

# Proposed Financial Exigency Policy 2025-2026

## **1 Purpose**

University of Houston Board of Regents Policy 21.07.2.B states, “Each University will develop criteria and procedures to determine whether a state of financial exigency exists. Standards so developed will include provisions for faculty involvement in the determination and for a minimum twelve-month notice of termination of appointment to tenured faculty. Untenured faculty will be given notice consistent with the University’s non-reappointment guidelines.”

This policy is the University of Houston – Clear Lake’s implementation of this requirement.

## **2 Definition of Financial Exigency**

For the purposes of this policy, a financial exigency is a bona fide imminent financial crisis, as determined by the Board of Regents, that threatens the continuation of the academic programs in their present form and that cannot be alleviated by other means. This refers to extremely serious financial problems for the university at large, not minor, temporary, or concentrated budget difficulties. The definition also includes its primary consequence: the authority to dismiss tenured and tenure-track faculty and NTT faculty with multi-year renewable employment agreements, potentially due to mass restructuring and elimination of academic programs. This step should only be taken after all reasonable alternatives have been exhausted. A declaration of exigency requires that the dismissal of tenured and tenure-track faculty is likely, even if not imminent.

## **3 Consultation Prior to Declaration of Exigency**

When the University of Houston–Clear Lake President believes that a bona fide financial exigency exists, he or she shall seek advice from the Faculty Council at least thirty days before a Board of Regents meeting. The request for advice shall be accompanied by written documentation and detailed financial data. The Faculty Council will then provide advice and consultation to the President. Any disagreements should be noted, and the Faculty Council Presiding Officer will present the Council’s position to the UHCL President.

## **4 Declaration of Financial Exigency**

Only the Board of Regents may declare a financial exigency.

## **5 Consultation During Exigency**

After an exigency is declared, major steps for addressing the financial crisis will be reviewed jointly by the UHCL President, Provost and the Faculty Council. Proposals to terminate all or part of or significantly alter academic programs shall be submitted by the President to the Faculty Council for consideration.

## **6 Consideration of Less Drastic Alternatives Prior to Termination of Faculty**

Board of Regents Policy 21.07.2.F states, “In the event of dismissal of faculty by reason of financial exigency or discontinuance of all or part of an academic program, the University’s administration will make every reasonable effort to place affected faculty in other positions.” If transfer of faculty to other programs or qualified positions is not possible, before issuing notices of dismissal to tenured or tenure-track faculty or canceling academic programs, the UHCL President must thoroughly explore reasonable alternatives, including:

### **6.1 An early retirement program**

6.1.1 Voluntary leaves of absence, voluntary salary reductions, or reassignment to part-time roles

6.1.2 Temporary workload adjustments, including reduced summer course offerings

6.1.3 Reduction or postponement of nonacademic expenses

6.1.4 Sale of assets or other revenue-generating measures

6.1.5 Increased charges such as facility rental fees

6.1.6 Elimination of administrative or staff positions

## **7 Plan for Retrenchment**

A retrenchment plan must be approved by the Board of Regents before actions are taken based on a declaration of financial exigency. Terminations of faculty or major changes in academic programs must follow the principles of the plan and this policy. Only under extraordinary circumstances may tenured faculty in one program be terminated while untenured faculty are retained in another program *where the tenured faculty are qualified to teach without seriously harming the quality, viability, or accreditation status of the program*. Academic considerations, determined in consultation with the Faculty Council, must guide decisions. No area of the university is exempt from potential effects of an impending financial crisis. Issues related to recovery must be incorporated into the plan.

## **8 Order of Termination**

Except in extraordinary cases where academic programs would be seriously distorted, non-tenure track faculty must be terminated before tenure-track faculty, and untenured tenure-track faculty must be terminated before tenured faculty. Where possible, preference should be given to tenured faculty of higher rank and more senior faculty within rank.

## **9 Termination Notice and Procedure**

Termination of tenured faculty and tenure-track faculty with at least eighteen months of

probationary service requires at least twelve months' notice. Tenure-track faculty in their first probationary year must receive notice at least three months before the end of the academic year; in the second year, notice must be given at least six months in advance.

Recommendations for dismissal are initiated by the Provost with consultation from the Faculty Council. The final decision is made by the President with concurrence of the Board of Regents. After receiving notice and before termination, eligible faculty may choose retirement.

## **10 Procedures for Review of Personnel Actions Based on Financial Exigency**

Any faculty member given notice of termination or impacted by an action permissible only under an exigency is entitled to utilize the Faculty Grievance Policy. Grievances must be filed within 30 calendar days of notification of dismissal against the Provost and will proceed directly to the formation of a Grievance Committee. Issues to be reviewed include:

- 10.1 Adherence to the retrenchment plan
- 10.2 Compliance with procedural requirements
- 10.3 Improper motives such as discrimination or violations of academic freedom.

## **11 Termination of Exigency**

The declaration of financial exigency is made by the Board of Regents. The Board of Regents may, by majority vote, terminate financial exigency at any time. However, nothing in this section shall imply that notice of dismissal issued to any individual during a period of declared exigency is automatically withdrawn or otherwise valid.

## **12 Policies Related to Financial Exigency**

The following apply to tenured and tenure-track faculty dismissed due to financial exigency:

- 12.1 Job placement services will be provided at no cost.
- 12.2 If positions eliminated due to exigency are reinstated within three years of termination or within three years of the end of the exigency, whichever is longer, the university must first offer those positions to qualified tenured faculty terminated under the exigency. The offer is for a tenured position at the previously held rank and must be made only once.