

Workforce Planning and Incentive Separation Plan FAQs

June 27, 2018

Q: Why does Middlebury need to reduce the number of staff?

A: Although we have made excellent progress in reducing our cost structure through reductions to operating budgets, benefit changes, staff attrition, 90-day holds on new and replacement hires, and more, we continue to project significant deficits through 2021. While we could continue on a path of continued incremental reduction, that path comes at a cost: too few resources to reinvest in strategic initiatives, downward pressure on annual salary increases, and stress reflected in low morale. Over time, these effects inevitably take a toll on the institution and its people. The culture of Middlebury is one of innovation and enthusiasm, and we risk losing that if we do not create an environment where that culture can thrive.

We expect that the majority of future savings will come from streamlining services and functions, which will enable a reduction in staff. The staffing analysis requires departments to engage in workforce planning by defining the future state of their work, prioritizing their responsibilities, identifying possible changes in service levels, and identifying the impact these changes would have on other programs or functions.

Q: What is the process of workforce planning?

A: Workforce planning involves institutional engagement in the conversation about what we should be doing concerning desired institutional outcomes and the work required in achieving them. Each vice president will lead these conversations in their area, with the support of a project team composed of managers and key staff members who have insights into particular areas of work. Throughout the process, these project teams will look for ways to engage other staff in this conversation to ensure that our thinking and decisions are shared through this process.

The process moves through five distinct steps:

1. Defining the future state of our work
2. Analyzing our current workforce
3. Identifying any gaps
4. Developing a strategy, priorities, and a plan
5. Executing our plan to move forward with a smaller workforce

Q: What is the timeline for workforce planning?

A: For most departments, workforce planning will begin in July with managerial training on the process and approach. Following that, vice presidents and senior managers will begin the process of defining the desired future state for their group. Work will then begin on understanding how our current work and workforce map to the desired future state. Any gaps will be identified by December 2018. Our target for completed plans is February 2019.

Q: Who is leading the workforce planning process?

A: Each vice president will lead this effort in his or her area, with the support of Human Resources. For VPs of anchor functions, they will lead this effort for both campuses.

Q: How will decisions be made?

A: It depends on the area and function. Much of our work involves interdependencies, and departments will need to consult and collaborate with other departments before making decisions that might affect another group. This will require a consultative process among vice presidents and members of the Senior Leadership Group. In other cases, departments will have more latitude when making choices that do not affect others. Ultimately, the vice presidents will make decisions based on the recommendations of their teams with the understanding that we will be operating with a constrained budget and that the overall goal of the process is to reduce costs and staff.

Q: What if a department cannot identify what to cut? Who will help us?

A: Human Resources is providing support for this initiative and will assist vice presidents and managers in helping to shape a future state and in making the determinations about the work we will no longer continue. Human resources has developed a toolkit of resources, as well as training, to support vice presidents and managers in this effort.

Q: Are we benchmarking our staffing levels against comparable colleges and universities?

A: Yes. We have done some of this work and we have a sense of how other institutions staff their departments. We also know that Middlebury has some unique staffing needs due to our size and complexity. So, while the comparative data is directionally helpful, it isn't always sufficient to determine specific departmental goals. We cannot know, for example, how other institutions set their service levels, the amount of outsourcing they might do in some cases, the quality of the work their cultures demand, how labor- and time-intensive their processes are, etc. The job of workforce planning is to help us make our own conclusions about how we want to work and to staff individual departments and functions appropriately given our fiscal constraints. To do this, we need to hear from staff about what new ways of working might look like.

Q: How many positions will be identified for reduction and how was this calculated?

A: We have not identified a precise number of positions or a breakdown by department. Workforce planning will help departments arrive at the number of positions they believe is the right one to perform their strategic priorities and meet the essential needs of the institution. We also need to analyze functional roles that may exist across the institution and not only in one department. Overall, we hope to reduce staff compensation—before benefit costs—by \$8 million, or about 10 percent.

Q: When and how will I know if my position is affected?

A: We anticipate that there will be two rounds of incentive offers. Some departments have begun their workforce planning efforts and will make staffing decisions this summer or early fall. Incentive offers

in those departments will be made in the fall. Managers or the unit vice president will inform eligible staff members.

Q: How will the elective separation plan work?

A: Staff members in positions that are identified for reduction will receive a letter containing an incentive offer to end their employment relationship with Middlebury on a specified date. The amount of the financial offer will be based on length of service and the employee's salary. Detailed information regarding the terms and benefits associated with separation packages will be communicated directly to eligible employees.

Middlebury will make its best effort to reassign eligible employees to another job at Middlebury, taking skills and experience into account. The reassignment may be a job shift within the same department, or it may be a job in a different department or area of the institution. There may be some cases where an employee is asked to remain in his or her position for a period of time.

Q: Is it truly elective?

A: We intend for it to be elective. We also realize that the elective nature of the program is time-limited, and will likely work differently depending on the unit.

What we cannot know at this point is what will happen if too few employees elect to accept the offer and we do not reach our overall goal to reduce staff compensation. In that event, it may prove impossible to find reassignment work for those whose jobs are reduced but who wish to continue their employment. If it comes to that, we may have no choice but to contemplate additional cost-cutting measures.

It is also important to note that, in some cases, a department may need to limit the number of people who would be able to take the offer. This might happen, for example, in a department that has identified a number of positions for reduction, but where more than that number of staff perform the same or equivalent function. In such a case, to ensure there is no discrimination, we would extend the offer to all similarly situated employees. However, if more employees chose to accept the offer than the workforce-reduction plan called for, we would accept only the number specified. The people who are more senior would have first priority.

Q: Why are staff not being offered an incentive retirement plan similar to the one in 2008–2009?

A: Workforce planning focuses on the work we do and the positions—not the individuals—responsible for that work. The reductions that result may not align with employees' readiness to retire. Accordingly, in fairness to all, we will use position reduction as the basis for the incentive offer, and not whether someone is ready for or considering retirement.

Q: Would reassignment affect my salary?

A: It may, depending on the new position.

Q: What if I don't want the reassignment?

A: We will make our best effort to offer staff members whose positions have been identified for reduction another opportunity for employment at Middlebury. Human Resources will work with employees to identify potential positions that offer the best opportunity to apply their skills or to acquire new skills. Beyond that, we cannot guarantee that another reassignment will be available.

Q: If I accept an offer to leave, will I receive a recommendation or documentation to show I was not fired?

A: The incentive offer letter will state clearly that the offer is an elective one and is not based on any negative performance evaluation.

Q: Can I request an offer?

A: Determinations regarding changes and/or reduction in work and associated positions will be based solely on current and future operational needs. Incentive offers will only be available to individuals whose positions have been identified as no longer needed through this process.

Q: Will there be layoffs in the future? What happens if fewer people accept the offers than you are hoping for?

A: We cannot know how many positions will be identified for reduction or how many people in those positions will accept the incentive separation offer. But we are hopeful that this process will help us reduce our overall compensation costs by enough that we do not need to resort to an involuntary reduction in force.

Q: Are Middlebury positions moving away because of the consortium?

A: Middlebury, through the Green Mountain Higher Education Consortium, is evaluating a shared services model for certain services, including payroll, accounts payable, benefits administration, and certain IT support functions. We do anticipate that a relatively small number of positions at Middlebury will move to the consortium over the next two years. That evaluation will be part of the workforce planning discussion in these areas. This is only a small part of the larger, institution-wide workforce planning effort.

Q: What happens to positions that move to the consortium? Will the people in those positions still work for one of the schools?

A: Our current thinking is that they will work for the consortium. As we will move positions and not people to the consortium, people who are interested in the shared services positions will need to apply and be offered a position in the shared services center. But there are many details still to be worked out.