

Central State University
Supervisory Advisory
Topic: Unemployment Compensation Costs
Date: May 3, 2012

TO ALL SUPERVISORS:

This Supervisory Advisory is being issued to provide advice and counsel regarding unemployment compensation costs. Unemployment compensation costs for Central State University have soared over the past couple of years. Supervisory decisions regarding human resources issues directly impact unemployment compensation costs.

In order to illustrate this issue, below are some practical examples for your understanding:

TEMPORARY EMPLOYEES:

Scenario: An employee notified the supervisor that she will be retiring in two months. The supervisor does not timely initiate a strategic position review (SPR) and the position is not posted until one month after the employee has retired. The supervisor hires a temporary employee, while conducting the search. The department hires the temporary for one 90 day period. Then, the department renews the temporary for another 90 day period. Then, the supervisor hires someone else permanently, letting the temporary go.

Problem: Research shows the temporary employee's unemployment claim will be granted. After employing the temporary for a significant period of time, the University no longer offers him work. The temporary will be granted unemployment benefits due to lack of work. The University has hired and trained a temporary for 6 months. We are also now paying unemployment benefits to that same former employee. Now, we will have to train another employee at the same time for the same position. In addition, if an AFSCME position is involved, the department has violated the labor agreement and placed the University at risk by employing a temporary for more than 90 days.

Solution: The goal is to begin searching for a replacement upon receiving notice that the employee is vacating the position. Temporary employees should not be substituted to fill permanent positions, absent extenuating circumstances. If a temporary is hired, he needs to be someone who can be permanently appointed. The University's unemployment compensation liability would be reduced by following this solution.

ADJUNCT PROFESSORS

Scenario: The department hires an adjunct professor for Fall 2011 and Spring 2012. The adjunct worked the entire 2011-2012 academic school year. The department decides to hire that same adjunct professor for Fall semester 2012. However, the department has not put that professor on notice that she will be teaching in Fall 2012.

Problem: Research shows this professor will be granted unemployment benefits due to lack of work. The University will be deemed unable to provide work for that adjunct professor because the University has not advised her that she will be rehired. If the department decides not to bring the professor back, we will be paying unemployment compensation for that adjunct professor, as well as a salary to replace the adjunct professor. If we want to bring the adjunct professor back, but have not put her on notice, we will still be responsible for paying unemployment compensation because there was no advanced notification that she will be teaching the upcoming semester.

Solution: The goal in this situation is to communicate hiring decisions to adjunct professors in advance as soon as it is determined that they will be teaching the next term. The notice must be documented (formal letter) informing the adjunct professor of what they will be teaching the upcoming semester. The letter must be sent several weeks prior to the end of the current semester. Some departments already successfully follow this practice. However, the practice is not followed consistently. This University's unemployment liability will be reduced by following this solution.

Human Resources are Central!