July 13, 2009

MEMORANDUM

TO: Non-Represented Exempt (salaried) Classified Staff  (Group 4)

FROM: Mark Walters, Director, Classified Human Resources
       Steve Lund, Director, Academic Personnel Office

RE: Important Furlough Information

Due to the severe economic downturn, the Governor has ordered state employees to take 8 days (pro-rated for part-time and part-year employees) of unpaid furlough per year for the next two fiscal years: 2009-10 and 2010-11.

The University of Wisconsin System Administration received approval from the state Office of State Employment Relations (OSER) on July 3, 2009 to implement the UW furlough plan. The plan is available at www.budget.wisc.edu

We are writing to inform you how the mandated furlough policy will apply to you.

Based on the position you are in, you will be required to take 8 days of unpaid furlough (prorated for part time employees) in each of the next two fiscal years. You will be required to use these on 4 designated days during the year when the University will close for all but essential services (exceptions will be made for critical services such as patient care, animal care, police, power plant, and housing staff) and on 4 other days that are acceptable to your unit. After consulting with governance bodies and labor unions, it has been decided the designated furlough days will be as follows:

<table>
<thead>
<tr>
<th>2009-10</th>
<th>2010-11</th>
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<tbody>
<tr>
<td>November 27, 2009 (Friday)</td>
<td>November 26, 2010 (Friday)</td>
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<tr>
<td>December 30, 2009 (Wednesday)</td>
<td>December 30, 2010 (Thursday)</td>
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<tr>
<td>April 2, 2010 (Friday)</td>
<td>March 18, 2011 (Friday)</td>
</tr>
<tr>
<td>May 21, 2010 (Friday)</td>
<td>May 20, 2011 (Friday)</td>
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</tbody>
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- Day after Thanksgiving
- Day before New Year’s Eve
- Last day of Spring Break
- Last day of the Academic Year

Your paycheck will be reduced only when you take furlough time off.

The following is some basic information about the furloughs for your specific position.
• Employees can use furlough time between July 5, 2009 and June 19, 2010 (first fiscal year) and between June 20, 2010 and June 18, 2011 (second fiscal year).

• Furloughs can be taken in increments of 2 hours provided that 8 hours are taken in a week (prorated for part-time employees).

• Only one furlough day can be taken in a week. The reason is that greater usage in a week would likely make some employees eligible for unemployment compensation which the Governor has prohibited.

• You must obtain your supervisor’s approval before scheduling furlough time – just as you do for vacation.

• Furlough days must be used in the same fiscal year as earned; they cannot be carried over into the next fiscal year.

• Furlough days can be used to substitute for use of sick leave, approved vacation or other paid leave time or unpaid medical leave.

• You cannot do any work when you are using furlough time - including telephone calls, e-mails and texts. All such work is prohibited because it negates the furlough. Violation of this prohibition could result in disciplinary action.

• Eight furlough days must be taken. Failure to take all furlough time by the end of the fiscal year will result in either mandatory furloughs or further action to accomplish the furlough mandate.

Time Reporting:

You are currently exempt from the overtime provisions of the Fair Labor Standards Act (FLSA) and subsequently considered a salaried employee. Salaried employees only need to report when they take leave, not how many hours they work. When you take unpaid furlough leave, however, you will become an hourly employee during that seven-day period (Sun-Sat) of the week. As such, you are required to report all hours worked in that furlough week and the University must pay you for all hours worked. You should be using the Classified Non-Exempt (hourly) Time Report during the week you take a furlough day so you can document the hours worked and the furlough time taken during the week.

This is where it gets even more complicated. Salaried employees typically work more than 40 hours of work per week. If full-time employees take a furlough day and then work more than 32 hours in the other six days of that Sunday – Saturday period, the University would have to pay them for those hours thus negating the effect of the furlough. Consequently, for full-time employees, during the week furlough time is
used, actual hours worked and paid leave time used plus furlough time added together cannot exceed 40 hours per seven-day week. If the total exceeds 40 hours, the furlough will be voided and will have to be used at a later date. For part-time employees, during the week furlough time is used, actual hours worked and paid leave time used plus furlough time added together cannot exceed the number of hours resulting from multiplying your appointment percentage times 40 hours in a seven-day week. For example, a person on a 50% appointment cannot exceed 20 hours (.5 x 40) and a 33% appointment cannot exceed 13 hours (.33 x 40). If the total exceeds the limit, the furlough will be voided and will have to be used at a later date.

We realize that this is difficult and onerous, but we simply have no choice in the matter and ask for your cooperation.

If you have more detailed questions about the furlough program and how it affects you, go to the following website: www.budget.wisc.edu. If you still have questions, contact your department administrator or your division HR representative.

It is unfortunate that the state needs to implement furloughs. While we realize that this will be a difficult process, we urge everyone to approach this with the goal of complying with the requirements.

Thank you.

xc: Chancellor Biddy Martin
Interim Provost Julie Underwood
Vice Chancellor Darrell Bazzell
Deans and Directors
Human Resource Representatives