

President's Report

Faculty Senate

January 27, 2020

- **Legislative Updates** I have attached a copy of the Governor's recommendations for the University System of Georgia budget for FY 2021. This serves as the foundation for legislative recommendations for the budget—the passage of which serves as the sole constitutional requirement for the General Assembly. The Chancellor appeared last week before the joint budget committees—we will continue to advocate for the board's recommendation, which included 3 million for IT infrastructure for our campus (the governor's budget did not include any minor capital recommendations—as the board staff note indicates, they expect that there will be some projects added by the House and the Senate, and we will be discussing with leadership the value of our IT Infrastructure project). There is likely to be quick action on changes for Dual enrollment funding. In the main, there will be a 30 hour limit for students, largely limited to 11th and 12th grade students. The current version of the bill can be found at <http://www.legis.ga.gov/Legislation/20192020/188181.pdf> While funds were set aside in the Governor's budget for benefit support, recommendation for salary increases were limited to colleagues whose salaries for full time employees under \$40,000. We will update the senate and the campus as budget discussions continue.
- **Critical Vacancy Process, USG** Many of you may have already received from our HR office a description of the University Systems Critical Vacancy process. That process in many ways is quite similar to that CSU has had in place for nearly 5 years. I have attached the FAQ document we received from the System office to provide a context for this process, as well as provide a context for any questions you might have.
- **Thanks** As always, I would be delighted to answer questions you might have.



BOARD OF REGENTS OF
THE UNIVERSITY SYSTEM OF GEORGIA

Critical Hire Process FAQs

Last updated December 31, 2019

What is a critical hire?

A critical hire is considered a position that the institution must fill in order to maintain student success, patient/life safety, and to successfully meet required compliance and accreditation standards. A critical hire is not the same as an *important* hire. We have many positions within the university system that are important to institutional success, but would not be considered critical. Important positions will not be approved while the critical hire process is in effect.

The critical hire process and submission link was shared with CBOs and CHROs via email on December 16, 2019.

Institutions should plan early and start the critical hire process as soon as possible. Critical hire requests can be submitted as soon as an institution is aware of new position or vacancy even if the position will be filled later. Justification forms should provide complete details upon submission in order to expedite the response timeframe.

Why are we doing this?

Governor Kemp asked all state agencies to think strategically about how to improve business processes by eliminating duplication, better utilizing technology, or other methods of efficiency, to include thinking strategically about workforce needs and how to best leverage existing positions and personal services funding. Additionally, the Governor's Office of Planning and Budget (OPB) asked all state agencies to institute a strategic hire (critical hire) approval process.

What type of documentation will be required for the justification?

The institution should provide a compelling case for critical nature of a position in the critical hire form. Any supporting data regarding student success, patient/life safety, and compliance or accreditation requirements that must be met should be provided. For grant or contract funded positions, an institution should submit the award letter and documentation that supports the requirements for personnel and the compensation rates that have been agreed to.

How long will the critical hire process be in place?

The critical hire process went into effect December 15, 2019 without a defined end date. If and when the process changes, a notification will be sent to the President, Chief Business Officer, and Chief Human Resources Officer.

What positions will be subject to the critical hire process?

As of December 15, 2019, all full-time regular positions, faculty and staff, above \$40,000 will be subject to the critical hire process.

A justification form will not be required for positions posted prior to December 15, 2019; however, positions filled December 15, 2019 and after should be reflected on the monthly institution report.

Are grant-funded and contract positions included in the critical hire process?
Yes, the critical hire process is applicable to all fund sources.

Will the use of temporary staff require approval?

No, the critical hire process is only applicable to full-time regular employees. Temporary staffing decisions should follow existing institutional review and approval processes.

If an institution chooses to reclassify an existing position, should a critical hire form be submitted?

No, an institution has the ability to restructure existing roles to find efficiencies and accommodate changes to the workforce. The USG policy on Salary and Wage Administration must be followed if a change in compensation is warranted with the reclassification. We encourage institutions to incorporate reclassification requests into the internal critical hire review process.

Can an institution hold a position to save funds?

Yes, an institution can make the determination to hold a position during the strategic review process or as a fiscal management strategy. When and if the institution determines that they would like to proceed with filling the role, a critical hire form will be required at that time.

Are positions within my institution's approved CAR plan subject to the critical hire process?

Yes, newly created positions that are included in your institutions approved CAR plan must be submitted for approval through the critical hire process before posting. Any additional changes or consideration given should be included in the justification narrative.

Can campuses continue existing projects that involve position description reviews and compensation equity analysis?

Yes, existing organizational effectiveness and compliance projects may continue. If an institution considers making compensation strategy changes or adjustments, a notification to the University System Office should be provided along with a summary of the proposed activity. This notification may be submitted to criticalhire@usg.edu.

What response will I get from the system office review team?

You will receive a letter with one of two responses: approved or denied. It is the responsibility of the institution to provide adequate justification and documentation for the critical hire as a part of their submission. Please note that the USO review team will not be able to assist a campus with developing their justification statements.

Is there a way to expedite a request?

Institutions should plan early and start the critical hire process as soon as possible. Critical hire requests can be submitted as soon as an institution is aware of new position or vacancy even if the position will be filled later. Justification forms should provide complete details upon submission in order to expedite the response timeframe.

Urgent positions that involve patient/life safety such as medical personnel or public safety officers can be posted immediately on a contingent basis if deemed necessary through this campus critical hire process. A critical hire form should be submitted simultaneously to the USO for approval to continue. If

the request is denied, the institution should immediately remove the contingent posting and discontinue the recruitment process. This process is only acceptable for positions that are deemed critical to patient/life safety by the president and CBO.

When is the campus monthly report due?

The campus report of all full-time regular faculty and staff hired during the preceding calendar month will be due by the 10th of the month or closest Monday if the 10th falls on the weekend. The December 2019 report will be due on January 10th for all full-time regular faculty and staff positions with start dates on or after December 15, 2019 above \$40,000 annually. Reports should be emailed to criticalhire@usg.edu.

Can the president or Chief Business Officer delegate their signature authority?

Generally speaking the USG submission process requires the approval and signature of both the president and CBO, not a designee. If the president or CBO are away for extended travel and unable to authorize, notification of a designee may be sent to the criticalhire@usg.edu inbox along with the timeframe of designation.

Are electronic signatures acceptable for the president and CBO?

Yes, if routed through a secure process or system such as DocuSign. It is expected that the campus process will engage the president and chief business officer directly on requests that proceed to the system office for approval.

Who should I contact with questions?

The critical hire process has an email address that will be monitored by the USO review team. Questions may be submitted to criticalhire@usg.edu.



**BOARD OF REGENTS OF
THE UNIVERSITY SYSTEM OF GEORGIA**

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January 17, 2020

Board of Regents of the
University System of Georgia
270 Washington Street, SW
Atlanta, Georgia 30334

Dear Board Members:

Yesterday, Governor Brian Kemp released his recommendations for the amended FY 2020 and FY 2021 budgets. We are very pleased with Governor Kemp's recommendations and are grateful for his support. The new funds provided will be of great benefit to the students of the University System of Georgia.

Our formula growth request was completely funded to support increased enrollment across the system, maintenance and operations costs, and health and retirement benefits. A funding increase was also recommended to support the medical education component of the formula to address rising costs in that sector. The capital portion of the budget includes funding for equipment for 7 previously-funded construction projects. It also contains construction funding for 3 new projects and a recommendation of \$50 million for Major Repair and Rehabilitation projects, which are critical to maintaining our current facilities.

As anticipated, the recommendation does include reductions to non-instructional programs. The reduction plans included in our request were for 4% in the Amended FY20 and 6% in the FY21 budget. The reductions recommended by the Governor exceed these amounts and we will be working with the Office of Planning and Budget to better understand the recommendations. As a reminder, agencies were required to begin implementing reductions beginning October 1. The majority of the proposed reductions included were already anticipated by the institutions and plans put in place to manage operations within the reduced budget.

In all, the Governor has provided an excellent recommendation for the USG. Full details are included in the attached file. Below is a description of his key recommendations:

Amended Fiscal Year 2020:

1. The Governor's recommendations include the following:
 - \$14.0 million reduction to non-instructional programs.
 - \$9.6 million reduction to correct credit hours within the formula. This adjustment has already been made by our institutions impacted prior to the fiscal year starting.

Board Members
January 17, 2020
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Fiscal Year 2021 Operating Budget:

1. The Governor's recommendations include several additions related to University System formula funding. Specifically, the Governor's budget includes:
 - \$68.4 million in new formula funding for enrollment growth.
 - \$7.9 million to increase the formula component related to medical education costs.
 - \$1.7 million in funding for maintenance and operations in new space.
 - \$9.7 million for increases in health benefits costs for USG employees and retirees.
 - \$4.5 million for payments to TRS for employees who transferred to ORP.
 - \$3.6 million to increase salaries of full-time employees making less than \$40,000 by \$1,000.
2. The Governor's other major recommendations include the following:
 - \$18.6 million reduction to non-instructional programs.
 - \$1.3 million increase for the AU/UGA Medical Partnership.
 - A transfer of \$68.7 million for central support services was transferred from the funding formula to the Regents Central Office program. This represents a transfer of a portion of the budget of the University System Office to a different line item, including ITS and the Shared Services Center. It is not intended as a reduction to institution budgets.
 - \$3.3 million transferred from the Department of Agriculture to fund the Athens-Tifton Vet Labs through one agency.

FY 2021 Capital Budget:

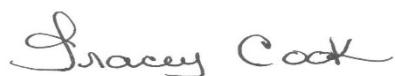
The Governor's bond package authorizes almost \$890 million in capital projects across the state. 20% of this amount, \$174.9 million, is for projects within the Board of Regents budget. The capital tracking sheet is attached. As in prior years, we expect the House and Senate will add projects.

Attached is the complete summary of the FY 2021 operating and capital recommendations and the FY 2020 Amended recommendations.

The Chancellor and I will appear before the Joint Appropriations Committee on Wednesday, January 22nd at 2:15 pm to discuss the Amended FY 2020 and FY 2021 budget recommendations.

Please contact me if you have any questions about the recommendations.

Sincerely,



Tracey Cook

CC: Dr. Steve Wrigley, Chancellor
USG Presidents
USG Chief Business Officers
USG Chief Academic Officers

**Board of Regents
University System of Georgia
Fiscal Year 2021 Operating Budget Changes**

FY20 Original Budget	\$2,578,608,885	
	<u>Request</u>	<u>Governor's Rec.</u>
Formula Increase Request (Teaching Program)		
Enrollment Growth & Increased Group 5 Medical Hours	\$76,367,626	\$76,344,528
Maintenance and Operations	\$1,746,488	\$1,746,489
Health Insurance and Retiree Health and Life Benefits	\$9,673,849	\$9,673,849
AU/UGA Medical Partnership Expansion	\$1,357,440	\$1,357,440
Payments to TRS on behalf of ORP enrollees	\$4,530,708	\$4,508,095
Pay Raise for Full-Time Under \$40,000		\$3,642,884
Teachers' Retirement System (TRS) Rate Reduction		(\$16,619,372)
Payback Projects	\$1,468,355	\$1,468,355
Reduce Funding for Georgia Gwinnett College	(\$1,505,032)	(\$1,505,032)
Adjust GTA Fees		(\$97,646)
Subtotal Formula Increase	\$93,639,434	\$80,519,590
B Units:		
Pay Raise for Full-Time Under \$40,000		\$612,635
B-Units - health insurance and retirement benefits	\$939,436	\$1,219,784
6% Reduction Targets	(\$15,355,282)	(\$18,611,804)
Teachers' Retirement System (TRS) - B Units		(\$1,640,837)
Transfer funds from Dept. of Agriculture for Vet Labs		\$3,374,381
Eliminate Health Professions SFI	(\$2,805,780)	(\$2,805,805)
Georgia Public Library System - formula decrease	(\$195,269)	(\$195,269)
EII - eliminate new funds for Manufacturing Extension Partnership	(\$250,000)	(\$250,000)
Central Office - Adjust GTA Fees		(\$22,723)
Veterinary Medicine Experiment Station - eliminate one-time funds	(\$300,000)	(\$300,000)
Subtotal Other Items	(\$17,966,895)	(\$18,619,638)
Total FY 2021 Increase for USG	\$75,672,539	\$61,899,952
Pass-Through Organizations:		
GMC & GPTC: Salary Increase		\$277,374
GMC & GPTC: TRS		(\$146,650)
GMC & GPTC: Adjust GTA fees		(\$7,927)
GMC: Enrollment and Training & Experience	\$843,322	\$194,903
GMC: Eliminate one-time funds for emergency notification and cameras	(\$213,810)	(\$213,810)
GMC & GPTC: 6% Reduction Targets	(\$1,146,534)	(\$1,176,182)
Total Agency FY 2021 Increase	\$75,155,517	\$60,827,660
FY21 Budget Request	\$2,653,764,402	\$2,639,436,545

**Board of Regents
University System of Georgia
Fiscal Year 2021 Capital Budget**

	<u>Request</u>	<u>Governor's Rec.</u>
<u>Capital Outlay: Equipment</u>		
Augusta University - College of Science and Math Building & Campus Infrastructure	\$ 6,100,000	\$6,100,000
Georgia College and State University - Integrated Science Complex	\$ 2,100,000	\$2,100,000
Kennesaw State University - Academic Learning Center (Kennesaw)	\$ 3,000,000	\$3,000,000
Middle Georgia State University - Academic and Student Success Renovations	\$ 1,200,000	\$1,200,000
University of Georgia - Interdisciplinary STEM Research Building	\$ 5,600,000	\$5,600,000
University of North Georgia - Lanier Tech Campus Space Rehabilitation and Infrastructure	\$ 2,300,000	\$2,300,000
University of West Georgia - College of Business Building	\$ 1,900,000	\$1,900,000
Equipment Subtotal	\$ 22,200,000	\$22,200,000
<u>Capital Outlay: Construction</u>		
Dalton State College - Bandy Gym Student Recreation Renovations	\$ 8,300,000	\$0
Georgia Institute of Technology - Expansion of Tech Square - Phase 3	\$ 30,700,000	\$30,700,000
University of Georgia - Interdisciplinary STEM Research Building II	\$ 42,800,000	\$42,800,000
University of North Georgia - Mike Cottrell College of Business (Dahlonega)	\$ 19,500,000	\$19,500,000
Construction Subtotal	\$101,300,000	\$93,000,000
<u>Capital Outlay: Design</u>		
Abraham Baldwin Agricultural College - Ag Facilities Enhancement	\$ 1,100,000	
Albany State University - Nursing and Health Science Simulation Lab Facility	\$ 800,000	
Fort Valley State University - Academic Renovation and Campus Infrastructure	\$ 1,000,000	
University of Georgia - Poultry Science Complex, Phase I	\$ 2,200,000	\$2,200,000
University of North Georgia - Cumming Academic Building Addition	\$ 1,000,000	
University of West Georgia - Humanities Building Renovation and Infrastructure	\$ 2,500,000	
Valdosta State University - Performing Arts Center	\$ 1,300,000	
Design Subtotal	\$9,900,000	\$2,200,000
<u>Capital Outlay: Other</u>		
Major Repair and Rehabilitation	\$70,000,000	\$50,000,000
Other Subtotal	\$70,000,000	\$50,000,000

**Board of Regents
University System of Georgia
Fiscal Year 2021 Capital Budget**

	<u>Request</u>	<u>Governor's Rec.</u>
<u>Capital Outlay: Small Capital Projects</u>		
Augusta University - Greenblatt Library Renovation Phase 2	\$ 4,900,000	
Clayton State University - Campus Infrastructure	\$ 3,000,000	
College of Coastal Georgia - Andrews Renovation/One Stop Center	\$ 3,000,000	
Georgia College and State University - Andalusia Interpretive Center	\$ 2,000,000	
Georgia Highlands College - Replace HVAC Infrastructure - Floyd Campus (Rome)	\$ 2,400,000	
Georgia Southern University - Memorial College Center Renovation (Armstrong)	\$ 4,500,000	
Georgia Southern University - Williams Center Renovation (Statesboro)	\$ 3,000,000	
Georgia State University - Dental Hygiene Teaching Lab (Dunwoody)	\$ 4,800,000	
Kennesaw State University - Science Building Chemistry Lab Renovation (Kennesaw)	\$ 2,000,000	
Middle Georgia State University - Aviation Equipment	\$ 5,000,000	
Savannah State University - Campus-wide HVAC and Access Control Infrastructure	\$ 4,050,000	
University of Georgia - Multidisciplinary Greenhouse	\$ 5,000,000	
University of Georgia - Driftmier Engineering Center Renovations - Phase III	\$ 5,000,000	
Small Capital Subtotal	\$48,650,000	\$0
FY 2021 Capital for USG	\$252,050,000	\$167,400,000
 <u>Georgia Research Alliance</u>		
GRA - Equipment and R&D Infrastructure	\$5,000,000	\$5,000,000
 <u>Georgia Military College</u>		
GMC - Student Services and Academic Support Center		\$2,500,000
Total FY 2021 Capital	\$257,050,000	\$174,900,000

**Board of Regents
University System of Georgia
Amended Fiscal Year 2020 Operating Budget Changes**

	<u>Governor's</u>	
	<u>Request</u>	<u>Recommendation</u>
4% Reduction Targets for B-Units	(\$10,361,086)	(\$14,006,573)
EII - eliminate new funds for Manufacturing Extension Partnership	(\$250,000)	(\$250,000)
Funding Formula Correction	(\$9,644,318)	(\$9,644,318)
Adjust DOAS Insurance Premiums		\$656,063
 Net Change to Amended FY20 for USG	 (\$20,255,404)	 (\$23,244,828)
 Pass-Through Organizations:		
Georgia Military College	(\$160,576)	\$47,450
Georgia Public Telecom Commission	(\$612,332)	(\$651,499)
 Net Change to Amended FY20	 (\$21,028,312)	 (\$23,848,877)