FAQ Financial Exigency – (Note: the following summarizes complex provisions of Regents' Policy and University Regulation. In the event of a conflict, the actual policy and regulation govern.

What is Financial Exigency?

To summarize, as provided in Regents' Policy and University Regulation 04.09, the Board of Regents may declare Financial Exigency when it determines that a shortfall in projected revenues compared to projected expenditures over the same period, will have a material adverse effect on University operations. The board then may decide to reduce the operation of, modify or close any component of the university, at any level of the organization.

What does a declaration of exigency mean for university students, campuses, programs, and employees?

Financial exigency allows rapid downsizing of units, programs, services, and personnel. That rapid downsizing has serious implications for students who have not completed their programs and for communities and groups dependent on the services UA provides. For employees exigency permits unilateral decisions to reduce salaries or modify terms of employment, including termination on shortened notice.

Do we still have to teach out students if financial exigency is declared?

The university will make reasonable efforts to ensure completion of programs. However, that may not always be possible.

What are the impacts of declaring financial exigency?

An exigency declaration will have direct legal, financial, and reputational impacts since, unlike bankruptcy, it does not involve discharge of all obligations. While exigency allows rapid downsizing of personnel and programs, doing so abruptly means students who have invested in programs may not be able to finish them at UA; other research or service contracts may go unfulfilled; and litigation is likely. Additional indirect effects may include decreased enrollment, accreditation issues, decreased employee morale and retention, reduction in grant and contract revenue, reduced giving, and long-term reputational damage.

How much notice do employees receive if they are to be terminated because of financial exigency?

Officers, Senior Administrators, & Exempt Regular Staff: generally, a minimum of 8 calendar weeks of notice.

Non-Exempt Regular Staff: generally a minimum of 4 calendar weeks of notice.

Regular Faculty in UNAC: Per the 2017-2019 UNAC CBA, sixty calendar days' notice.

Local 6070 (Crafts & Trades), and Local 1324 (Firefighters): These CBAs incorporate Regents' Policy and University Regulation, including financial exigency, so these employees would be treated as other exempt or non-exempt staff under BOR policy P04.09.040.

Certain At-Will Employees – employees who serve at-will with no notice, e.g., temporary and probationary employees, adjunct faculty, may be terminated without notice.

Can a terminated employee get their job back after the budget crisis is over?

University Regulation 04.09.050 controls. To summarize, if a terminated employee's former position is re-established within three years the employee may be offered re-employment in the position previously held.