

Cost Reduction Directive Frequently Asked Questions

DAS Human Resource Services Division
(Updated [November 10, 2009](#))

The following is general information concerning cost reductions and furloughs in state executive branch agencies subject to ORS 240. This information may be applied to all employees except where in conflict with the provisions of a collective bargaining agreement. Please contact the Human Resource Management and Consultation Unit or the Labor Relations Unit for additional information.

1. Salary Freeze and Vacation Leave

A. Will the salary freeze be lifted on September 1, 2010 for all employees not represented by a labor organization?

Salaries for classified unrepresented employees are frozen through August 31, 2010. Due to budgetary considerations, salaries for management, executive and other unclassified service employees may continue to be frozen after September 1, 2010. DAS HRSD will inform agencies when a decision is made on this issue.

B. Will the top steps be added back on September 1, 2010 for all employees not represented by a labor organization?

The top step will be added back for classified unrepresented employees on September 1, 2010. Due to budget considerations, the top step may or may not be added back for management, executive and other unclassified employees on September 1, 2010. DAS HRSD will inform agencies when a decision is made on this issue.

C. Can the vacation leave over 350 hours that some managers accrued, which will be in a new account on January 1, 2010, be donated to another employee for purposes of hardship leave?

Yes.

2. Pay Reduction Option

A. Can an employee opt for a pay reduction in lieu of furlough?

No. Broad policy decisions were made to institute unpaid furloughs due to the budgetary problems facing the state. The furloughs are generally done on a fixed office closure basis except for those agencies or programs that cannot close. The pay reduction option is incompatible with fixed-office closures.

3. Tier Structure

A. Are management and executive service employees allowed to count the furlough(s) taken in July and August 2009 against the new furlough obligation?

No.

B. Are furloughs based on people or budgeted positions?

Furlough obligations are based on individual employees, not positions.

C. Are the salary tiers based on actual pay (with differentials), or base pay?

Salary tiers are base pay only. They do not include differentials, overtime or other forms of compensation.

D. How do I determine what tier to consider a temporary employee to be in?

Unlike permanent or seasonal employees who take furlough leave, temporary employees are unscheduled. Since most temporary employees are paid on an hourly rather than salary basis, use the following hourly rate tiers (based on a 173.33 hours in an average work month):

Tiers by hourly rate	Total Days Sept 2009 – June 2011
1 -- \$14.14 and below	10
2 -- \$14.15 to \$17.89	12
3 -- \$17.90 and above	14

Use the monthly salary rate tier structure in the Cost Reduction Policy or an applicable collective bargaining agreement for those temporary employees who are paid a salary rather than an hourly rate. See

questions 4 E and 4 F to determine the number of days a temporary employee must be unscheduled during the period of their employment.

E. Can a furlough be scheduled in hourly increments?

Schedule furlough days in full-day increments. This is eight hours for a full-time employee. A full furlough day for part-time and seasonal employees is prorated based on an eight-hour day.

F. Will DAS send reports to agencies to reflect adjusted base salary rates and tier movements after September 1, 2010?

Yes. HRSD is also exploring the creation of additional reports prior to this date to capture movement between tiers due to such actions as reclassifications and promotions.

4. Furlough Form and Tracking

A. Can the furlough election form be submitted and accepted electronically?

An agency may elect to accept the furlough election form in an electronic format.

B. What happens if an employee submits their furlough election form after the 30-day “before the start of the quarter” deadline?

Management may need to schedule the employee’s furlough days for them. An employee may unintentionally limit their ability to take furloughs on the days they prefer due to operational needs and leave already scheduled for other employees.

C. How will agencies be expected to track unscheduled hours of temporary employees for purposes of quarterly reporting to DAS?

DAS-HRSD created a form that agencies may use to report this information quarterly. The form is located at HRSD’s Cost Reduction webpage <http://www.oregon.gov/DAS/HR/Reductions.shtml>

5. Furlough Obligation Calculation

A. How should the furlough obligation (number of furlough days) be calculated for full-time seasonal employees?

Use the formula $(MS^*/TM) \times TO$

Where:

MS^* = Estimated number of months the seasonal employee will work during the period in which mandatory time off must be taken.

TM = Total number of months during the '09-'11 biennium during which mandatory unpaid time off must be taken (which is 22 months).

TO = Total number of mandatory unpaid time off days required for the biennium for the salary tier for the employee.

Example: The employee's seasons include the months of May through October 2011. The seasonal employee is expected to work both seasons. However, since furlough obligations begin September 1, 2009, and end on June 30, 2011, only September and October 2009, May through October 2010 and May and June 2011 count for determining the furlough obligation. Consequently, there are 9 months of the employee's seasons that count. The employee is in the top salary tier which has a maximum of 14 furlough days. The calculation is the following:

$(MS/TM) = (9 \text{ months}/22 \text{ months}) = .409$

$TO = 14 \text{ days}$

$(.409) \times 14 = 5.73 \text{ days}$

Rounding to the nearest whole number = 6 furlough days (8 hours each).

*** To determine "MS" count the number of calendar days in the employee's anticipated season. Divide that number by 30 (average # of days in a calendar month).**

B. How should the furlough obligation be calculated for part-time seasonal employees?

First, use the formula in 5 A [(MS/TM) X TO] to determine the total number of furlough days the employee needs to take during their seasonal employment.

Then, to determine the duration of the furlough day, Prorate based on the scheduled hours for the part-time seasonal employee in the month. Use the same formula for part-time employees to calculate the number of days part-time seasonals are obligated to take. Use the following formula:

$$(\text{SSH}/\text{FTH}) \times 8 = \text{MH}$$

Where:

SSH = The scheduled hours in a month for the part-time seasonal employee.

FTH = The number of full-time hours in a month (note: use the average number of full-time hours, 173.33).

8 = The number of hours in a full-time furlough day off.

MH = The number of furlough hours required for a furlough day off for the part-time seasonal employee.

Example: Using the facts in the example “D” above (6 furlough days), but adding that the part-time seasonal is scheduled to work .75 for the month. .75 is equivalent to 130 hours (.75 of 173.33 full-time hours in a month). The calculation is:

$$(130 \text{ hours}/173.33 \text{ hours}) \times 8 = 6 \text{ hours.}$$

The .75 (part-time) employee would take $\frac{3}{4}$ of the workday, (i.e., 6 hours) off for furlough day for the month.

Seasonal employees employed multiple seasons and/or by multiple agencies will be dealt with on an agency by agency basis to determine the number of furlough days off. Contact HRMC or Labor Relations Unit at DAS as appropriate for assistance.

C. How should the furlough obligation (duration of a furlough day) be calculated for part-time and job share employees?

Prorate the employee’s regularly scheduled or expected work hours relative to the full-time work hours for the month. Use the formula in 5 B above [(SSH/FTH) x 8 = MH].

Example: A part-time employee is scheduled to work 136 hours in the month of October (136 hours/173.33 hours) x 8 = 6.27 hours. Rounded to the nearest hour, the employee will take 6 hours furlough leave for the month in which a furlough day is taken or scheduled.

D. How should the furlough obligation (number of furlough days) be calculated for a limited duration employee whose appointment will end before the end of the biennium?

Calculate the number of furlough days required using the formula in 5A [(MS/TM) x TO]. Note that the number of hours loaded in the payroll system will reflect the full obligation based on the employee's tier. This amount may be greater than the employee's actual obligation.

E. How will furloughs work if I have an employee who is part time in another agency?

Each agency determines and manages the employee's furlough obligation based on the employee's rate of pay and amount of time the employee is scheduled to work for each agency.

F. How do I determine the number of days to unschedule a temporary employee?

For a full-time temporary employee, use the formula above in 5A [(MS/TM) x TO] to determine the number of days to unschedule. For a part-time temporary employee, then use the formula above in 5B [(SSH/FTH) X 8 = MH] to determine the number of hours to unschedule on each of these days.

G. How do I determine "scheduled hours" for purposes of prorating the amount of time I should unschedule a temporary employee whose schedule changes from week to week?

Where there is significant variation in the number of hours worked by an employee on a daily or weekly basis, an agency can estimate the scheduled hours by taking the average number of actual hours worked in the past three months. Repeat this calculation each calendar quarter to determine amount of time to unschedule the employee during the upcoming quarter.

H. When a person moves into a higher tier level (either by promotion or after the pay freeze is lifted) how do we determine the number of furlough days the employee is obligated to take?

Subtract the number of furlough days the employee has already taken from the total obligation for the higher tier. The employee schedules and takes this number of furlough days in the remaining months of the biennium. Note: If tier movement occurs in the last months of the biennium there may not be sufficient time to schedule and take all the remaining furlough days. Refer to the "Furlough Obligation Chart" (Attachment 2 of the Cost Reduction Directive) for further information.

I. If we are unsure if a seasonal employee will work multiple seasons during the remainder of the biennium should we project the total

number of months they may work between now and July 2011 to determine their furlough obligation?

No. It is difficult to project future appointments. Calculate each season independent of the other. It may result in less or more obligation in the short run but will end up being the full obligation by the end of the biennium. The total obligation cannot be more than the respective tier (i.e., 10, 12 or 14 days).

6. Furlough Scheduling

A. What happens when an employee is called in mid-week on a furlough?

In an emergency or other appropriate circumstance, management may “pull” an employee off of furlough status. The time already not worked on a furlough day remains reportable as “LA.” The remaining portion of the furlough day is rescheduled between management and the employee. The rescheduling will preferably occur within the same workweek or as soon as practicable.

B. What can we do if an employee is scheduled to attend a conference, training or similar event on a fixed office closure date?

If an employee is scheduled for an event that conflicts with a fixed office closure date and the agency is unable to reschedule it, the agency and employee may schedule a floating furlough day instead.

C. What happens when an employee attends state-sponsored Willamette University, Certification of Public Management (CPM) classes on fixed office closure dates?

Because CPM classes occur on Fridays from 8:00 am to 12:15 pm, this will continue to be an issue through the biennium. Employees should work with their agency to resolve their work schedule and furlough reporting.

Collective Bargaining Agreements and the Cost Savings Directive allow flexibility if an employee is scheduled to attend a conference, training or similar event on a fixed office closure date. Alternatives include:

- Allowing an employee to use appropriate accrued leave for the remainder of the fixed office closure date and rescheduling the furlough to an alternate date, or

- Allowing the employee to take the remainder of the class day as a furlough and rescheduling the balance of the furlough hours to another day.

With either alternative, the employee's time in the CPM class is time worked. Please refer to Collective Bargaining Agreements or consult with management for appropriate application.

D. Can an employee take floating furlough days on four consecutive days, as long as two are taken one month and two are taken the next?

Yes, subject to operation requirements, management may approve requests to take floating furloughs in this manner- as long as no more than two furlough days (fixed or floating) are taken in any one calendar month.

E. How should employees who work an alternate workweek (e.g., 4-10's, Monday through Thursdays) handle a Friday closure day?

For an alternate work schedule, HRSD recommends that employees, by mutual agreement with management, revert to a regular schedule (5-8's) for the furlough week and observe the fixed office closure. Please refer to collective bargaining agreements for represented employees.

In the alternative, during a furlough week, an agency should continue its normal practices for dealing with a holiday when the holiday falls on the employee's normally scheduled day off. This may require rescheduling the furlough day off for the employee to a scheduled workday in that same week.

F. How should employees who work a compressed schedule (e.g., 4-9's/1-8 in week 1 and 4-9's in week 2) handle a Friday closure day on their regularly scheduled day off?

The employee, by mutual agreement with management, may revert to a regular schedule (5-8's) for the furlough week and observe the fixed office closure date. In the alternative, the employee may observe the closure day on an alternate day (scheduled as a float day by the agency).

G. Do FLSA-exempt employees take rest and meal periods during a furlough week?

Yes. Because an otherwise exempt employee becomes non-exempt during a furlough week, they are subject to the same wage and hour laws that apply to non-exempt employees. These employees must take at least

one 30-minute meal period and, at a minimum, two 10-minute rest periods during a normal eight-hour workday.

H. Does an employee retiring on December 1, 2009, who is subject to the mandatory closures on October 16, and November 27 need to take more than two furlough days?

No, unless the employee is scheduled for a floating furlough day prior to their retirement date.

I. How do I determine the number of furlough days that an employee who plans on retiring must take?

Refer to the Cost Reduction Directive Attachment 2 “Furlough Obligation Chart” revised effective November 10, 2009. The chart lists the number of days a retiring or separating employee must take by the date of separation and their tier.

J. Can an employee who is ill on a day they take floating furlough day replace that day with sick leave?

No. A floating furlough day and closure days are not scheduled workdays. Employees may not use paid leave for days that they are not scheduled to be at work.

7. Furloughs during Family and Medical Leaves

A. Must employees on Oregon Family Leave or Federal Family Medical Leave (OFLA/FMLA) record furlough time?

Yes. While using accrued leave balances during FMLA/OFLA leave, an employee records no more than two furlough days (including fixed office closure dates and scheduled floating furlough dates) as “LA.” However, this time off work does not count against the employee’s entitlement to FMLA/OFLA leave.

B. If an employee goes on Family and Medical Leave, must the employee still meet his or her floating furlough or fixed office closure obligation?

If an employee requests and an agency schedules a floating furlough day in advance of an absence, the floating furlough day is observed. All fixed office closure days are observed if the employee’s agency observes fixed

office closure days. The employee must meet all required floating furlough obligations in the biennium. The employee codes this time as "LA."

C. If an employee goes on Family and Medical Leave, can the employee request some of the absence be counted as floating furlough days?

If an employee requests to use floating furlough days prior to starting a Family and Medical Leave absence and the days are approved, the employee may use up to two floating furlough days or one floating furlough and one fixed office closure day per month.

D. Can an employee on, or who has just finished Family and Medical Leave and is (was) in leave without pay, designate some of the days as floating furlough days?

No. Floating furlough days must be requested and approved in advance of any type of absence including a Family and Medical Leave absence.

E. If an employee is on Family and Medical Leave and observes a floating furlough or fixed office closure day, how is the employee's timesheet coded?

An employee observing a floating furlough or fixed office closure day during a Family and Medical Leave absence codes the time only as furlough using the LA code. A Family and Medical Leave code is not used.

F. How does an observed floating furlough or fixed office closure day affect an employee's Family and Medical Leave entitlement?

Floating furlough or fixed office closure days taken while an employee is on Family and Medical Leave do not reduce the employee's Family and Medical Leave entitlement. However, during the week the employee is observing the fixed office closure or floating furlough days, the employee's Family and Medical Leave is intermittent rather than a continuous block of leave.

Example for a full time employee: A full time employee's Family and Medical Leave absence is seven weeks. One week contains a fixed office closure day. The employee's total Family and Medical Leave entitlement is reduced by six weeks and four days (32 hours).

Example for a part time employee: A part time employee's Family and Medical Leave absence is seven weeks. One week contains a fixed office closure day. The employee's total Family and Medical Leave entitlement is reduced by six weeks and four half days (16 hours). Note: A part time employee maximum Family and Medical Leave entitlement is 12 weeks

under both FMLA and OFLA when taken in blocks of time. The time is only prorated when an employee takes leave intermittently or on reduced schedule Family and Medical Leave.

8. Furloughs during time loss under Workers' Compensation

A. Does an employee get to use accrued leave on a furlough day to make up the difference between their regular salary and workers' compensation payment for time loss?

No. An employee may not use accrued leave on a furlough day to make up the difference between the workers' compensation rate for time loss and their regular rate of pay.

B. If an employee goes on time loss under workers' compensation, must the employee still meet his or her floating furlough or fixed office closure obligation?

If an employee requested and an agency approved a floating furlough day in advance of time loss under workers' compensation, the floating furlough day is observed. Additionally, fixed office closure days are observed if the employee works in an agency that observes fixed office closure days.

C. If an employee goes on time loss under workers' compensation, can the employee request some of the days be floating furlough days?

If an employee requests to use floating furlough days prior to starting time loss under workers' compensation and the days are approved, the employee may observe up to two floating furlough days per month or one floating furlough day and one fixed office closure day.

D. Can an employee on or who has just finished time loss under workers' compensation, designate some of the days as floating furlough days?

No. Floating furlough days must be requested and approved in advance of any type of absence including workers' compensation.

E. Can an employee who supplements their workers' compensation payment with accrued paid leave still receive supplemental pay on a floating furlough or fixed office closure day?

No. On the day of the floating furlough or fixed office closure day the employee may not supplement their workers' compensation payment with accrued paid leave.

F. If an employee is on time loss under workers' compensation and observes a floating furlough or fixed office closure day, how is the employee's timesheet coded?

An employee's timesheet is coded as it normally is for workers' compensation. In order to credit an employee with meeting a full furlough obligation day Payroll makes a companion adjusting entry through the OSPA leave accrual balance adjustment screen to retire the full day obligation for the fixed office closure or floating furlough day. The full day obligation will be 8 hours for full time employees and prorated for part time.

If an employee elected to use accrued paid leave to supplement their workers' compensation payment, substitute code LA for the 1/3 day normally coded as SL (sick leave) on the floating furlough or fixed office closure day. Next, make a companion adjusting entry through the OSPA leave accrual balance adjustment screen to retire the remaining 2/3 day to ensure full credit for the furlough obligation. Ensure documentation to support the employee had sufficient leave to have been in 1/3 paid status for that day should the employee be supplementing with their accrued paid leave.

In either scenario ensure that the documentation to support the furlough balance adjustment is sufficient to demonstrate that the floating furlough day was scheduled previous to the time loss or related to a mandatory fixed office closure day.

9. Furloughs during Unpaid Leaves of Absence

A. Do employees observing fixed office closures record furlough leave while on leave without pay?

Yes.

B. Do employees on floating furloughs record furlough leave while on leave without pay?

Yes, if an employee has scheduled a floating furlough then begins leave without pay they take the prescheduled day as furlough leave.

C. Can an employee on or who has finished a leave of absence without pay designate some of the days as floating furlough days?

No. Floating furlough days must be requested and approved in advance of any type of absence including leave without pay.

10. Furloughs during Military Leaves of Absence

A. Does an employee using paid leave while on military leave record furlough leave?

Yes, for fixed office closure dates (if applicable) and any scheduled floating furlough days.

B. Can an employee on military leave (paid or unpaid) take more than two furlough days in a calendar month?

No. All employees are limited to a total of two furlough days (including both fixed and float) in any one calendar month.

C. Can an employee on or who has finished a military leave of absence designate some of the days as floating furlough days?

No. Floating furlough days must be requested and approved in advance of any type of absence including military leave.