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Winthrop University

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State Revenue Slide Prompts Six-Day Winthrop Furlough

ROCK HILL, S.C. – With state tax collections continuing to slide and new appropriation reductions on the horizon, Winthrop University today announced plans for six days of unpaid furlough leave for its employees.

While employees will have some flexibility in when they actually take the leave, paychecks issued between January 2 and June 30, 2009, will each have the equivalent of a half-day's pay withheld, university officials said.

President Anthony DiGiorgio told employees in a campus-wide e-mail that “the only ‘perfect’ furlough program is one that would never have to be implemented.” Such a plan, he added, is “not now in the realm of the possible,” given steadily declining state revenue collections.

DiGiorgio said he has been given predictions of additional cuts ranging from 2 percent to 5 percent of Winthrop’s remaining state appropriation, and Governor Sanford already has asked each agency to “sequester” (set aside) 4 percent of the agency’s appropriation, which is equal to $918,000, and some legislative leaders have said additional targeted cuts could occur when legislators begin their 2009 session next month.

At Winthrop, each day’s payroll is approximately $189,000, so Winthrop is preparing for cuts that could top $1 million. Any new cuts would come on top of a $3.4 million reduction in state support ordered by the General Assembly in October. Winthrop is absorbing $3.2 million of those cuts internally by holding some positions open, increasing some class sizes, reducing energy consumption, and cancelling or postponing a number of external events and publications.

Trustees on Nov. 7 approved an additional $50 student fee to make up the remainder of the October cuts. Later that same day, the state Board of Economic Advisers reported that the slide in state revenue collections was deepening, due to changes in tax policy as well as a national economic downturn.

Since then, DiGiorgio said, it has become his “best judgment that additional substantial budget cuts are inevitable, especially as numerous major employers across the country and around the world continue to announce plans to slash thousands of jobs, and those cuts are just now beginning to ripple into South Carolina’s economy.”

Most Winthrop employees will take their first two days of unpaid leave on Dec. 22 and 23, after students have left campus for semester break. Having employees on furlough then will enable Winthrop to reduce the heat in most buildings to 55 degrees for the full week of Christmas, capturing additional energy savings as well.

Employees will have some flexibility in scheduling the remaining four days leave, so long as normal academic operations continue and no offices are closed.

Now in his 20th year at Winthrop, DiGiorgio said the unprecedented circumstances are painful for
everyone, and noted that in 2007, Winthrop employees surrendered over 5,600 hours of paid leave that they didn’t take “because they were so busy conducting the business of the university that they did not use the benefits they already had earned. That is a story our state leaders don’t often hear, but it is one I am committed to telling them in the months ahead.” Such leave time can not be used in place of the furlough, he added, because that would not reduce the payroll to meet reduced state revenue.

He also lauded the “significant work” that faculty and staff will continue to do, only now without compensation, because the furlough plan does not allow for cancellation of classes or student development work. But by starting the process now and spreading the impact over the paychecks remaining in the fiscal year, he said employees will feel less impact in any one pay period than they would otherwise.

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