative or operational in character. Such appointments shall be made in accordance with usual procedures governing administrative or operational appointments. No loss of academic tenure will occur when the reassignment is made. At any time within two years after acceptance of reassignment of above, the faculty member may elect to terminate his or her employment with severance pay as provided below or may elect to retire under an early retirement plan, if eligible.
- e. Severance Compensation: A tenured faculty member or a research faculty member with seven or more years in a non-tenured faculty position (i.e., non-tenured faculty with longevity) whose employment is terminated shall receive severance pay, or other non-University employment notwithstanding, according to a schedule to be devised by the Administration through consultation with the Committee for Academic Tenure and the Faculty Senate. At the discretion of the Administration and with the agreement of the affected faculty member, a term appointment, early retirement, or another option may be selected in lieu of severance pay.
1. Term Appointment: Instead of termination with severance pay, a faculty member may be offered a full-time or part-time terminal appointment which coincides with a retrenchment process which phases out a program or department of instruction over more than one academic year. The salary and fringe benefits associated with this option must be mutually agreed upon.
  2. Early Retirement: The University may offer an early retirement option to eligible faculty members. Early retirement may not preclude a part-time appointment as described in(e)(1) above at a salary and fringe benefits and for a period mutually agreed upon by the University and the faculty member. Compensation for such part-time appointments will be in addition to retirement income.
  3. Other Options: The University may also investigate other options which must be mutually acceptable to affected faculty and the University (e.g. extended leave of absence, sabbaticals, etc.).
- f. Appeals Process: A faculty member whose appointment is terminated will have the right to a full hearing before the Committee on Academic Tenure. This hearing will be conducted as an on-the-record adjudicative hearing. The issues in this hearing may include: (a) The existence and extent of the condition requiring retrenchment; (b) The validity of the educational judgments and the criteria used to identify programs to be terminated; and, (c) Whether the criteria are being properly applied in the individual case. If the Committee on Academic Tenure concludes that adequate

cause for termination has not been established by the evidence in the record it will so report to the President. If the President rejects the report, the President will state the reasons for doing so, in writing, to the hearing committee, to the faculty member, and to the Senate, and provide an opportunity for response before transmitting the case to the Board of Control. If the Committee concludes that adequate cause for a termination has been established, but that an alternative to termination (e.g. reassignment) would be more appropriate, it will so recommend, with supporting reasons.

- g. Letters of Termination and Non-Reappointment: All terminated or non-reappointed members shall be given a letter from the Vice-President for Academic Affairs or the Vice President for Research (as appropriate) that states that the termination or non-reappointment does not imply a negative judgment about the faculty member's performance, but is caused by program changes due to economic factors.
- h. Letters of Explanation/Recommendation: If requested, the Vice-President for Academic Affairs, or the Vice President for Research (as appropriate) shall provide a letter of explanation to potential employers on behalf of all terminated or non-reappointed faculty members to assist in their efforts to find suitable positions elsewhere and which clearly states that their termination is solely due to economic factors.
- i. Preferential Treatment: In all cases of termination of an appointment because of reasons described in (1) above, the place of the terminated faculty member will not be filled by a replacement within a period of three years unless the terminated faculty member has been offered reinstatement and has had a reasonable time in which to consider reinstatement. In addition, terminated faculty members: (1) will be automatically considered for any other position for which they qualify that becomes open within three years of their termination and, (2) will be given priority of employment over any individual from outside the university for such positions if the qualifications of the applicants are reasonably equal.

**Adopted by Senate: 1 May 1985**  
**Tabled by BOC: 17 May 1985**  
**See Proposals 16-02 and 12-04**