University Policy Impact and Tracking Statement

**Proposed or Revised Policy Title:** Compassionate Transfer of Leave

**Policy Sponsor:** Allison M. Vaillancourt, Vice President, Business Affairs & Human Resources

**Senior Leadership Review Dates:** Routed March 26, 2018

**Publication Dates:**
- Lo Que Pasa - UAnnounce – Submitted March 26, 2018
- Other -

**Policy description:**

ABOR policy 6-809 directs each University to establish policies and procedures by which employees may voluntarily transfer a portion of their accrued vacation hours to other employees who are unable to work due to serious or life-threatening illness or injury affecting the employee or a member of the employee’s immediate family.

**Reason for new policy or revision:**

ABOR policy 6-809 was revised in June 2012 to remove detailed requirements and allow the three universities leeway to craft compassionate transfer of leave (CTL) policies that worked effectively on their individual campuses. A taskforce was assembled in 2012, but never proceeded with revisions. Now a new group is seeking to craft a policy that is (1) more equitable, (2) easier to administer, and (3) consistent across UHAP and Classified Staff. Several issues exist with the current CTL policies:

- The policy in UHAP was never revised when the ABOR policy was expanded to allow use of CTL for illness or injury in an employee’s family. This provision is contained in the classified staff and ABOR policies, and follows University practice. Policy should be consistent with practice.
- Currently, to receive CTL hours an employee or employee’s department must solicit vacation hours from eligible coworkers, donated hours are converted into a monetary value based on the donor’s hourly pay rate, then the dollar value is reconverted into leave hours at the receiving employee’s pay rate and credited to the recipient’s sick leave balance. However, if donations occur across departments or fund lines, no actual dollars transfer: the receiving employee’s department remains responsible for paying the employee’s salary. Several problems are identified with this practice:
  - It fosters inequity across campus as better-connected employees in larger departments have relatively easier access to CTL hours. This was a repeated concern in focus groups held at UA after the ABOR policy was revised.
  - The hours transfer process is a cumbersome and time-consuming process that has no utility because no funds transfer with the hours.
- Technically, CTL is a form of pay, not a type of leave. The current policy contains no requirement that the receiving employee be on an approved leave, though this is HR practice.
Under current policy, an employee could continue receiving CTL hours until either returning to work or beginning to receive long-term disability payments. Thus, UA employees have little incentive to purchase short-term disability insurance.

In response to these concerns, the following policy revisions are proposed.

- Create a uniform policy that applies to all employees eligible to accrue and receive vacation hours.
- Consider forfeited vacation hours to offset CTL hours. Each year, employees who are forfeiting excess vacation accruals contact HR, seeking to donate hours to someone in need. The supply of hours consistently exceeds demand. In fact, Payroll reports UA employees forfeited 189,000 hours in 2015 alone. By contrast, in three years from October 9, 2014 to October 9, 2016, a total of 17,460.37 CTL hours were applied to employees in need. The policy revision eliminates the paperwork of employees filling out individual donation forms and Payroll manually adjusting their leave balances.
- Remove the “popularity contest” aspect of employees having to solicit donations by eliminating individual person-to-person donations.
- Clarify that the employee receiving CTL hours must be on an approved leave.
- Cap the number of eligible CTL hours at 480 (corresponding to 12 weeks at 1.0 FTE). This aligns with Family and Medical Leave and the leave limit in place at NAU. It also would mean that an employee who has purchased short-term disability insurance would be able to supplement this benefit to continue receiving full pay for 6 months until long-term disability begins.
- Clarify how reoccurrences of the same condition will be handled with respect to the limit on CTL hours.
- Add a provision that the receiving employee must have been in a benefits-eligible position for 12 months prior to applying for CTL hours. This aligns with Parental Leave and ensures departments do not bear this expense for new or probationary employees.

Major impacts to University and potential stakeholders:

- Reduce administrative labor associated with CTL
- Ameliorate the current inequity in how CTL is applied across departments, which should be positively received
- Reduces the financial burden on departments by replacing the current effective but unstated limit of 6 months on CTL with a 12-week limit.

Anticipated concerns or objections:

- The financial burden remains on the receiving employee’s department to pay the employee’s salary while likely paying a replacement worker as well. Long-term discussions may continue around this issue.
- Faculty remain unable to receive CTL hours because they do not accrue vacation. This is a provision of the ABOR policy beyond UA’s control.
- The cap on CTL hours is likely to be unpopular with employees who perceive the benefit is being limited.

Estimate and description of financial cost to implement, if any:
Financial impacts are anticipated to be minor.

Currently, donating employees are docked vacation hours, only some of which are hours that would be forfeited. To the extent that employees take vacation time they would not have available under the current policy, there may be a financial impact to departments, but vacation time is a budgeted expense.

Elimination of the requirement to solicit hours may encourage more employees to apply for CTL, but the population of eligible employees is low, so any increase would be small.

Departments will be liable for only 12 rather than potentially 26 weeks of salary for a nonworking employee.

**Will the policy affect any of the following?**

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<tr>
<th>Existing UA Policy</th>
<th>☒ Yes ☐ No</th>
<th>Compliance with federal law/regulations</th>
<th>☐ Yes ☒ No</th>
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<td>Existing UA Procedure</td>
<td>☒ Yes ☐ No</td>
<td>Compliance with state law/regulations</td>
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<td>Existing Board Policy</td>
<td>☒ Yes ☐ No</td>
<td>General Public</td>
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**Describe any item checked “yes”:**

The policy and procedures surrounding Compassionate Transfer of Leave are being completely revised. Procedures will be significantly less complex. The numerous substantive changes to policy will need to be carefully vetted.

ABOR policy states that under Compassionate Transfer of Leave “employees may voluntarily transfer a portion of their accrued vacation leave hours to other employees . . . who are unable to work.” There may be a question about whether forfeited leave hours fulfill the intent of this policy.

The vacation carryforward limit, specifically “Unused vacation leave may be accumulated and carried forward from one year to the next in a total amount not to exceed one and one-half times the maximum number of days which can be accrued by an employee in a given year,” is contained in the ABOR Vacation Leave policy 6-803(E). It will be necessary to ensure that nominally using forfeited leave hours for CTL does not contradict the vacation carryforward limit.