MEMORANDUM OF UNDERSTANDING (MOU)

BETWEEN

EASTERN WASHINGTON UNIVERSITY (EWU)

AND

WASHINGTON FEDERATION OF STATE EMPLOYEES (WFSE)

CLASSIFIED EMPLOYEES

Temporary (Voluntary and Mandatory) Furloughs and Layoffs to Address Budgetary Shortfalls

Due in large part to declining enrollment, changes in state tuition policies, changes in state funding policies, and the uncertainty created by the global COVID-19 pandemic, EWU and WFSE agree that temporary furlough and layoff provisions should be created via MOU to allow for more flexibility in maneuvering budgetary shortfalls at the University. The current Collective Bargaining Agreement (CBA) only allows for permanent layoffs, and the parties agree it would be helpful to employees and the University to have short-term measures built to address budgetary shortfalls. As such, the parties agree to the following regarding temporary furloughs and layoffs effective September 1, 2020:

Section 1 – Temporary Furlough Provisions

Temporary Furlough. Temporary furloughs are unpaid leave of absences for a designated period of time, imposed due to financial or operational needs. There may be voluntary and mandatory temporary furloughs. Temporary furloughs may be for a designated number of days/hours for each pay period/month/year with no business being conducted by the affected employee on those days/hours. If a temporary or permanent layoff should occur while an employee is on voluntary or mandatory temporary furlough, Article 38.1 through Article 38.7 of the CBA, and/or the Temporary Layoff provisions of this agreement shall apply. Status as a temporary furlough does not prohibit the University from initiating a temporary or permanent layoff due to financial and/or operational needs.

Voluntary Temporary Furlough. Effective beginning September 1, 2020, EWU will allow employees to volunteer for temporary furlough. The following provisions shall apply to voluntary temporary furloughs.

a. Employees may request a voluntary temporary furlough by submitting a written request at least seven (7) business days in advance of the effective date of the furlough to their supervisor. The supervisor will review the request within at least two (2) business days, based on financial and/or operational needs, and if in agreement will forward the request to the appropriate Vice President for review and a final decision. The Vice President will review and approve or deny the request based on financial and/or operational needs within three (3) business days prior to the effective date of the requested action. The Vice President will submit their written decision regarding the request to Human Resources with a copy to the supervisor and employee.

b. Employees may not retract one's request for voluntary temporary furlough once it has been forwarded by the Supervisor to the appropriate Vice-President.

c. Voluntary temporary furlough days/hours shall be counted toward any and all mandatory temporary furlough days/hours (see below).

d. Time spent on voluntary temporary furlough shall be unpaid. Employees may not use paid leave to offset all or any portion of a furlough.

e. A voluntary temporary furlough will not affect an employee's periodic increment date or seniority date. Accrual of vacation and sick leave credit will be based on Articles 29 and 30 of the CBA. Retirement contributions (by both the employee and the University) may be affected by voluntary temporary furlough, as contributions are based on actual earnings. Furloughs will be structured so that Retirement service credit will not be affected, unless the employee voluntarily requests to do so in writing (e.g. request to take a full month off rather than spacing out furlough days over a longer period of time). To remain eligible for full retirement service credit, an employee must work at least ninety (90) hours in a month, however an employee who works less than ninety (90) hours, but more than seventy (70), the employee would be eligible for partial service credit. Eligibility for Family and Medical Leave, as well as similar programs, may be impacted due to reduced hours of work.

Mandatory Temporary Furlough. Effective beginning September 1, 2020, EWU may implement mandatory temporary furloughs. The following provisions shall apply to mandatory temporary furloughs:

a. Mandatory temporary furloughs will be capped at one (1) day per month per employee during the term of this Agreement. For employees working between half-time and full-time, the mandatory furlough requirement is pro-rated. Employee furlough days may be scheduled as a series of partial days or for more than one day per month until the employee has taken the required total number of mandatory furlough days.

b. Time spent on mandatory temporary furlough shall be unpaid. Employees may not use paid leave to offset all or any portion of a furlough. However, time spent on approved unpaid FMLA during a mandatory furlough, will count toward the mandatory temporary furlough requirement.

c. Time spent on mandatory furlough will not affect an employee's periodic increment date or seniority date. Accrual of vacation and sick leave shall be based on Articles 29 and 30 of this Agreement. Retirement contributions (by both the employee and the University) may be affected by mandatory temporary furlough, as contributions are based on actual earnings. Furloughs will be structured so that retirement service credit will not be affected, unless the employee voluntarily requests to do so in writing (e.g. request to take all furlough days in one month, rather than spacing out furlough days over a longer period of time.) To remain eligible for full retirement service credit, an employee must work at least ninety (90) hours in a month, however an employee who works less than ninety (90) hours, but more than seventy (70), the employee would be eligible for partial service credit. Eligibility for Family and Medical Leave, as well as similar programs, may be impacted due to reduced hours of work.

d. In the event additional work is required during a period for which a position is scheduled for temporary furlough, the work will be offered to the incumbent. If the incumbent declines the offer, the University will offer the work to other qualified employees who are on furlough who have expressed an interest according to seniority. If the incumbent accepts the offer, that employee will have their furlough day rescheduled.

e. Employees shall be given advance notice by the Supervisor in coordination with Human Resources of mandatory furlough of at least seven (7) business days. This notice will include the specifics of when the furlough will begin and end, as well as designate the amount of furlough time, and the period within which it must be taken. WFSE will be provided a copy of the notice at the same time as the impacted employee.

f. Upon receipt of the notice, the supervisor, in consultation with the employee, will determine which dates/times the employee will be on furlough in the designated period of time. This plan shall be completed prior to the first date of furlough for the employee. Proposed changes to an employee's furlough plan after finalization must be approved by the appropriate University Vice President prior to implementation.

g. Exemptions: Mandatory Temporary Furloughs shall not apply to:
1. Staff working less than half-time
2. Staff paid at $53,000 per year or less as of September 1, 2020
3. Temporary, hourly represented individuals
4. Positions that support 24/7 coverage or where legal minimum staffing levels exist, so that shifts lost to furlough days would have to be made up by other staff.
5. The University retains the right to exempt additional staff based on business or operation needs.

<u>Section 2 – Temporary Layoff Provisions</u>

<u>Temporary Layoff.</u> Temporary layoffs, of no more than ninety (90) calendar days, unless agreed to otherwise, shall be by bargaining unit seniority within affected job classifications, as applicable, based on financial and/or operational need. There may be voluntary and mandatory temporary layoffs. Mandatory Temporary Layoffs anticipated by the University to last longer than ninety (90) calendar days shall be subject to permanent layoff, in accordance with Article 38.1 through Article 38.7 of the CBA.

Voluntary Temporary Layoff. The following provisions shall apply to voluntary temporary layoff:

a. Employees subject to this agreement may volunteer for a voluntary temporary layoff, not exceeding ninety (90) calendar days, unless otherwise agreed upon.

b. Employees may request a voluntary temporary layoff by submitting a written request at least seven (7) business days in advance of the effective date to their supervisor. The supervisor will review the request within at least two (2) business days, based on financial and/or operational needs, and if in agreement will forward the request to the appropriate Vice President for review and a final decision. The Vice President will review and approve or deny the request based on financial and/or operational needs within three (3) business days prior to the effective date of the requested action. The Vice President will submit their written decision regarding the request to Human Resources with a copy to the supervisor and employee.

c. Employees may not rescind the request for voluntary temporary layoff once it has been forwarded to the appropriate Vice President

d. An employee on voluntary temporary layoff will not be entitled to any of the following:

   1. Bump into any other position;

   2. Be placed on a layoff list;

   3. Perform work of any kind for the University while on voluntary temporary layoff.

e. If it is necessary to limit the number of employees on temporary layoff, the parties agree that the University retains the right to determine which positions will be granted a voluntary temporary layoff based on staffing and operational needs.

f. A voluntary temporary layoff will not affect an employee's periodic increment date or seniority date. Accrual of vacation and sick leave shall be based on Articles 29 and 30 of this Agreement. Retirement contributions (by both the employee and the University) may be affected by mandatory temporary layoff, as contributions are based on actual earnings. Retirement service credit may also be affected. Eligibility for Family and Medical Leave, as well as similar programs, may be impacted due to reduced hours of work

g. In consultation with Human Resources, employees may use the minimum amount of accrued paid leave per month while on voluntary temporary layoff in order to maintain health insurance benefits.

h. Employees will return to their regular work schedule, regular shift, FTE, position and pay at the end of their temporary layoff unless notice is provided that indicates otherwise.

i. The parties agree that it is the employee's responsibility to decide if they want to apply for unemployment insurance when on voluntary layoff. If the impacted employee chooses to apply for unemployment insurance, the Employer will cooperate with the approval process and not unreasonably oppose the application's approval.

j. If a permanent layoff should occur while the employee is on voluntary temporary layoff, Article 38.1 through Article 38.7 of the CBA shall apply. Status as a voluntary temporary layoff does not prohibit the University from initiating a permanent layoff due to financial and/or operational needs.

Mandatory Temporary Layoff. The following provisions shall apply to mandatory temporary layoff:

a. The University may temporarily layoff an employee for up to ninety (90) calendar days due to business and/or operational needs. Mandatory temporary layoff shall be on a rotating basis within a classification starting with the least senior and by unit/department, as applicable, based upon financial and/or operational needs. Employees will receive at least seven (7) business days' notice of a mandatory temporary layoff. The notification will specify the nature and duration of the temporary layoff. Mandatory temporary layoffs of less than ninety (90) calendar days may be extended, at University discretion, up to ninety (90) calendar days with at least seven (7) business days' notice WFSE and to the employee on mandatory temporary layoff.

b. An employee on mandatory temporary layoff will not be entitled to any of the following:

   1. Bump into any other position;

   2. Be placed on a layoff list;

   3. Perform work of any kind for the University while on mandatory temporary layoff.

c. A mandatory temporary layoff will not affect an employee's periodic increment date or seniority date. Accrual of vacation and sick leave shall be based on Articles 29 and 30 of this Agreement. Retirement contributions (by both the employee and the University) may be affected by mandatory temporary Leave, as well as similar programs, may be impacted due to reduced hours of work.

d. In consultation with Human Resources, employees may use the minimum amount of accrued paid leave per month while on mandatory temporary layoff in order to maintain health insurance benefits.

e. Employees will return to their regular work schedule, regular shift, FTE, position and pay at the end of their temporary layoff unless notice is provided that indicates otherwise.

f. The parties agree it is the employee's responsibility to decide if they want to apply for unemployment insurance when on mandatory temporary layoff. If the impacted employee chooses to apply for unemployment insurance, the Employer will cooperate with the approval process and not unreasonably oppose the application's approval.

g. If a permanent layoff should occur while the employee is on mandatory temporary layoff, Article 38.1 through Article 38.7 of the CBA shall apply. Status as a mandatory temporary layoff does not prohibit the University from initiating a permanent layoff due to financial and/or operational needs.

Section 3 – Voluntary Separation Incentive

The parties agree that the University may offer a voluntary separation and retirement incentive as described in the plan approved by OFM on August 7, 2020.

Section 4 – Term of Agreement

This MOU shall be effective September 1, 2020 and shall remain in full force and effect through August 31, 2021. The parties agree to meet prior to the expiration date of this MOU to discuss whether or not extension of this Agreement is necessary.

THE WASHINGTON FEDERATION OF STATE EMPLOYEES LOCAL 931 UNIFORMED PERSONNEL

BY: /s/
James Dannen, Labor Advocate

DATE: September 1, 2020

EASTERN WASHINGTON UNIVERSITY

BY: Spenser Ross
Spenser Ross, Labor Relations Manager

DATE: October 1, 2020

Eastern Washington University
2019-2021 Voluntary Separation and/or Retirement Incentive (VSRI) Plan

Eligible Employee

Employees must have permanent state status and three years of service with Eastern Washington University to meet minimum eligibility requirements for a Voluntary Separation and/or Retirement Incentive (VSRI). Employees must have been eligible for normal retirement under PERS 1, PERS 2, or PERS 3[1] for at least 12 months to qualify for a retirement incentive. Employees who retire early do not qualify.

The term "eligible employee" applies only to employees in positions identified by the University President or designee based on budgetary needs and on the ability to maintain programs and services in line with Strategic Targeting. It does not apply to all employees meeting the minimum requirements in the state VSRI Program Guidelines.

Current pension plan recipients (retire-rehire employees) are not eligible for incentives.

For employees covered by collective bargaining agreements, the incentive program is subject to the provisions of those agreements.

Acceptance of an incentive is voluntary.

Strategic Targeting

Eastern Washington University will maintain adequate staffing levels, retention of positions key to the achievement of agency goals and mission, and avoid disruption due to loss of experienced personnel. Targeted positions may include those otherwise subject to termination resulting from budget reductions, re-organization, restructuring. Preference will be given to the reduction of supervisory levels and overhead positions, and those no longer critical to the agency mission and goals. Positions shall be strategically identified to avoid disruption of government services while maximizing the use of our human resources. Incentive options shall not be targeted on the basis of individual or personal factors.

Provisions

Eastern Washington University will

- Abide by the provisions in the VSRI Program Guidelines for the 2019-2021 biennium.
- Use incentives to meet legitimate business needs as identified by the University's President. EWU maintains the discretion to offer this incentive plan for positions identified by the President.

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[1] See Appendix A for Normal Retirement Eligibility Requirements

- Incentives may be offered only to employees meeting the minimum eligibility requirements as specified in the OFM Revised 2019-21 biennium guidelines for the VSRI Program.
- Provide incentive offers in an amount not to exceed $20,000.
- Recover the incentive offers through expenditure savings within two years of the effective date Eastern Washington University's plan is approved by OFM.
- Employees will not have contractual rights to any incentive through this program.
- Obtain the employee's signature acknowledging they have read, understand and agree to abide by the provisions of the VSRI Guidelines for the 2019-2021 Biennium and that they have been advised of the following:
    - Employees who accept a separation or retirement incentive do not qualify for unemployment compensation.
    - Employees who accept a separation incentive payment then return to state service within 5 years (as an employee or contractor) must repay the incentive. The state guidelines govern any exceptions. Exceptions may be granted, prior to hire, with approval from the OFM director.
    - Employees receiving a separation incentive will not be able to apply for retirement until they have been eligible for "normal" retirement for at least 12 months or at least five years have passed since their separation from state service. Otherwise they will be required to repay the separation incentive.
    - Separation incentive payments qualify as lump sum for payroll and subject to income tax and social security tax, but not considered income for retirement (average final compensation) purposes.
    - Participation in the program must remain strictly voluntary.

Separation Options

Voluntary Retire

Upon approval by the University's President, eligible employees may be offered a taxable cash payment, not to exceed $20,000, as an incentive to voluntarily retire from state service. Employees who accept a separation incentive option will not qualify for unemployment compensation.

Voluntary Separation

Upon approval by the University's President, Eastern Washington University may offer eligible employees a taxable cash payment, not to exceed $20,000, as an incentive to voluntarily resign from state service. Employees who accept a separation incentive option do not qualify for unemployment compensation.

Health Care Premium Payment Incentive

An employee may elect to have their incentive payment deposited into an account at the Health Care Authority (HCA). HCA will credit the monthly premium cost for health care coverage against that account. The monthly premium will be determined by the health care plan selected, the number of individuals covered, and the current insurance rates. Any increase in premium rates will be reflected in the monthly charge. The length of coverage would be determined by the cost of the monthly premiums.

Split Incentive Payment

An employee may elect to split the incentive payment, receiving a portion of the incentive as a cash payment with the remainder deposited into an account at the HCA. The HCA would credit the cost of the employee's health care premium against the account. The number of months of coverage would depend upon the amount deposited, and the cost of the health care premiums for the plan selected by the employee.

Voluntary Acceptance and Unemployment Compensation

- Acceptance of a voluntary separation offer is entirely voluntary.
- Employees accepting a separation incentive are ineligible for unemployment compensation benefits.
- Employees will be required to sign a statement indicating that the decision to accept an incentive offer is voluntary and that they understand acceptance of an incentive will preclude receipt of unemployment compensation benefits.

Written Agreement

- Employees choosing to accept an incentive offer will sign a written agreement indicating that their decision to participate in the VSRI is entirely voluntary, that they fully understand the restrictions regarding re-employment and that they will not qualify for unemployment compensation.

Repayment

- Following a separation agreement, any employee who elects to return to state service within five years must repay the incentive to EWU for the amount of the incentive payment received. An exception to this provision may be granted provided the employee has sought and gained approval in accordance with the state guidelines.

Reporting

- All proposals offering these incentives require the University's President approval, and review by the University's Vice President for Business and Finance to ensure accuracy of projected savings.
- In accordance with the reporting requirements of the "2019-2021" guidelines Eastern Washington University agrees to submit to the Legislature, the Director of the Office of Financial Management and OFM's assigned Budget Assistant a report by July 30, 2021.
- Eastern Washington University agrees to submit quarterly monitoring reports to the Office of the State Human Resources Director and the Department of Retirement Services as outlined in the Guidelines.

EWU Plan Coordinator

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Approval

Approved by OFM on August 7, 2020.

Appendix A

Eligibility Requirements for Normal Retirement Under PERS 1, PERS 2, or PERS 3

Employee must have three years of continuous service with the university in a permanent position to meet minimum eligibility requirements for a VSRI.

Employees must meet the eligibility requirements in the chart below for at least 12 months to qualify for a retirement incentive:

Plan	Normal Retirement Eligibility Reference
PERS 1	Age 60 and 5 years of service; Age 55 and 25 years of service; or 30 years of service (any age)
PERS 2	Age 65 and 5 years of service
PERS 3	Age 65 and 10 years of service; Age 65 and 5 years of service, including 12 months of service after age 54; or Age 65 and 5 years of service if the member completed 5 years of service before the Plan 2-to-3 transfer date

The employee is not a current pension plan recipients (retire-rehire employees) who is ineligible eligible the VSRI Plan.