1. **Issue:** Proposed SBHE Policy 607.5 – Faculty Leave Policy

2. **Proposed actions:** Approve the new SBHE Policy 607.5 – Faculty Leave Policy

3. **Background information:** The purpose of the policy is to discontinue the accrual of sick leave for faculty with employment contracts and to define parameters for non-accrual sick leave.

   a. As part of the data inconsistencies project, HB 1003 Section 42 specifically requires inconsistent practices and policies at institutions for accruing faculty sick leave to be resolved.
   b. N.D.C.C. 54-06-14 excludes employees “with a written contract of hire setting forth the terms and conditions of their employment” from the requirement to provide annual and sick leave for state employees.
   c. The 11 institutions have differing practices regarding sick leave for faculty. Some accrue sick leave, some do not. There currently is no consistency or consensus on accruing sick leave.
   d. Employees with more than ten years employment receive ten percent of the value of unused accrued sick leave upon termination. In the current budget situation, institutions who do not already accrue sick leave cannot accommodate the additional expense required for the 10% future pay out. Institutions who do currently accrue sick leave have a large liability for this 10% pay out, allowing this to continue and increase would be an additional stress on their budgets.
   e. Currently, the institutions handle short-term illness-related absences (~5 days or less) within the department, by allowing faculty to cancel classes, cover classes for each other, or make other arrangements. Thus, accrued sick leave is seldom used for absences. In situations with longer illness absences (~6 days to six months) the department handles this on a case-by-case basis.

4. **Financial implications:** Uncertain.
   a. Removing the liability of continued future payout for unused accrued leave will be a significant fiscal savings. Currently over $2 million is the 10% payout liability, most of it for NDSU. Additional data regarding the amount of leave payout actually made over the last 5 years is in process. This average number would approximate the future cost savings (excepting those currently eligible for the payout).
   b. Additional cost may be incurred if the amount of leave taken under this policy exceeds the amount of leave already being taken, due to hiring replacements for faculty on leave when needed. The additional leave granted in this policy for long-term sick leave, family leave, and dependent care may cause an increase in this cost.

5. **Legal/policy issues:** None

6. **Academic issues:** None
7. **Coordination:** Human Resources Council has prepared this final draft. Administrative Affairs Council did not take a position on it and Academic Affairs Council approved the draft of this policy.

8. **Attachments:** SBHE Policy 607.5

9. **Contact information:** Lisa Feldner, Chief of Staff, lisa.feldner@ndus.edu, 328-1510, or Karol Riedman, NDUS Compliance Officer, karol.riedman@ndus.edu, 328-4150

10. **Chancellor’s recommendation:** Chancellor recommends approval.