I. Introduction

A. The purpose of this statement is to define a condition of "financial emergency" that may arise at some future time within Virginia Commonwealth University; establish a process by which the existence and severity of the emergency are to be declared; establish a method and guidelines for adopting plans for the University's response to such emergency; and define the rights and privileges to be accorded faculty members when programs are reduced, reorganized, or terminated due to financial emergency.

B. As used in this statement, "financial emergency" is a situation requiring reduction or reallocation of expenditures and consequent reduction, reorganization, or termination of university programs and activities that cannot be achieved through normal academic, administrative, budgetary, and personnel processes. A financial emergency may arise due to a substantial decline in student enrollments, a reduction in State allotments of appropriations, a loss of income from non-State sources, or some serious event or condition requiring unanticipated major expenditures.

C. Declaration of a financial emergency and development of a plan for response to such emergency are processes requiring careful consideration and consultation with the principal elements of the university community that will be affected. Response to financial emergency will build on the processes of planning and evaluation which should be continuous throughout the University.
II. Declaring a Financial Emergency

A. If a situation of financial emergency is thought to be imminent, the President shall consult with the Planning and Budget Advisory Committee and shall advise the Board of Visitors and then convene the University Council to present information about the situation. After discussion with these and other appropriate advisors, if the President concludes that a financial emergency is imminent, he shall so inform the Board of Visitors.

B. After hearing the report and recommendation to the President, the Board of Visitors may make a formal declaration of the existence and anticipated duration of a state of financial emergency and direct the actions necessary to meet the situation.

III. Plan For Response to Financial Emergency

A. When a financial emergency has been declared by the Board of Visitors, the President shall direct the preparation of a plan for response to the emergency which he shall present to the university community and recommend for adoption by the Board of Visitors.

B. In planning a response to financial emergency, the President and all others involved shall be mindful of:
   1. The official mission statement of the University, the current institutional priorities statement and any other currently effective statements of the goals, purposes, values and priorities of the University approved by the Board of Visitors.
   2. The policies of the Commonwealth for higher education as expressed by the General Assembly, the Governor, the Secretary of Education, and the State Council of Higher Education, and embodied in such documents as the State budget manual (Appendix M).

C. In considering possible reduction, reorganization, consolidation, or termination of programs and activities, the President and others involved shall observe these guidelines:
   1. All programs and activities, both non-academic and academic, should be reviewed.
   2. Although some reduction may be applied on a university-wide or campus-wide basis, reductions need not be uniform throughout the University. Selective curtailment or termination may be necessary to maintain appropriate levels of support and excellence of the remainder. Thus some programs or activities may be eliminated completely, other may be curtailed or reorganized, and still others might not be directly affected.

D. In examining individual programs or activities for possible reduction, reorganization, or termination, the following points shall be reviewed:
1. Centrality - e.g., relationship to mission.
2. Quality - e.g., national and professional ratings, accreditation, reputation of faculty, recent improvements, placement and records of graduates.
3. Demand - e.g., number and quality of applicants, enrolled students and trends, majors and service courses taught.
4. Service Contributions to Other Programs - e.g., cascade effect on other educational programs if reduced or eliminated.
5. Productivity - e.g., number of graduates, quality of graduates, job opportunities for graduates, and unit cost effectiveness.
6. Cost and Resources Required - e.g., revenues generated and expended, production and consumption data, positions required, laboratory and/or clinical facilities, classrooms and equipment needed.
7. Potential for External Financial Support - e.g., federal, state, industrial, foundations, and local.
8. External Factors - e.g., only program offered in Commonwealth or region.

E. At the start of the response planning process, the President may consult with the Planning and Budget Advisory Committee, or at his choice, a specially constituted planning body on which faculty also are represented, which may make written recommendations concerning the approach to be taken, including such matters as:

1. The extent of across-the-board salary and/or program reductions as compared to selective salary and/or program or activity reallocations or reductions.
2. Relative emphasis to be given the several criteria listed in III.D.
3. Other guidelines and criteria the Committee may consider appropriate.

F. The President will call on the appropriate vice presidents for recommendations as to reductions, consolidations, reallocations, or terminations in accordance with the criteria above and the recommendations of the Planning and Budget Advisory Committee or special planning body. The President may set targets for reduction in the several vice presidential areas.

G. The vice presidents will prepare recommendations for their respective areas, following a procedure as follows:

1. The vice president will request recommendations from the deans or other appropriate unit heads. The vice president may set further guidelines, targets and deadlines for the schools and other units to respond.
2. The deans or unit heads will prepare responses to the vice president's request, after as much consultation as possible with department chairmen, curriculum, and academic policy committees, or other faculty advisory groups. The groups consulted may make written comments for transmittal to the vice president along with the dean's recommendations.
3. After receiving the responses of the deans or other unit heads, the vice president will prepare a proposal for his or her area. Vice presidential recommendations will
be in writing and for each significant reduction, reorganization, reallocation, or termination will specify the reasons in relationship to the criteria and guidelines provided, a timetable for the actions recommended, the anticipated programmatic and budgetary effects, the number of faculty and staff positions affected, and safeguards that will be taken with regard to the faculty, staff, and students affected.

H. Vice presidential recommendations will be reviewed by the President who may consult with the Planning and Budget Advisory Committee or special planning body which may advise the President about them, either severally or collectively, with respect to their conformity with the criteria and guidelines and their adequacy to the requirements of the situation.

I. After reviewing the vice presidential recommendations and receiving the comments of such advisors as he considers appropriate, the President will prepare a university plan for response to the financial emergency. If he has received inconsistent or conflicting recommendations the President may either seek to reconcile them or choose among conflicting recommendation, but in any event he shall be responsible for preparing a coherent plan which he believes represents the best response to the emergency.

1. When the President has prepared a preliminary plan he will convene the University Council for purposes of discussing the plan with the Council. The University Council shall have opportunity to make a statement of recommendation about the plan, but the President may set a deadline for any recommendation by the Council.

2. When the President has consulted and received any recommendations of the University Council, he shall prepare a final plan for consideration by the Board of Visitors.

3. The President's plan shall be as specific as possible with respect to the programs affected, the rationale for each major action proposed, and the programmatic, budgetary, and personnel impact of each major action. The plan should state the numbers and types of positions affected by each major action but should not identify the specific positions or individuals.

J. After considering the President's plan and other advice and communication, the Board of Visitors will officially adopt a plan for response to the financial emergency and authorize the necessary administrative and personnel actions in accordance with the policies and procedures stated hereafter in this document.

IV. IMPLEMENTATION PROCESS AND CRITERIA FOR PERSONNEL ACTIONS

A. When a plan for response to financial emergency has been approved by the Board of Visitors, the President shall direct the appropriate vice presidents to prepare to implement the plan.

1. The vice presidents, in consultation with the deans or heads of non-school units affected, will develop programs of implementation including the sequence and
timing of program and organizational changes, budgetary reductions and reallocations, and necessary personnel actions.

2. Any terminations or change of status of classified personnel will be in accord with the relevant personnel laws and procedures of the Commonwealth. Any transfers, change of status, or termination of faculty personnel will be compatible with the laws and procedures of the Commonwealth and will, in addition, follow the procedures and criteria established in this document.

B. If termination or involuntary change of status of faculty members is necessary, the choice of individuals for such actions will be according to the following criteria:

1. The basic considerations must be:
   a. Preserving the University's commitment to excellence in teaching, research, and service, both generally and by maintaining high quality and appropriate emphasis in each program being continued.
   b. Protecting the values of academic freedom, tenure and due process.

2. As a general rule, within any given program or activity being reduced, collateral faculty will be terminated before tenurable faculty, and tenurable faculty before tenured faculty. If future program needs clearly indicate that this sequence would not be in the best interest of the program and the University, the basis of this judgment must be explained in writing to the faculty members adversely affected and become a part of the record in their cases.

3. Within each faculty status group (collateral, tenurable, and tenured) of any program or activity being reduced, preference for retention will be on the basis of the future needs of the program and the individual's promise of future contributions.

C. Selection of faculty members for transfer, change of status, or termination will be in following procedure:

1. When the vice president has determined the number of faculty positions that must be eliminated from each school, department or program he shall inform the appropriate deans and department or program chairmen and request their recommendations concerning the individuals to be affected.

2. Department chairmen will prepare such recommendations to the dean after consultation with their faculties. Appropriate consultation will include the opportunity for each faculty member to state his or her concerns and recommendations in writing, to be forwarded to the dean along with the department chairman's recommendations.

3. The dean, after reviewing the departmental recommendation and consulting with the department chairmen and the school's administrative or faculty council, will make his/her recommendations to the vice president. The dean will forward to the vice president the file on each case, including the department chairman's recommendations, any communications from the faculty member, and a statement by the dean explaining his recommendation if it differs from that of the chairman. Copies of the dean's statement will be provided to both the chairman and the faculty member.
4. The vice president, after reviewing the recommendations of the dean and the file on each case, will recommend to the President the individual faculty personnel actions required.

D. The President will issue to each faculty member affected the official notice of termination or other change of status.

1. If the faculty member does not appeal the decision in the manner and time specified below, the President will report the termination for confirmation by the Board of Visitors.

2. If the faculty member appeals the decision, the President will withhold his report to the Board of Visitors until the appeal process described below has run its course, and then either affirm the notice of termination and inform the Board of Visitors or make other appropriate adjustment.

E. Although the President's notification to the individual faculty member will constitute official notice of the proposed personnel action, all termination or involuntary changes of status must be confirmed by the Board of Visitors before becoming final.

V. Additional Rights and Privileges of Faculty Members

Notice to Faculty Member

1. Each faculty member who is being terminated or receiving other involuntary status change due to financial emergency shall be given notice of such action in writing by the President. Such notice shall be either delivered in person by the appropriate dean, or transmitted by certified mail.

2. The amount of notice prior to effective date of the personnel action shall be as follows:
   a. For collateral faculty members, not less than three months.
   b. For tenurable faculty members, not less than six months.
   c. For tenured faculty members, not less than twelve months.

3. The President's notice shall include the following:
   a. A brief statement concerning the financial emergency and the general procedures followed in identifying programs and personnel for reduction.
   b. A brief statement of the basis for the decision in this particular case.
   c. A statement of the faculty member's right to appeal the notice of termination.
   d. A statement of the faculty member's rights concerning reemployment or future employment preference.

4. In addition to the President's notice, each faculty member whose appointment is being terminated shall be given a personal letter from either the appropriate vice president or the appropriate dean expressly stating that the termination is due to a program change caused by financial emergency and does not imply a negative
judgment about the person's performance, and offering to send resumes and letters of explanation to other institutions to assist in suitable placement.

**B. Appeals**

1. A faculty member who has received notice from the President of termination or other involuntary change of status may appeal the decision if such appeal is filed at the President's office within fifteen days of receiving the notice; such appeal must be in writing and state with reasonable specificity the grounds for the appeal.

2. When the President receives an appeal he shall, within seven days, refer the appeal, including a copy of his notice of termination and any other files pertinent to the case, to the University Promotions and Tenure Committee for review.

3. The University Promotion and Tenure Committee will first determine whether the appeal is based on appropriate grounds. The Committee will give full consideration only to cases based on the procedures and criteria pertaining to the individual faculty members as stated in parts IV.B, C, D, and E, and V.A of this document. Disputes concerning the existence and severity of a financial emergency, or the response plan's choice of particular programs or activities for reduction, reorganization or termination, or the amount of faculty reduction required by such program reduction, reorganization or termination, shall not be valid grounds for appeal; if the Committee determines that an appeal is based primarily on invalid grounds, it will reject the appeal and immediately inform the appellant and the President.

4. If the Committee determines that the appeal is based on appropriate grounds, it will examine the substance of the case. Appellants may submit additional written material and must be given an opportunity to state their case in a personal appearance before the Committee. In personal appearances, the appellant may be accompanied by one non-participating observer of his or her own choice. The Committee also may invite written statements or personal appearance from other members of the university community who have been involved in the case. Although each appellant's case must receive appropriate individual scrutiny, the Committee may at its discretion consolidate the hearing of cases presenting essentially the same issues or requiring appearance by the same witnesses.

5. After its review, the University Promotion and Tenure Committee will, as expeditiously as possible, transmit a separate written report and recommendation on each case to the President.

6. Within 30 days of receiving the Committee report on the appeal, the President shall give the faculty member written notice either confirming the original notice of termination or making other disposition of the matter. If the President decides to withdraw the notice of termination, the notice shall be rescinded in writing and the case closed. If the President's decision is not in accord with the recommendation of the Promotion and Tenure Committee he must state the grounds of that decision, with a copy to the Promotion and Tenure Committee.

7. Although filing an appeal shall not be construed to set aside or suspend the original notice of termination, the President's action on an appeal report must be at least 60
days prior to the effective date of the termination, which he shall defer if necessary to provide at least 60 days after his final notice.

C. Preferences for Reemployment

1. Any person terminated due to financial emergency will be notified if a vacancy occurs is his or her field of teaching within three years following the termination.

2. In such a case, if only one terminated person makes timely application and is qualified for the position, he or she shall be offered the position; if two or more terminated persons in the same field as the vacancy make timely application, the one judged best qualified shall be offered the position.