

ARTICLE 31: LAY-OFF OF MEMBERS FOR FINANCIAL REASONS

- 31.01 Lay-offs of members for financial reasons shall occur only when a bona fide financial crisis exists and only to the extent required to alleviate the crisis. A bona fide financial crisis exists when there has been a substantial financial deficit, which is projected, on the basis of reasonable assumptions, to continue for at least one year, and which threatens the long-term well-being of the University, in particular its academic functions. The onus of proof shall be on the Board to establish that a bona fide financial crisis exists.
- 31.02 When the President has reason to believe that the circumstances described in 31.01 exist and that the lay-off of members is therefore required, he/she shall notify the Association in writing of his/her belief and shall establish a three person Financial Advisory Committee. The Association and the Board shall each appoint one person to the Committee within five days of the above notification. The appointees shall have ten days to agree upon a Chair. If the appointees cannot agree within ten days on a Chair, a Chair shall be appointed pursuant to 30.08.02.
- 31.03 The President shall submit to the Committee a written proposal in which he/she states the justification for believing that a financial crisis, as defined in 31.01 exists, the magnitude, in dollars, of the financial crisis and the remedial actions that he/she considers necessary to meet the crisis, including the dollar amount of the reduction in the budgetary allocation for salaries and benefits of members.
- 31.04 The initial tasks of the Financial Advisory Committee shall be to study the proposal submitted by the President and advise the President on the validity of the crisis and the feasibility of the remedial actions which he/she has proposed. The Committee may make recommendations as to further remedial actions that may be undertaken in addition to, or instead of, those proposed by the President.
- 31.05 The Financial Advisory Committee shall establish its own procedures. The Committee shall have access to available information pertinent to the financial crisis and deemed relevant by the Committee. The Committee may consult with any person or group of persons from inside or outside the University and shall consider any submissions made by the Senate or the Association.
- 31.06 The Committee shall present its report to the President within 30 days of the naming of the Chair. The Committee shall include in its report the dollar amount of the reduction in the salary and benefits budget for members and shall give full and complete reasons for all findings contained in the report. The President shall forward copies of the Committee's report to the Senate and the Association, and these bodies shall have 20 days in which to provide the President with comments. Once the President has received these comments, he/she shall inform the Committee in writing whether he/she intends to accept or reject the Committee's report or any part of it, and, if he/she intends to reject any or all of it, shall provide the Committee with the reasons that have led him/her to reject the report.
- 31.07 The Committee shall have 15 days in which to reconsider its report in the light of the President's disagreement and following such reconsideration, shall submit a final report to him/her. After due consideration of the final report of the Financial Advisory Committee, the President shall report to the Board on the University's financial position and shall make his/her final recommendations for meeting the problem, including the lay-off of members. The President may alter or reject the final recommendations of the Financial Advisory Committee for just and sufficient reasons, which reasons shall be included in his/her report to the Board. The President's report shall include copies of the Financial Advisory Committee's final report. Following receipt of the President's report, the Board

may declare a financial crisis and, if so, shall specify the amount of reduction in the budgetary allocation for salaries and benefits of members.

- 31.08 If the Board approves the President's recommendation to lay off members for financial reasons, the President shall seek the advice of the Senate on an appropriate distribution of such reductions among the University's Departments/Schools and programs. The Senate shall have 20 days in which to present its advice to the President. Reasonable effort shall be made to distribute the reductions in a manner which permits the University to continue to provide the best academic program possible in the circumstances. If the President has difficulty accepting any aspect of the Senate's advice, he/she shall explain his/her difficulty and shall ask the Senate to reconsider the matter and to provide whatever additional information and/or advice it believes to be relevant within a further 20 days. If the President departs from the Senate's advice in making his/her final recommendations concerning the lay-off of members, he/she shall advise the Senate in writing of his/her reasons for doing so.
- 31.09 Any time limits in this Article may be extended up to a maximum of two months with the written agreement of the parties, and such agreement shall not be unreasonably withheld by either party. In the event the Financial Advisory Committee, the Senate or the Association fails to do any action or to submit any report or comment, as appropriate, within the time limits set out in this Article, the Board shall have the right to proceed without such action, report or comment.
- 31.10 There shall be no increase to the authorized establishment pursuant to 32.01 and there shall be no additional positions created in the administrative or support staffs of the University, from the date the President notifies the Association of his/her belief that a financial crisis exists, pursuant to 31.02 until the Board has determined what action will be taken on the recommendations made by the President pursuant to 31.07. The Board shall have the right to make replacement appointments to any existing academic, administrative or support staff positions that become vacant during this period. The Board shall have the right to make sessional appointments during this period.