



Strategic Oversight of Workforce Reductions:

What College Presidents and Trustees Should Know About Layoffs, Reductions in Force, and the WARN Act



As colleges and universities confront financial pressures, shifting enrollment patterns, and evolving operational models, workforce reductions may become an unavoidable necessity. These decisions carry significant legal and reputational risks, particularly when institutions must terminate employees in large numbers.

Failure to properly plan, consult with legal counsel, or comply with the federal Worker Adjustment and Retraining Notification (WARN) Act (or a state law equivalent) can open institutions to significant liability risk. Presidents and trustees must ensure their institutions are prepared to undertake a workforce reduction in compliance with the law.



What Is a Layoff?

A layoff is the termination of an employee's job by an employer for reasons unrelated to the employee's performance or conduct.

Layoffs are often an institution-wide measure and typically the result of economic or business-related decisions. They may be permanent, with employees' positions being eliminated indefinitely, or temporary, if business conditions improve.

Employers may offer incentives (such as severance packages) for employees to volunteer to leave their positions, permitting workforce reductions without forced cuts.

A large-scale workforce reduction may be considered a "mass layoff," subject to the WARN Act.

What Is a Reduction in Force?

A reduction in force (RIF) is a type of layoff involving permanent elimination of positions. RIFs are permanent, without the potential for rehiring for the role in the future. If your institution offers severance to employees subject to a RIF, consider a policy to ensure consistency across your campus.



Avoid Discrimination Claims

Without appropriate processes and planning, institutions implementing workforce reductions may face exposure to discrimination claims. Before implementing a layoff or RIF, your institution should review its process to determine whether a group protected by federal or state discrimination laws, such as older workers or those with disabilities, will be disproportionately impacted. If a protected group is disparately impacted, determine whether the termination selection criteria can be adjusted while still meeting institutional needs.

The WARN Act's Significance for Higher Education

Although often associated with private-sector layoffs, the federal WARN Act is a labor law requiring employers to provide advance notice of significant workforce reductions. WARN applies to colleges and universities under specific conditions.

Common triggers include campus closures or program eliminations, outsourcing of services such as dining, custodial, or IT, or aggregated layoffs across departments that collectively meet WARN thresholds.

If an institution is found to have violated the statute, it could be liable for up to 60 days of back pay and benefits owed to each affected employee, as well as civil penalties of up to \$500 per day for failure to notify local officials. Noncompliance can result in costly litigation, reputational damage, and loss of trust among faculty, staff, and the broader community.

Trustees and presidents must ensure institutional leaders are aware of WARN obligations and are proactively managing them. Institutional leaders also must be aware of state-level WARN laws, which may impose stricter requirements. For example, New York requires notice for layoffs affecting as few as 25 employees and California mandates notice for certain relocations and temporary layoffs.

You should ask:

- Are we planning a campus closure or departmental shutdown that affects 50 or more full-time employees?
- Will any layoffs exceed six months or reduce work hours by 50% or more for that duration?
- Are we considering a RIF that impacts 500 or more employees, or 50 to 499 employees if they represent at least 33% of the workforce?

If the answer to any of these is yes, WARN notice obligations may be triggered.

Additional considerations:

- Collective bargaining agreements may contain provisions that affect layoff procedures, including seniority rights and benefit obligations.
- Carefully manage employee benefit plans to ensure continuity and compliance with applicable laws and agreements.
- Evaluate post-layoff responsibilities, including third-party service contracts related to benefits administration, final compensation, or outplacement firms.

Engage Campus Leadership

To protect institutional integrity and fulfill governance responsibilities, you should engage campus leadership to ensure workforce decisions are legally sound, ethically managed, and strategically communicated.

Additional questions presidents and trustees should consider when contemplating workforce reductions:

- Does the proposed reduction support long-term institutional goals and a broader financial sustainability plan?
- Has the institution exhausted all other cost-saving measures?
- Are we coordinating with legal counsel in each state where we operate?
- How are we communicating workforce changes to maintain transparency and trust?
- Do we have internal protocols for timely notice and documentation?
- Have we conducted a legal audit of WARN applicability for upcoming workforce changes?
- Are any employees impacted subject to a collective bargaining agreement?
- What reputational risks could arise from perceived mishandling of layoffs?

More From UE

[Checklist: Employee Layoffs Driven by Financial Pressure](#)

[Considering Staffing Reductions? Know Your WARN Act Obligations](#)

Additional Resources

[U.S. Department of Labor: WARN Act — Employer's Guide to Advance Notice of Closings and Layoffs](#)

[U.S. Equal Employment Opportunity Commission: Avoiding Discrimination in Layoffs or Reductions in Force](#)



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