IUP's Personnel Budgeting Procedures

(Salary and Benefit Costs) Effective July 1, 2013

senior leadership has changed the personnel budgeting procedures over the last several years. Economic downward trends and the need to manage budgets with greater control centrally have led to the development of these procedures. Centralization implemented in 2009 has helped offset the negative impact of reduced appropriations, minor tuition increases, budget constraints, and new collective bargaining agreements and fringe benefits costs. IUP has still required permanent reductions over multiple fiscal years to balance the budget. A historical perspective of centralized personnel budgeting is attached (see Attachment I).

More recently, the PASSHE Position Budget Management (PBM) system became effective on July 1, 2012. This system resides

Faculty summer school budget will be funded

have received \$55,019 in salary compensation. The balance of \$55,019 will remain on that vacant position through the end of the academic year. Academic Affairs can decide if the remaining funds will be used for temporary faculty appointments, overloads or to supplement new permanent hires that may be over a budgeted amount.

The vacancy will remain fully funded until filled permanently or eliminated. During the year a vacancy is permanently filled the residual funds are still available for other faculty compensations or permanent reduction plans.

- Example #1 Permanently Filled/Permanent Reduction: In FY2013-14 a vacant professor step 13, \$110,038 is filled by a new permanent faculty hired at assistant step 6, \$65,906. The balance of \$44,132 is used to fund the Academic Affairs permanent reduction target. In this example no residual funds are left on the position and the newly filled position is budgeted at the assistant step 6 level.
- Example #2 Vacant/Permanent Reduction: In FY2013-14 a vacant professor step 13, \$110,038, is reduced to an assistant professor step 6, \$65,906. The balance of \$44,132 is used to fund the Academic Affairs permanent reduction target. The division can then search for an assistant professor step 6 in the upcoming academic year.
- Example #3 Vacant/Temporarily Filled In FY2013-14 a vacant professor step 13 position, \$110,038, is filled with temporary faculty appointments totaling \$45,696. The balance of \$64,342 may be used for additional temporary faculty appointments, overloads or other faculty compensations. In FY2014-15 the position will remain budgeted at professor step 13 until permanently filled, reduced, or eliminated.

The residual funds in Example #3 may also be used to supplement a new permanent high hire (hired above budgeted rank & step) if the appointed annual salary is over a current budgeted amount. In FY2014-15 the vacant position would be decreased by any amount of funding transferred to supplement the other permanent position. The balance of residual funds not used for permanent faculty funding would revert back to the general fund and be used to offset increases including but not limited to salaries, reclassifications, promotions, or fringe benefits.

In the following fiscal year the position will be budgeted at the current salary level.

 Continuing the above example: If the residual funding of \$44,132 is not assigned to another permanent faculty position in FY2013-14, the residual will revert back to the general fund in FY2013-14 and in FY201415 will be used to offset