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- A. The purpose of this policy is to provide an option for university presidents and the executive director of the board to respond to severe university-wide budget constraints, including those that arise from substantial reductions in state appropriations, the occurrence of natural or physical disasters, terrorism, or public health emergencies by implementing a pay reduction program.
- B. A president who wishes to implement or amend a pay reduction program pursuant to this policy must first provide a copy of or amendment to the program to and receive approval from the board chair and the executive director for the board. If the executive director wishes to adopt or amend a pay reduction program, the executive director should submit a copy of program or amendment to the board chair for approval. Once approved, the president or executive director may implement the pay reduction program, in accordance with applicable law.
- C. A pay reduction program may, but is not required to, provide for paid personal flex time. The amount of paid flex time will be determined by the university president.
 - 1. Paid flex time is paid time away from work. When on flex time, an employee is not expected to work or perform job duties.
 - 2. Paid flex time must be used within the time period specified in the approved program and will not carry over past that period.
- D. A pay reduction program may, but is not required to, include a provision that would allow employees to accrue vacation leave hours in excess of the limit provided in ABOR policy 6-803(b).
- E. A pay reduction program must identify the category or categories of employees to be affected by the pay reduction, the amount and duration of the reduction, the amount of flex time (if any), and other issues specific to implementation, such as whether it includes employees whose pay is below a certain amount or employees who are on grant funding. The pay reduction program may consider employee compensation levels or employment categories in establishing the amount of pay reduction.

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- F. A pay reduction program must be implemented in a manner that provides for the continuation of essential services with minimum disruption to the institutions.
- G. The president or executive director should provide regular updates to the board on the status of implementation of any pay reduction program.
- H. A pay reduction program must be in the best interests of the Arizona University Enterprise.