

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 has delegated to the President the authority to make decisions in the best interest of the University. However, such a declaration will likely result in termination of faculty appointments (both contractual and tenured long-term 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 and the faculty in general of the affected campus should be informed of the situation. In order that they may evaluate the situation themselves, the University Faculty Council shall be provided access to any documentation and supporting evidence used to guide decisions. It is expected that such information will be provided at least 30 days prior to any decisions are made regarding exigency.
- C. The University Faculty Council will appoint an ad hoc committee to represent faculty interests during this time. This committee will include faculty with the relevant expertise to evaluate any units threatened with elimination, both tenure track and non-tenure track faculty faced with potential termination of employment, at least one member of the University Budgetary Affairs Committee, at least one member of the Creation Reorganization, Elimination and Merger Committee on the affected campus (if such a Committee exists) and affected students. Members of the committee will be selected from a list proposed by the affected unit(s) as well as individual volunteers from any of the previously mentioned groups.
- D. This committee will be charged with providing analysis that is related to, but not strictly of a budgetary nature that may assess 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 explore alternative money saving measures which may partially or fully alleviate the situation. The committee will report these findings to the Board of Trustees and/or the relevant administrators for consideration in tandem with financial considerations. It is expected that the Board of Trustees/President will take this report into consideration as part of the final decision making process.

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. While tenure is campus-specific, the University will make every reasonable effort within the financial constraints jointly agreed under (D) to place faculty at other campuses within the University (as outlined in ACA 37) with the understanding that such placements may not be the norm. In this case and any instances where units are eliminated, the UFC-appointed committee will consult with units in a position to potentially accept transfer faculty. The committee will then provide recommendations to the Board of Trustees regarding appointment of affected faculty to other existing units.

F. As one of our principles is to accommodate students, every effort will also be made to provide them a path to graduation with minimal disruption.

G. 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 deemed necessary in consultation with the committee described in section C. In this instance, the duration of that committee's appointment will be extended as necessary.

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.

Definitions

A. As defined by the American Association of University Professors (AAUP), financial exigency is "a severe financial crisis that fundamentally compromises the academic integrity of the institution as a whole and that cannot be alleviated by less drastic means" than elimination of tenured faculty appointments. As part of their definition, the AAUP has published recommended standards for handling such situations. This 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).