

# Faculty Participation in the Event of Financial Exigency

Policy Number *[Faculty Council Office can assist with numbering]*

## About This Policy

### Effective Date:

*Date*

### Last Updated:

*Date*

### Administering Office:

*Office with supervision for this policy*

### Related Information

*List any other policies, forms, documents or information that should be cross-referenced such as legal or regulatory information.*

## Scope

When severe financial difficulties affect the Indiana University System.

## Policy Statement

- A. The ultimate decision to declare a condition of financial exigency at Indiana University lies with the Board of Trustees. It is understood that the Board of Trustees makes decisions in the best interest of the University. However, such a declaration will likely result in elimination of tenure appointments and/or academic units, which will directly affect the teaching and research mission of the University. As such, the rights and prerogatives of the faculty entitle them to consultation throughout this process.
- B. When the possibility of financial exigency arises, the University Faculty Council should be informed as early as is feasible of the situation and provided access to any documentation and supporting evidence used to guide decisions.
- C. The University Faculty Council will appoint a committee to represent faculty interests during this time. This committee will consist of faculty with the relevant expertise to evaluate any units threatened with elimination and/or faculty faced with potential termination of employment.
- D. This committee will be charged with providing analysis that is related to but not strictly of a budgetary nature that may establish the scholarly value of any units and faculty threatened with elimination as well as these units' place in the larger landscape of intellectual and professional endeavors. The committee will report these findings to the Board of Trustees and/or the relevant administrators for consideration in tandem with financial considerations.
- E. It may happen that an entire campus within the University system experiences financial exigency to such an extent that elimination of that campus becomes a possibility. If this were to occur, it is nevertheless likely that the financial situation will permit that a large fraction of faculty at that campus be offered positions at other campuses within the University. In this case and any instances where units are eliminated, the UFC-appointed committee will provide recommendations to the Board of Trustees regarding appointment of affected faculty to other existing units.
- F. It is expected that any declaration of financial exigency will not be open-ended in duration and at most last for one year from the date of its announcement, unless a formal extension is announced.

## **Reason for the Policy**

Multiple IU policies refer to a declaration of financial exigency. These include, but are not necessarily limited to policies detailing: Academic Appointments; Faculty Misconduct; Faculty Tenure; Creation, Reorganization; Elimination and Merger of Academic Units and Programs. However, there is no general policy description of what constitutes financial exigency and the role of the faculty in response to such a declaration.

## **Procedures**

### **Definitions**

A. A financial exigency for Indiana University would be the worst type of financial crisis; an imminent financial crisis, determined and documented transparently through generally accepted financial principles, which would threaten the survival of Indiana University as a whole and which could not be alleviated by means less drastic than the termination of faculty appointments with tenure or of faculty appointments without tenure before the end of the specified terms. A financial exigency is not a crisis caused through a shift of resources away from teaching and research to other priorities, nor would a financial exigency occur solely within an individual unit (although actions taken to address financial exigency may end up affecting only a limited number of units).

### **Sanctions**

### **History**

The Faculty Council Office will keep a record of previous versions of the policy in this section.