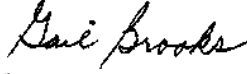


**Date:** August 30, 2013

**Code:** HR 2013-12

**To:** CSU Presidents

**Reference:** HR/Leaves 2009-01

**From:** Gail E. Brooks   
Vice Chancellor  
Human Resources

**Subject:** MPP Administrative Leave Indemnification and Return to Service Requirements

**Overview**

**Audience:** CSU Presidents, Vice Presidents, Human Resources Officers, AVPs/Deans of Faculty Affairs, Payroll Managers and/or campus designee(s) responsible for administering leave programs.

**Action Item:** Implement the revised guidelines for indemnification and return service obligation for Paid Administrative Leave for Management Personnel Plan (MPP) Employees.

**Affected Employee Group(s)/Units:** MPP employees

**Summary**

Technical Letter [HR/Leaves 2009-01](#) announced an amendment to Title 5 which established a paid administrative leave program for MPP employees. This policy implements provisions to require indemnification and return to service obligations for MPP employees on paid administrative leaves taken pursuant to Section 42729 (b). This bond does not apply to leaves taken pursuant to Title 5, Section 42729 (a) for reasons such as, safety or health of employee; prevention of disruption of programs/operations; investigation of alleged misconduct; or, in the best interest of the University. Also, under Section 43005 of Title 5, the requirement to file for a suitable bond is required prior to the final approval of an application for a leave of absence. Campus Human Resources Officers, Benefits Officers, Payroll Managers, and/or designee(s) responsible for administering leave programs should review the remainder of this policy letter for further information.

**Background**

Pursuant to a California Bureau of State Audit (BSA) report, this policy has been established to determine the means by which eligible, full-time MPP employees may be granted paid administrative leaves consistent with Section 42729 (b) of Title 5, California Code of Regulations, Division 5, Chapter 1, Subchapter 7, Article 2.2. An MPP employee may be granted paid administrative leave by the president of their respective campus, or the California State University (CSU) Chancellor, up to six (6) months to develop, update or improve the employee's management or supervisory skills as part of a program or activity described in Title 5 Section 42727 (Professional Development). This bond does not apply to leaves taken pursuant to Title 5, Section 42729 (a) for reasons such as, safety or health of employee; prevention of disruption of programs/operations; investigation of alleged misconduct; or, in the best interest of the University. This includes the opportunity to prepare an

**Distribution:**

CSU Chancellor	All Campus Vice Presidents	Employee Relations Designees
CSU Presidents	Human Resources Officers	
Associate Vice Presidents/Deans of Faculty	Benefits Officers	
Vice Chancellor, Human Resources	Payroll Managers	

administrator with retreat rights to a faculty position to assume faculty responsibilities. In the case where the MPP employee is preparing for a faculty position, this policy applies only if the reassignment is voluntary. Under Section 43005 of Title 5, final approval of an application for this leave of absence shall not be granted until the applicant has filed a suitable bond indemnifying the State of California against loss in the event the employee fails to render service in the California State University following the return of the employee from the leave of absence. During a paid administrative leave of absence, an MPP employee receives the same amount of compensation and benefits as if he/she was currently working. The purpose of the indemnification and return service obligations imposed upon these MPPs is to protect the assets of the CSU.

## **Criteria**

At all levels of review, applications for administrative leave shall be evaluated according to the appropriateness and benefits of the activities and the practicality of attaining the stated goals and outcomes of the administrative leave proposal. In addition, the proposed leave shall not adversely affect the operations of the department and create undue financial hardship for the University.

### **1. Leave Proposals**

All administrative leave proposals should articulate clearly how the proposed activities will enable the MPP employee to better serve the University or Chancellor's Office, department and University missions and programs, and/or to meet local, regional, or statewide needs. Administrative leave proposals shall be clearly defined and articulated and shall state outcomes that are realistically attainable. Administrative leaves may involve professional leaves, administrative exchanges, academic coursework, seminars, or other experiences of a scope or nature not possible through normal workload assignments. Programs and activities during administrative leave should promote more effective management/leadership abilities, lead to increased mastery of the MPP employee's field, and/or the development of a new skill relevant to the employee's job duties.

As a condition of the granted administrative leave, all MPPs shall, within thirty (30) days of return to service, submit a written report of their leave activities to Human Resources for inclusion in their personnel file. Copies of the report shall also be submitted to their appropriate administrator and all other personnel as determined by the department/campus.

### **2. Employee Benefits**

MPP employees continue to earn leave credits (e.g. sick, holiday, vacation) while on paid administrative leave. No changes are made to the employee's status with respect to compensation, benefits, and payroll deductions (voluntary or involuntary).

### **3. Outside or Additional Employment**

MPPs on paid administrative leave shall not accept employment elsewhere except in instances where additional or outside employment would contribute to the objective of the leave. In those instances, prior written approval of the campus President or Chancellor is required.

### **4. Indemnification/Return Service Obligation**

The authorized administrative leave period must be exchanged with a return service of a specified amount to the University or Chancellor's Office as designated by the appropriate administrator. The minimum return service obligation must be equivalent to the approved leave time of the MPP employee's paid administrative leave period. For example, if the MPP employee was approved for a 3 month paid administrative leave, his/her return service obligation should be at least 3 months.

Final approval of an administrative leave shall not be granted until the applicant has filed a suitable bond and/or an accepted statement of assets and/or a promissory note with the Chancellor or the respective campus President. The purpose of the bond, statement of assets and/or promissory note is to indemnify the CSU against loss in the event the employee fails to render the required return service obligation at the respective campus or Chancellor's Office following completion of the paid leave. The amount listed on the bond, statement of assets, and/or promissory note should be of sufficient value, at least equal to the amount of the CSU's investment to support the employee's paid administrative leave.

#### **5. Failure to Return to Employment**

MPPs are expected to return to their regular assignment or newly assigned work by the specified date of return. Failure to satisfy the return obligation at the end of the authorized period of leave may constitute forfeiture and activate the obligation recoupment proceedings as stated on the bond, statement of assets and/or the promissory note. Failure to satisfy the return service obligation will result in recoupment proceedings whether the individual resigns or fails to return to employment without notice.

#### **6. Documentation Requirement**

For documentation purposes, the following attachments have been provided:

- Attachment A1: Request for Administrative Leave Application
- Attachment A2: Statement of Assets
- Attachment A3: Promissory Note

Requests for Administrative Leave pursuant to Title 5 Section 42729(b) must be submitted, and approved/signed by the appropriate administrator prior to the commencement of the leave period.

The Statement of Assets or Promissory Note must be completed, signed, and duly executed prior to commencement of the leave period.

Questions regarding this policy should be directed to systemwide Human Resources at (562) 951-4411 or your campus department. This document is available on the Human Resources Management's Website at <http://www.calstate.edu/HRAdm/memos.shtml>.

GB/tl

Attachments

## Request for Management Personnel Plan (MPP)

### Administrative Leave

Instructions: Eligible MPP personnel shall use this form, together with an attached proposal and other materials, to request an administrative leave. Submit the completed form and attachments to your HR Department. **Please keep a signed copy for your records.**

**TO BE COMPLETED BY APPLICANT**

Name:	Employee ID:	Date of Hire:
Dept. Name:	School:	Years of Service:
Your title:	Supervisor's Name, Title:	
Have you previously taken a MPP Administrative Leave pursuant to §42729 (b) of the CA Code of Regulations? <input type="checkbox"/> No <input type="checkbox"/> Yes		
If Yes, date of last MPP Administrative Leave taken from (date): _____ to (date): _____		

<b>Leave Request</b>	Leave requested may not exceed six (6) months. ____ (#) of months at full pay beginning (mm/dd/yy) ____/____/____ and ending (mm/dd/yy) ____/____/____
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**Required Attachments**

***I promise to submit a written report of my leave activities upon my return. In addition, I will indemnify the University against loss in the event of failure, through fault of my own, to fulfill this agreement in the following manner:***

I have attached a promissory note for this purpose.  
**OR**

I request that the President/Chancellor waive a promissory note or bond and I have attached a list of assets, the value of which is in excess of the salary to be paid to me during the leave, as evidence of my capacity to indemnify the California State University (CSU) against loss if I fail to fulfill the agreement.  
**OR**

I have attached a bond of sufficient value for this purpose.  
**AND**

***I have attached to this application the following materials:***

A statement of purpose of the leave and a clear and detailed description of the proposed project, including the CSU resources, if any, necessary to carry it out and the potential benefit for the University.

A current curriculum vitae or resume supplemented by information on the nature of my past service to the University including teaching; committee assignments; managerial, professional, and/or scholarly activities; creative and scholarly publications; grant proposals; curriculum development; and other activities which support my proposal for an administrative leave.

**Signature of Applicant**

Submit form and attachments to your Human Resources Department.

Date: \_\_\_\_\_

**APPLICANT'S RESPONSIBILITY ENDS HERE, SUBMIT TO HR**
**TO BE COMPLETED BY APPLICANT'S IMMEDIATE SUPERVISOR**

Recommended:  Yes     No

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*Forward to an appropriate administrator with a one page recommendation*

**TO BE COMPLETED BY THE APPROPRIATE ADMINISTRATOR**

Recommended:  Yes     No

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*Forward to President/Chancellor with a one page recommendation*

**TO BE COMPLETED BY PRESIDENT/CHANCELLOR**

Recommended:  Yes     No

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*Return form to HR for processing.*

## MPP Paid Administrative Leave Promissory Note

I, \_\_\_\_\_, promise to pay to <CAMPUS NAME> ("Employer") the monetary amount equivalent to the CSU's investment supporting my paid administrative leave of absence, approximately \_\_\_\_\_, subject to the provisions stated herein. This promise to pay is given in consideration of Employer's granting to me a paid leave pursuant to Section 42729 (b) of Title 5, California Code of Regulations, Division 5, Chapter 1, Subchapter 7, Article 2.2, with the expectation that I will return to the Employer's service and remain employed there for the amount previously determined by the appropriate administrator, \_\_\_\_\_.

I further understand and agree that:

**I. CANCELLATION**

My obligation to pay under this promissory note shall be extinguished if I return from my leave with pay and resume my duties with Employer in the services scheduled by my Employer and serve the time previously determined by the appropriate administrator or if the return service requirement is waived. The obligation will also be cancelled in the event of my death or a medical disability which prevents the possibility of return service.

**II. REPAYMENT**

If my obligation to pay is not cancelled as provided in I. above, I agree to pay the specified amount if I fail to return to my duties with the Employer, or if I end my employment with the Employer prior to \_\_\_\_\_ (return service obligation time - i.e., 6 months) from the date of my return from leave.

**III. COLLECTION COSTS**

I further agree to pay all collection costs including court costs and attorney fees which are incurred for the collection of any amount not paid when due.

**IV. DEFAULT**

I understand that if I fail to furnish the full amount of the obligation, the Employer will proceed with legal collection actions.

**V. LAWS OF CALIFORNIA**

The laws of California shall govern the interpretation of this promissory note.

**TO BE COMPLETED AND SIGNED BEFORE A NOTARY PUBLIC:**

By signing below I manifest my acceptance and agreement to all the foregoing terms and conditions.

**Signature of Applicant** \_\_\_\_\_ **Date** \_\_\_\_\_  
**Permanent Address** \_\_\_\_\_  
**Campus** \_\_\_\_\_

State of California  
County of \_\_\_\_\_

Subscribed and Sworn to (or affirmed) before me on this  
\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.  
Date Month Year

\_\_\_\_\_  
Name of Signer  
proved to me on the basis of satisfactory evidence to be the  
person who appeared before me.

Place Notary Seal Above

Signature \_\_\_\_\_  
Signature of Notary Public

## MPP Administrative Leave Statement of Assets

I, \_\_\_\_\_, promise to pay to <CAMPUS NAME> ("Employer") the monetary amount equal to \_\_\_\_\_ subject to the provisions stated herein. This promise to pay is given in consideration of Employer's granting to me a paid leave pursuant to Section 42729 (b) of Title 5, California Code of Regulations, Division 5, Chapter 1, Subchapter 7, Article 2.2.

I agree to return to the service of the California State University and render \_\_\_\_\_ months/years (circle one) of service following my return from the leave of absence granted me. I will indemnify the University against loss in the event of failure, through fault of my own, to fulfill this agreement in the following manner:

I request that the President waive a promissory note or bond and submit the following list of assets, the value of which is in excess of the amount to be paid to me during the leave, as evidence of my capacity to indemnify the California State University against loss if I fail to fulfill the agreement. [Note: Retirement accrual, as reported on the CalPERS annual statement, may NOT be listed among these assets.]

**TO BE COMPLETED AND SIGNED BEFORE A NOTARY PUBLIC:**

By signing below I manifest my acceptance and agreement to all the foregoing terms and conditions.

**Signature of Applicant** \_\_\_\_\_ **Date** \_\_\_\_\_  
**Permanent Address** \_\_\_\_\_  
**University Address** \_\_\_\_\_

State of California  
County of \_\_\_\_\_

Subscribed and Sworn to (or affirmed) before me on this  
\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.  
Date Month Year

\_\_\_\_\_  
Name of Signer

proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Place Notary Seal Above

Signature \_\_\_\_\_  
Signature of Notary Public