

<b>Policies of the University of North Texas</b>	Chapter 6
<b>06.019 Financial Exigency</b>	<b>Faculty Affairs</b>

**Policy Statement.** None.

**Application of Policy.** Tenured and Tenure-Track Faculty.

**Definitions.**

1. **Financial Exigency.** “Financial Exigency” is an actual or impending financial crisis, as determined by the Board of Regents (the “Board”) that threatens the survival of the entire institution in its current structure and that cannot be alleviated by measures other than terminating tenured or tenure track faculty.

**Procedures and Responsibilities.**

This policy sets forth a framework for dealing with a financial exigency that could be grounds for termination of tenured or tenure track faculty. It does not contain a detailed plan of action because the nature of an exigency cannot be predicted with sufficient specificity. Coping with an exigency will be a difficult and trying experience for everyone involved. A body of rules can help, but good faith and cooperation on the part of the entire university community are essential.

Integral to every issue discussed herein is the long-term impact on the quality of education offered at the University of North Texas. The academic mission of the University and the integrity of essential programs must be given highest priority. Therefore, highly selective reductions based on "hard choices" that could lead to the elimination of particular departments or programs are deemed preferable to across the board cuts that would sap the strength of all our academic programs or lower the quality of our best programs.

No administrative or academic areas of the University will be considered exempt from the effects of an impending financial crisis. To prevent the declaration of financial exigency, the University will make strenuous efforts to achieve administrative cost savings and revenue enhancements that would mitigate the financial crisis. When a financial exigency arises, the University will develop an austerity plan that takes into account all areas of the university.

1. **Definition of Financial Exigency.** For the purposes of this policy, a financial exigency is an actual or impending financial crisis, as determined by the Board of Regents (the “Board”) that threatens the survival of the entire institution in its current structure and that cannot be alleviated by measures other than terminating tenured or tenure track faculty.

2. Consultation Prior to Declaration of Exigency. When the Administration believes a bona fide financial exigency exists, it will promptly inform and seek the advice of the University Committee. The University Committee will provide advice and consultation to the Administration about the declaration of an exigency within 45 days of notification. Disagreements should be noted by the University Committee, and those who disagree with the positions taken by the University Committee can present their views directly to the Administration. Alternatively, the Faculty Senate or the University Committee may initiate the consultation process if it believes that a bona fide financial exigency exists.
3. Declaration of Financial Exigency. The decision to declare a financial exigency may be made only by the Board of Regents. Before declaring a financial exigency, the Board will consider the positions timely submitted to it by the Administration, the University Committee and the Faculty Senate. The declaration of an exigency requires the affirmative vote of the Board according to procedures established in its bylaws.
4. Consultation during Financial Exigency. After the declaration of an exigency, major steps for dealing with the financial crisis will be reviewed jointly by the administration, including academic deans, and the University Committee. The administration and University Committee will establish and announce a timeline for completing a plan for retrenchment. Proposals to terminate or significantly alter academic programs will be submitted by the administration for consideration through the usual decision-making channels (the Faculty Senate, the Undergraduate Curriculum Committee, and the Graduate Council) with the understanding that decisions must be made in accordance with the announced timeline for developing a plan for retrenchment.
5. Plan for Retrenchment. Before actions are taken pursuant to a declaration of financial exigency, the retrenchment plan must be approved by the Board of Regents. The Board may modify the plan as it deems appropriate. Termination of faculty appointments or major changes in academic programs must conform with the principles established in the plan, as well as the provisions of this policy. Academic considerations will be primary in making program and personnel decisions.
6. Order of Termination. Except in extraordinary circumstances where a serious distortion of an academic program would otherwise result, non-tenure track faculty in the university will be terminated before any tenure track faculty are terminated, and untenured faculty in the university shall be terminated before any tenured faculty are terminated. Where consistent with the academic needs of the institution, preference for retention will be given to tenured faculty of higher rank, and to more senior faculty within the same rank. All applicable federal and state laws, including non-discrimination laws, shall be observed when making termination decisions under this policy.
7. Termination Notice and Procedure. Termination of tenured faculty requires notice of at least twelve months, unless the Board of Regents determines after meeting with the

Administration and the University Committee, that no funds are available to continue the faculty member beyond the current academic year, in which case notice will be given as soon as practicable. Tenure track faculty who are recommended for termination due to financial exigency may be terminated as determined by the Board. However, in no event will a tenured or tenure track faculty member be terminated prior to the end of the current academic year of appointment. Recommendations for the dismissal of tenured and tenure track faculty are initiated by the academic unit. However, should the department not provide the necessary recommendation within a reasonable time, the Dean shall determine the appropriate action. The final decision is made by the UNT President with the concurrence of the Board of Regents. In all cases the administration will exercise due diligence to ensure that actions taken to give notice of termination conform to all applicable state and federal laws.

8. Procedures for Review of Personnel Actions Based on Financial Exigency. Any faculty member who is given notice of termination is entitled to a hearing before the designated faculty body specified in the Policy Manual (see Policy 15.0.1). Among the issues to be considered by the review panels are:
  - a. Adherence to the plan for retrenchment.
  - b. Major deviation(s) from procedural requirements.
  - c. Actions that violated the principles of academic freedom or that violated established law related to race, national origin, religion, age, disability, veteran's status, or gender in the dismissal of a faculty member.

The burden of proof in termination proceedings rests with the faculty member. An ultimate review of all controverted issues may be conducted by the Board of Regents.

9. Assistance to Terminated Faculty. To the extent possible and within the confines of law, tenured and tenure track faculty dismissed during a financial exigency should be assisted in the transition to new jobs. Assistance may include:
  - a. Job placement services.
  - b. Eligibility to participate in state premium sharing and group insurance programs sponsored by the institution at least until the end of the notice period and eligibility for 18 months of additional coverage available through COBRA without premium sharing.
  - c. Permission to enroll in up to 30 hours of courses for which they are otherwise eligible without payment of tuition or fees (within two years of termination).
10. New academic or administrative positions. New positions will not be created while a financial exigency is in effect, unless a serious disruption in the functioning of the University would otherwise result. New academic programs or faculty positions would be created only when it can be demonstrated that these programs or positions will help

the University extricate itself from financial exigency. Priority for filling these positions will be given to existing, qualified faculty.

11. Reemployment following exigency-based termination. Any terminated faculty position filled within two years of the termination will be offered first to the faculty member who previously held that position.
12. Termination of Exigency. The declaration of a financial exigency by the Board of Regents will be for a specified period of time not to exceed two years, unless extended by the Board. The Board of Regents may, by majority vote, rescind its declaration of a financial exigency at any time. However, nothing in the section will imply that notice of dismissal issued to any individual during a period of declared exigency is automatically withdrawn or otherwise invalid.
13. Phasing out of Programs. Nothing in this policy shall preclude the University from phasing out programs not related to financial exigency as defined herein.

**Responsible Party:** VP Academic Affairs

**References and Cross-references.**

UNT Policy 06.007 Faculty Appointments and Granting of Tenure

Approved: 8/1/1994

Effective: 10/8/2012

Revised: 8/96; 8/98; 8/02; 10/2012

5/2011 format only