

<b>GUAM HOUSING AND URBAN RENEWAL AUTHORITY</b>  <b>Authority Policy</b>	No. AP – 001	Issued: November 25, 2002
	<b>Prepared by: Kimberly Kowalski Bersamin Personnel Services Administrator</b>  <b>Approved by: Taling M. Taitano, Executive Director</b>	
<b>Title: Layoff, Priority Placement and Furlough Program</b>	<b>Adopted by: Board of Commissioners</b>	
<b>Effective Date:</b> _____ <b>Supersedes No.</b> _____		

**I. PURPOSE**

**II. COVERAGE**

**This Policy is applicable to permanent classified employees.** *in Guam*

**III. PROCEDURES FOR LAYOFF, DEMOTION, OR SALARY REDUCTION  
(PURSUANT TO SECTION 13 OF PUBLIC LAW 17-5)**

**A. GROUNDS OF LAYOFF**

The Executive Director may, acting in good faith, layoff any employee in the classified service holding a permanent appointment whenever it is necessary because of lack of work, or funds, or to promote efficiency, or in the interest of economy.

The Executive Director shall exhaust all available alternatives in relocating or reassigning employees before a layoff is initiated.

When a layoff is being planned, the Authority shall be required to freeze all non-essential personnel actions on positions substantially similar or closely related to those occupied by employees who are subject to layoff. For example, if a division decides to layoff an Accountant III, there shall be no recruitment, promotion, transfer, reclassification or related action to be taken on substantially similar or closely related positions such as Accountant I and II, Accounting Technician class series, or other fiscal positions.

**B. COVERAGE**

This procedure covers all divisions in the Authority.

**C. WRITTEN NOTICE**

Any employee, including casual or non-regular employee, in the classified service who is subject to layoff shall be given written notice of at least sixty (60) calendar days prior to effective date of layoff.

1. In situations where for the convenience of the Authority it is necessary to terminate an employment without giving the sixty (60) calendar day notice, the employee shall be retained in pay status until the notice period shall have run. This provision shall not apply to a person whose employment is terminated for cause.
2. In instances where an employee has been continued in pay status but has been relieved of duties, the employee shall not be given a lump sum payment for the period of notice to which entitled but shall, instead, be paid on a biweekly basis and such payment shall continue only so long as the employee certifies under oath that he has not obtained new employment. The obtaining of new employment during the notice period shall constitute a waiver by the employee to any further claim for the pay to which he would otherwise be entitled.
3. An employee must immediately report to the Executive Director the effective date of his new employment obtained during the 60-calendar day notice period. A written certification from his new employer must be presented to the Executive Director, stating the effective date of his new employment.
4. An employee who continues to receive layoff payments from the Authority after becoming newly employed, shall reimburse the Authority for all payments received from the effective date of his new employment to the expiration date of the 60-calendar day notice period.

**Layoffs, Priority Placement  
and Furlough Program**

**No. AP-001**

**Issued: Nov. 5, 2002**

5. The contents of the written notice of layoff shall include the following information:
- a. The specific layoff action to be taken;
  - b. The effective date of the action;
  - c. The employee's retention standing;
  - d. The place where the employee may inspect the regulations and records pertinent to his case; and
  - e. The written notice of layoff must include a provision that the employee has the right to appeal to the Board of Commissioners within twenty (20) calendar days from either the date the notice was received or the date of release, as provided in Section 3.901(J) on appeal.
6. A copy of the layoff procedures shall be provided to each employee subject to layoff.

**D. ORDER OF LAYOFF**

The order of layoff shall be determined by the Executive Director in accordance with the following formula, and shall be applied on the Authority wide basis:

1. The Executive Director shall determine where in the Authority the layoff shall occur.
2. The Executive Director shall determine the position class(es) (e.g., Clerk-Typist I, II, and III) and the number of positions to be eliminated.
3. Affected employees of the Authority occupying the same position class(es) shall be released in the following order:
  - a. First - Part-time, short term or seasonal
  - b. Second - Provisional
  - c. Third - Temporary or limited-term
  - d. Fourth - Probationary (Initial)

**Layoffs, Priority Placement  
and Furlough Program**

**No. AP-001**

**Issued: Nov. 5, 2002**

4. If additional layoffs are necessary, all employees not covered under Section 3.901(D) shall be subject to layoff based on the following procedures:
  - a. A combination of performance rating and seniority based on actual GHURA employment service will be utilized in determining the order of layoff. For example, if the Executive Director decides to layoff a Clerk-Typist III, then the performance rating and seniority of service shall be based on the total actual GHURA employment service, including services held by the employee in other position(s) within the Authority.
    - (1) One (1) point shall be allowed for each complete month of actual GHURA employment service.
    - (2) Two (2) points shall be allowed for each satisfactory performance rating on the present position held.
    - (3) Four (4) points shall be given for each outstanding performance rating on the present position held.
    - (4) One (1) point shall be allowed for each satisfactory performance rating on all prior position(s) held.
    - (5) Two (2) points shall be allowed for each outstanding performance rating on all prior position(s) held.
    - (6) An employee, on pay status, who was (is) on in-service training during a performance rating period, who did not receive a performance rating shall be deemed to have performed satisfactorily during this period, provided he or she continuously participated in the in-service training program. Two (2) points shall be given for the rating period in question if the present position was the position held during training, otherwise, only one (1) point shall be given.

**Layoffs, Priority Placement  
and Furlough Program**

**No. AP-001**

**Issued: Nov. 5, 2002**

- b. Should a tie score occur in determining who shall be retained, the total points shall be broken in the following manner:
- (1) The employees' length of service in the class to which the employees have rights shall be awarded one (1) point for each month of service in the class.
  - (2) If a tie still exists, the employee with the earliest date of employment with no break in service with the Authority shall be retained.
  - (3) If a tie still exists, the employee with the earliest date and time of receipt of employment application shall be retained.

**E. LAYOFF RECORDS**

The Executive Director shall maintain records of layoff computations and each notice of layoff; a copy of which shall be furnished each employee who has been identified for layoff. The Executive Director will provide to the Board of Commissioners an update on the listing at the end of the month's Board of Commissioner's meeting.

A copy of the Authority's layoff list shall be posted on the Authority's official bulletin board accessible to employees.

**F. TRANSFER**

In lieu of layoff, an employee may elect to transfer to another comparable vacant position in the same or to a different division for which he is qualified with the same or lower salary, provided the salary shall not be greater than the maximum step of any pay schedule and provided funds are available.

**G. REDUCTION IN SALARY/DEMOTION**

In lieu of layoff, an employee may elect reduction in salary and/or demotion to a lower vacant position class for which he is qualified, provided funds are available. Employees voluntarily demoted and/or reduced in salary shall

**Layoffs, Priority Placement  
and Furlough Program**

**No. AP-001**

**Issued: Nov. 5, 2002**

retain promotion rights to their former position or salary for a period of two (2) calendar years conditioned upon availability of funds. After two (2) calendar years, subject employee may be given priority consideration upon applying and meeting the current minimum qualification requirements of the position.

When an employee is offered his promotion rights during the two-year calendar period, he is entitled to no further promotion rights if he accepts an offer, rejects an offer, or fails to reply to an offer within five (5) working days following receipt of offer. An acceptance or reply communicated through the postal system will be deemed timely if postmarked within the five (5) day period (it is recommended that the acceptance or reply be sent through certified mail) and if received within ten calendar days of the postmarked date.

**H. RIGHTS TO OTHER POSITIONS**

If there are no vacant positions available to permit a transfer or voluntary demotion under Sections 3.901(E) and (F), or if an employee refuses transfer or demotion, the employee shall have the right to displace (bump) another employee in the same or lower class series with less retention points, as calculated under Section 3.901(D)(4) – (For example a Clerk III may bump a Clerk II, Clerk I, or Clerk I with lesser retention points). A bumped (displaced) employee may then resort to Sections 3.901(E), (F), and (H) to determine his layoff status.

If a transfer, demotion, or bumping is unavailable, the employee will be subject to layoff.

Qualifications shall be determined pursuant to qualification standards established for the class of position in question. Employees have the right to examine the order of layoffs established to determine where he or she falls with respect to the layoff.

**I. LAYOFF REINSTATEMENT LIST**

Permanent and probationary employees subjected to layoff shall be placed on the Authority's Layoff Reinstatement List for the position class involved in the layoff for a period of two (2) calendar years and may be reinstated by the Authority. The names of permanent and probationary employees who have been released or voluntarily demoted who have served at least three months

**Layoffs, Priority Placement  
and Furlough Program**

**No. AP-001**

**Issued: Nov. 5, 2002**

of consecutive satisfactory service shall be placed on the Layoff Reinstatement List for the class of position at the time of layoff in reverse order of layoff. Each person on such a list shall retain eligibility for appointment therefrom for a period of two (2) calendar years from the date of his layoff. A permanent employee who had been released and is being reinstated by the Authority shall have permanent status restored. Probational employees who are on the Layoff Reinstatement List and are reinstated shall be given full credit for the probational time already served.

The Layoff Reinstatement List established as a result of a layoff shall take priority over the normal reemployment or employment eligibility lists. Employees reinstated to the same class of position held at the time of layoff shall be paid at the rate to which he is entitled had he remained in service, but that no credit shall be given toward progressive salary step increases within any pay schedule.

When an employee is offered his reinstatement rights during the two-year calendar period, his name shall be removed from the Layoff Reinstatement List if he accepts a reinstatement, rejects a reinstatement, or fails to reply to an offer of reinstatement within five (5) working days following receipt of offer. An acceptance or reply communicated through the postal system will be deemed timely if postmarked within the five (5) day period (it is recommended that the acceptance or reply be sent through certified mail) and if received within ten (10) calendar days of the postmarked date.

**J. APPEAL**

An employee who is given a written notice of layoff or who is released pursuant to a layoff has twenty (20) calendar days to appeal to the Board of Commissioners from the date of receipt of the notice of layoff or the date released (if no notice was given) when he believes that the Authority incorrectly applied the layoff procedure or when the action of the Executive Director was taken in bad faith.

The appeal must be in writing and must state specifically what provisions of the layoff procedures were incorrectly applied, if such is alleged, and/or the reasons or actions constituting bad faith, if bad faith is alleged.

An employee subject to layoff may appeal only once as a matter of right under either a release or written notice, so that if, prior to release, an employee appeals upon a written notice of layoff, he or she may not appeal again upon being released.

#### **IV. PRIORITY PLACEMENT PROCEDURES**

##### **A. POLICY**

It is the policy of the Authority to promote stability of employment of permanent classified employees affected by changing manpower requirements and to provide maximum opportunity for placement in the Authority. Consistent with this policy, a strong Priority Placement Procedure shall be maintained to minimize the adverse affects on employees caused by actions required for the effective management of the Authority such as, but not limited to, consolidation, transfer of functions, lack of work or funds, position classification decisions or reduction-in-force.

##### **B. COVERAGE**

###### **1. GHURA (The Authority)**

This procedure is applicable to all divisions in the Authority.

###### **2. EMPLOYEES**

This procedure covers all probationary and permanent classified employees who are to be or have been issued notice of impending demotion or separation due, but not limited to, consolidation, transfer of functions, lack of work or funds, position classification decisions or reduction-in-force.

##### **C. RESPONSIBILITIES**

- 1. The Executive Director shall assure efficient operations of these procedures within the Authority and shall insure that all division managers, and supervisors comply with these procedures.**
- 2. Annually, the Executive Director shall issue a written statement of support to the employees for these procedures and shall insure that all division heads, managers, and supervisors comply with these procedures, and that employees are notified with respect to these procedures.**



**Layoffs, Priority Placement  
and Furlough Program**

**No. AP-001**

**Issued: Nov. 5, 2002**

3. The Authority's personnel office is responsible for the effective administration of these placement procedures, for counseling employees on the provisions of these regulations, and for informing division heads, managers, supervisors, and employees on the placement requirements.
4. Affected employees shall be responsible for notifying the personnel office of any changes to their employment status i.e., availability, latest address and telephone number, lowest acceptable salary, etc.
5. The Authority's Board of Commissioners shall monitor and enforce compliance of these procedures.

**D. ADVANCED PLANNING**

Whenever a consolidation, transfer of functions, lack of work or funds, position classification decisions or reduction-in-force occurs within the Authority, the following actions shall be carried out:

1. The Executive Director shall immediately inform, in writing, the personnel office of the positions impacted and the number of employees affected. The Executive Director will provide to the Board of Commissioners an update on the listing at the end of the month's Board of Commissioner's meeting.
2. Position vacancy listings shall continue to be provided on a monthly basis as long as there are employees on the Priority Placement List who have not been matched to appropriate positions.

**E. DURING THE NOTICE PERIOD**

1. The personnel office shall be responsible for the following actions:
  - a. Obtain from each affected employee a list of positions, but not more than ten, to which they wish to be considered, to include the lowest pay grade acceptable, and a completed application form. Affected employees, in determining this listing, shall be provided a copy of the position vacancy listing.
  - b. Review applications of employees to determine qualifications to positions identified for consideration.

**Layoffs, Priority Placement  
and Furlough Program**

**No. AP-001**

**Issued: Nov. 5, 2002**

- c. Based on positions identified by affected employees, the personnel office shall establish a Priority Placement Listing.
  - d. Immediately upon establishment of the Priority Placement Listing, the personnel office shall freeze all recruitment action and review all vacancies within the Authority for placement, including all classified positions encumbered by unclassified employees appointed on a 120-day basis.
  - e. An offer of a position vacancy matching the Priority Placement Listing shall be immediately made to the employee and the releasing division will be immediately notified of the placement. The Executive Director will provide to the Board of Commissioners an update of the appointment action at the end of the month's Board of Commissioner's meeting.
  - f. If there are more priority placements to be made than there are vacancies, placement shall be based on retention points whereby those employees with the highest retention points shall be given first offer of employment.
  - g. In those instances where inadequate position vacancies exist to those position classifications where employees have indicated an interest in but where there are existing positions in the classifications of interest which are filled by temporary unclassified appointments (120-days), the personnel office shall contact the division head where the position(s) exists to inform him that the 120-day appointment(s) shall be terminated in order to place a priority placement eligible.
2. Priority placement shall not be applicable in those instances where an affected employee is being considered for promotional opportunities to position levels higher than the position held prior to the demotion or reduction-in-force action.

**F. AFTER THE NOTICE PERIOD**

Notwithstanding any other provision of law or regulation, the personnel office shall continue to monitor the vacancies with regards to priority placements as

**Layoffs, Priority Placement  
and Furlough Program**

**No. AP-001**

**Issued: Nov. 5, 2002**

provided in Section IV of these procedures to affected employees for a period of two years or until such time that affected employees are matched to a position of not less than that prior to demotion or reduction-in-force.

**G. RECORDS AND REPORTS**

1. The personnel office shall maintain for a 2-year period, an individual folder of each affected employee. The individual folder shall contain the following information.
  - a. Employee's name
  - b. Date(s) of counseling
  - c. Position title, pay grade and salary prior to layoff or demotion
  - d. Most recent application form
  - e. Offers received, accepted or declined
  - f. Date removed from the priority placement listing and reason (i.e. acceptance of position, request by employee, etc.)
  - g. Current address and phone number
  - h. Any additional relevant information.

**V. PROCEDURES FOR EMPLOYEE FURLOUGH**

Furlough is an option for the Authority to cut administrative costs and continue to provide vital public service to its clients. In addition, furlough procedures shall be administered and coordinated with procedures for employee layoff, priority placement, outside employment, and leave without pay policy. The Executive Director may revise, change or add to the following policy and procedure, as appropriate, subject to the review of the Board of Commissioners.

**A. POLICY**

It is the policy of the Authority to resort to employee furlough, when necessary, to avoid layoff of employees and to ensure that the Authority meets its commitment to its clients in the areas of education, health, safety, and other vital services. This procedure will be used only after all other efforts have been explored by the Authority to cut operating costs. The Executive Director shall submit requests for employee furlough to the Board of Commissioners for approval.

**B. DEFINITION**

A furlough action is the placement of an employee in a temporary non-duty and non-pay status on a continuous basis (for example 10 consecutive days), or a non-continuous basis (for example one day a week). A furlough is not a layoff or reduction in-force action.

**C. REASONS FOR FURLOUGH**

Furlough is caused by any one of the following reasons:

1. Lack of work.
2. Shortage of funds.
3. Insufficient personnel authorization.
4. Reorganization.
5. Reclassification of an employee's position due to erosion of duties when such action will take effect after a formal announcement of a reduction in force.

**D. TIME LIMIT**

The Authority may furlough an employee for a period of time listed below:

1. One to thirty (1 to 30) consecutive days on a continuous basis, or 22 workdays if done on a non continuous basis.
2. More than 30 consecutive days or more than 22 work days to a maximum of one year. The one year limit begins the day after the notice period ends and when the furlough begins.

**E. VOLUNTARY FURLOUGH**

Employees who are interested in taking leave of absence without pay will be encouraged to voluntarily apply for a furlough. This opportunity is especially beneficial to employees who have outside part-time employment. Employees who volunteer for furlough, for a period not to exceed one year, will be allowed to work increased hours at their outside employment without regard to the scheduled hours of work with the Authority.

**F. INVOLUNTARY FURLOUGH**

Where budget constraints are crucial, the Executive Director may resort to involuntary furloughs after it has been decided that the voluntary furlough will still not meet the necessary cost reduction. Furloughed employees shall be furloughed, based on retention points, for the time limits authorized above. Furlough will be used to the maximum extent possible in order to reduce the necessity for layoffs.

**G. RESTRICTIONS**

The Authority may not:

1. Furlough any employee it does not intend to recall to duty in the same position within one year, or
2. Separate an employee through layoff while an employee with lower retention points in the same competitive level is on furlough.

**H. FURLOUGH IMPACT ON EMPLOYMENT BENEFITS**

Employees on furlough, voluntary or involuntary, will be covered for health benefits based on the following conditions:

1. The Authority will pay for both government and employee contributions only when the employee is certified to have no family income during the period of furlough.
2. Employees with some form of income (e.g., spouse's income, part-time or full-time job, etc.) during the furlough period will be required to pay for the employee's contribution portion only, of the health plan premium.

Employees who wish to continue their life insurance benefits will be required to pay for the premium for supplemental plans only. The employee will continue to be fully covered for the basic life insurance while on furlough.

**I. FURLOUGH RETENTION RIGHTS**

1. **Release by Furlough.** The action to release an employee scheduled for a furlough must be consistent with established layoff procedures. The Authority may furlough an employee under the layoff provisions

**Layoffs, Priority Placement  
and Furlough Program**

**No. AP-001**

**Issued: Nov. 5, 2002**

only if the employee has no right of assignment, or refuses an offer of assignment. A furloughed employee who accepts another offer of assignment becomes the incumbent of the offered position unless the employee accepts an offer of recall to the position from which furloughed.

2. **Assignment Rights.** In determining whether a furloughed employee has assignment rights to another position, it is important for the Authority to consider whether the offer would result in undue interruption to the organization. Since a furlough anticipates an employee's recall to the same position, the agency should consider whether undue interruption would result from the displacement of a lower-standing employee and from the recall of both employees to their positions of record at the end of the furlough period. The assignment right does not apply when all employees in the department/agency are furloughed at the same time or on the same basis. For example, if all employees in the Authority were furloughed one day a week (either the same day or different days) on a non-continuous basis for 28 weeks, none of the employees would have a right of assignment to another position. If only some of the employees were furloughed one day a week for 28 weeks and other employees were not furloughed, the furloughed employees would have a right of assignment to positions held by employees with lower retention standing and not affected by the furlough only if there was no undue interruption.

**J. RECALL FROM FURLOUGH**

If all employees furloughed from a competitive level cannot be recalled at the same time, the employees must be recalled according to their retention points beginning with the highest-standing employee.

**K. SEPARATION IN LIEU OF RECALL**

1. **No Recall.** If the situation changes and the Authority determines that a furloughed employee cannot be recalled within the one year period, the employee must be separated unless the employee accepted an offer of assignment to another position. If some, but not all furloughed employees in a competitive level must be separated, employees are selected for separation by retention standing points beginning with the lowest-standing employee. A new layoff notice of separation must be given to the furloughed employee at least 60 days prior to the end of the

one-year furlough period. The separation of a furloughed employee is a new layoff action. Separated employees are entitled to the same rights as those employees separated through regular layoff procedures.

2. **Failure to Return.** If a furloughed employee refuses or does not respond to a notice to return to duty, the Authority may separate the employee by layoff effective on the specified date of recall. A new layoff notice of separation is not required.

#### **L. PROCEDURES**

The Executive Director must submit a request to the Board of Commissioners for authorization to conduct a furlough within six (6) months of the proposed furlough. The request must specify the reason for the furlough, the number of employees and/or positions to be affected, and the duration of the furlough. After the Board of Commissioners approval, the following procedure applies:

1. A written 90-day notice, that a furlough is planned, must be issued to all employees (whether or not identified for furlough) in the Authority. The notice must include the following information:
  - a. The date the furlough will commence.
  - b. The period of furlough (i.e., 1-30 days continuous, 22 or more days non-continuous, or a maximum of one year).
  - c. Employees may volunteer to be furloughed.
  - d. Loss of some employment benefits for furloughed employee
  - e. Employees under furlough are not restricted from seeking other employment during the furlough period. Those employees who already have part-time jobs while employed with the Authority, may opt to increase their hours of work up to a full-time basis during the furlough period.
  - f. Furloughed employees must report to work when recalled to duty.
  - g. Furlough will be conducted in accordance with employees' retention standing points.

**Layoffs, Priority Placement  
and Furlough Program**

**No. AP-001**

**Issued: Nov. 5, 2002**

- h. Furloughed employees have the right to appeal to the Board of Commissioners.
2. Encourage the use of voluntary furlough to the maximum extent possible before implementing involuntary furlough.
3. Coordinate with the Personnel Office, with regard to the feasibility of assigning employees reached for furlough, to ensure fairness in the assignment and that the furlough poses no unnecessary disruption to the Authority's mission.
4. Those employees who cannot be assigned to other positions within the Authority will receive written "Notice of Furlough". This final (or second notice) will again include the same information as the first notice. In addition, the furloughed employee shall be:
  - a. Encouraged to continue his insurance coverage by personally paying for the premiums.
  - b. Informed that his name will be retained in a "recall list" for one year, and must keep current address and telephone number at the Personnel Office.
  - c. That if he fails to provide a current home address on record with the personnel office, will lose recall rights.
  - d. Informed that he must respond to the recall notice within seven (7) days of receipt or its attempted delivery, or lose his rights for reemployment.
  - e. Notified that he must inform the Authority's Personnel Office if he becomes unavailable for recall.
  - f. Provided appeal rights to the Board of Commissioners.

**M. RECALL**

Employees will be recalled according to need, classification, or ability to do the job based on retention standing points. The recall notice will be sent registered mail, return receipt requested, to the current home address furnished by the employee.

Returning employees will be paid the same salary as before they were furloughed. Any unused sick leave or annual leave accrued prior to the furlough will be reinstated. All employment benefits will be restored at the same rate as before the furlough.