



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-3000

CHIEF HUMAN CAPITAL OFFICER

February 26, 2013

MEMORANDUM FOR: Eddie Eitches, President AFGE Council 222  
FROM: *Karen Newton Cole*  
Karen Newton Cole, Acting Chief Human Capital Officer, A  
SUBJECT: Notice of Proposed Furlough for Less Than 30 Days

This memorandum notifies the union that the U.S. Department of Housing and Urban Development has determined it is necessary to furlough all employees for a period not to exceed seven workdays (56 hours). The furlough is being proposed under the authority of 5 CFR, Part 752, Subpart D because, as a result of sequestration, the Department has received a reduction in salaries and expenses (S&E) funding, and the present rate of spending, when annualized, will result in an expenditure in excess of the Department's authorized budget. This furlough is proposed to promote the efficiency of the service by avoiding a deficit of funds in FY 2013.

The following procedures and conditions are proposed for the furlough:

The furlough will be on the following discontinuous days: May 10<sup>th</sup>, May 24<sup>th</sup>, June 14<sup>th</sup>, July 5<sup>th</sup>, July 22<sup>nd</sup>, August 16<sup>th</sup> and August 30<sup>th</sup>. The proposed dates fall in separate pay periods and are intended to minimize the hardship to employees. During these designated days, HUD will close all of its offices nationwide. We have concluded that identified office closure days are the best way to manage the Department in the unfortunate event of sequestration. The interdependencies of the work of the various offices within HUD; the ability to maintain appropriate levels of supervision; the ability to ensure the safety and security of employees; and the ability to ensure that the Department does not inadvertently violate the Fair Labor Standards Act or Anti-Deficiency Act could be severely compromised if HUD had rolling furlough days or allowed widespread employee choice. Having a full complement of staff on the days that HUD is open enables the Department to better serve the public by ensuring that there is continuity in our operations to carry out the Department's mission. While the specific dates may limit management's ability to accommodate preferences, they ensure that the Department is able to meet its workload, staffing and office coverage requirements, and statutory obligations.

All organizational segments will be affected. As a result, all HUD offices will be closed on the above listed dates and all full-time and part-time employees will be furloughed on those dates. Furlough time off for part-time employees will be calculated to reflect a 10% reduction in their hours of work in the designated pay periods.

All HUD employees, with the exception of the nine employees, who are appointed by the President and confirmed by the Senate (PAS Officials), are subject to furlough. The nine PAS Officials are precluded by statute from furlough. In addition, employees who are currently in a

non-pay status; are under an Intergovernmental Personnel Act mobility assignment; are on an assignment not otherwise causing an expenditure of funds to the Department; or are in a position whose duties have been determined by management to be of crucial importance to the Department's mission and their responsibilities and cannot be curtailed; and the Office of the Inspector General (OIG) employees. Schedule C, non-career SES, and career SES have no special status and are subject to furlough.

Because of the scope of the sequestration, soliciting volunteers to take additional furlough days will not be nearly sufficient to achieve the necessary level of savings to meet the 5% in cuts which equals approximately \$66.6 million.

In a pay period in which a furlough day is scheduled, employees will be on a regular work schedule. Compressed work schedules will be suspended for those pay periods. Annual, sick, court or military leave which has been approved for a day which is designated as a furlough day will be recorded as a furlough day, and the employee will be placed in a non-pay status for the day. However, employees can ask that annual, sick, court or military leave that has already been approved for the designated furlough days be reverted.

Employees who are on furlough will be in a non-pay, non-duty status. During the furlough, they will not be permitted to serve as unpaid volunteers, but must remain away from their workplace. They may not access HUD email, HUD computer systems or telework. Failure to comply with this directive will result in disciplinary action.

Management shall provide written individual notices to employees 30 days prior to the affected date of the furlough. A draft copy of the proposed furlough notice is attached. At this time, we do not reasonably anticipate the need for additional furlough days beyond the seven workdays listed above. However, should additional furlough days be necessary, the union will be given another notice. Management recognizes the difficult personal financial implications of any furlough. The Department will make every effort to keep the union informed as additional information regarding the Department's funding levels becomes available. Questions and/or bargaining proposals should be directed to me.

Attachment

**U.S. Housing and Urban Development  
NOTICE TO BARGAINING UNIT EMPLOYEES**

This memorandum notifies you that HUD proposes to furlough you no earlier than 30 days from receipt of this notice. The furlough is being proposed under the authority of 5 CFR part 752, subpart D. The furlough is a result of sequestration, which is the automatic across-the-board cut to all discretionary spending, as part of the Budget Control Act of 2011.

This furlough is proposed to promote the efficiency of the service by avoiding a deficit of funds in FY 2013 as a result of the across-the board cut. All HUD employees, with the exception of the nine employees, who are appointed by the President and confirmed by the Senate (PAS Officials), are subject to furlough. The nine PAS Officials are precluded by statute from furlough. In addition, employees who are currently in a non-pay status; are under an Intergovernmental Personnel Act mobility assignment; are on an assignment not otherwise causing an expenditure of funds to the Department; or are in a position whose duties have been determined by management to be of crucial importance to the Department's mission and their responsibilities and cannot be curtailed; and the Office of the Inspector General (OIG) employees. Schedule C, non-career SES, and career SES have no special status and are subject to furlough. We plan to apply the following procedures and conditions related to the furlough:

1. Full time employees will be furloughed no more 7 days or 56 hours. Part-time employees' furlough time will be calculated to reflect a 10% reduction in their hours of work in the designated pay periods.
2. The furlough will be on discontinuous (intermittent) days over seven pay periods:
  - a. May 10, pay period 9
  - b. May 24, pay period 10
  - c. June 14, pay period 11
  - d. July 5, pay period 13
  - e. July 22, pay period 14
  - f. August 16, pay period 16
  - g. August 30, pay period 17
3. During pay periods 9, 10, 11, 13, 14, 16, and 17 compressed work schedules will be cancelled and all full-time employees will be in a pay status for no more than 72 hours. Part-time employees' work schedules will be adjusted on a prorated basis.
4. During pay periods 9, 10, 11, 13, 14, 16, and 17 compensatory time and overtime may not be earned. Credit hours may be earned in the designated pay periods, but not earned or used on furlough days.
5. HUD will close on the designated furlough days. Employees may not come to HUD facilities, may not telework, and may not access HUD email or work on any HUD computer systems or the HUD LAN. Employees are not be permitted to serve as an unpaid volunteer, must remain away from the workplace, and may not telework. If an employee works on a designated furlough day, that employee will be subject to disciplinary action. Employees will not be compensated on furlough days.
6. An extremely small number of employees may be asked to adjust their furlough days, if their duties involve maintaining or monitoring critical IT systems or involve safety and security.

7. Annual, sick, court, or military leave will not be approved for the designated furlough days.
8. Annual, sick, court or military leave that has already been approved for designated furlough days may rescheduled.
9. Depending upon how much leave without pay that you take during your federal career, the furlough days may impact your creditable service. Please see OPM's Fact Sheet: Effect of Extended Leave Without Pay (LWOP)(or Other Non-pay Status) on Federal Benefits and Programs found at <https://www.opm.gov/policy-data-oversight/pay-leave/leave-administration/fact-sheets/effect-of-extended-leave-without-pay-lwop-or-other-non-pay-status-on-federal-benefits-and-programs/>

Employee benefits during a furlough such as life and health insurance shall continue during the furlough. Payroll contributions by the employee shall continue if the salary in the pay period is sufficient to cover the full deduction.

At this time, we do not reasonably anticipate the need for furlough beyond seven (7) workdays in FY2013. We recognize the difficult personal financial implications of furlough. We will make every effort to keep you informed as additional information regarding the agency funding level becomes available.

You will remain on active duty during this 30 day notice period. You may respond to this Notice of Proposal, either orally or in writing, or both, within 21 calendar days from the date you receive this notice. During this 21 calendar day period, if needed, you may have up to 16 hours of official time to review the supporting material, to furnish any affidavits or other supporting documentary evidence in your response and to prepare your response. If you make an oral response, you will be in duty status during the time of the oral response.

You have the right to be represented in this matter by an attorney or other person you may choose. You have the right to union representation. However, before a representative may act on your behalf, that person must be designated in writing. If your representative is an employee of the Department, your representative will be granted a reasonable amount of official time to help you prepare your response and to represent you during an oral response. Use of such time must be approved in advance by your representative's supervisor.

Your representative may be disallowed if your representative is an employee of the Department whose activities as a representative could cause a conflict of interest or position, or who cannot be released from official duties because of work assignments.

The Deciding Official to hear oral replies and receive written replies is [TBD]. To arrange for an oral reply please contact [TBD]. To review the supporting materials, please visit [insert HUD website address for this purpose.]

A final written decision, including an explanation of the specific reasons for the action taken, will be given to you as soon as possible after the 21 days allowed for your reply. No decision to furlough you has been made or will be made until full consideration is given to your reply.

Proposing Official Date