Office of the Chancellor
Pennsylvania's State System of Higher Education
University Operations Procedure/Standard Number 2020-44

Complement Management and Reporting
Definitions and Guiding Principles

Approved by: [Signature]
Date: July 27, 2020

History: Revised:

Related Policies, Procedures, or Standards:

Key words/Categories: Finance, human resources, budget, organizational management, reporting

I. Introduction

The System Redesign - Budget Team was established to ensure that the System’s budget process results in consistent application of terms, guidelines, and expectations by all universities to enable reliable, consistent, and realistic projections based on audited financial data for use in predicting changes in financial position over the years. While the team has finalized the standard budget definitions document (rolled out during the BUDRPT21 reporting cycle), during the refinement phase, it has become clear that further definition and guiding principles need to be developed and communicated for the consistent practices of complement management.

II. Definitions

Complement—All active positions that are filled or vacant but authorized to be filled. All positions within the complement have an associated budget expense and are included in SAP HR Organizational Management.

Delimited Position—An eliminated position that is end-dated in SAP (e.g., currently utilized positions have a date of 12/31/9999). Limited reporting capability exists on delimited positions.

Eliminated Position—Position is permanently removed from the complement, budget, and SAP HR Organizational Management. Reporting capabilities exist for these positions.

Frozen Position—Position is no longer part of complement nor included in budget; but is included in SAP HR Organizational Management. Frozen positions may be authorized to be filled in the future. Reporting capabilities exist for these positions.

Temporary Pool—A designated budget area for funding personnel compensation not tied to permanent complement.

III. Guiding Principles

The planning and administration of complement management are critical for the State System and individual universities to achieve financial sustainability and meet strategic
goals. By providing consistent processes and guidelines, this document supports those efforts. It is expected this will be a “living document” and as processes are further developed for sharing instruction, services, and employees across the System, those opportunities will be included as guiding principles.

The following are required for the consistent management and reporting of positions.

A. Management of Positions for Consistent Reporting

1. **Workforce Reporting**—Complement and personnel budgets must be aligned and managed consistently throughout the State System and its universities. SAP HR Organizational Management should include both the complement and frozen positions.

2. **Source of Data**—The official source of data on employee counts is SAP (reported through Business Intelligence), Position Budget Management (PBM) application for personnel budget projections and SAP HR Organizational Management for the university’s workforce structure. For personnel budget projection information to be accurate, employee data within SAP and PBM must be maintained, including the 9003 screen (refer to Human Resources [HR] Business Process Procedures [BPPs] on the HR SharePoint site).

   HR BPPs: [https://secure.passhe.edu/af/sas/hcm/om/User%20Documentation/Forms/AllItems.aspx](https://secure.passhe.edu/af/sas/hcm/om/User%20Documentation/Forms/AllItems.aspx)

3. **Delimiting Positions**—In general, permanent positions should not be delimited so that cost savings associated with their elimination can be tracked. Temporary or interim positions may be delimited. A position should only be delimited after it has been eliminated. The delimiting of a position should be done in consultation between those with responsibility for budget and organization management.

B. Authorization and Management of Vacant Positions

1. **Position Approval and Budgeting Process**—Universities must have a local review process by which vacated positions are reviewed for authorization and funding. When a position is vacated, a decision must be made to fill, eliminate, or freeze it. If a position has been frozen for one fiscal year after date of separation and is not authorized to be filled, it should be eliminated. If the position has been eliminated and is needed later, it must go through the local position justification process.

2. **Budgeting for Vacant Positions**—If a vacant position is anticipated to be filled, the anticipated start date must be entered into SAP HR to ensure the proper full-time equivalent (FTE) count, salary and associated benefit costs are included in the budget projections.

3. **Tenure-Track Vacancies**—If a tenure-track incumbent leaves and the position is not approved to be filled, one of the following procedures shall be followed:
a. Position is frozen or eliminated and funds or a portion of funds are moved to the temporary pool.
b. Position is frozen or eliminated and not budgeted anywhere.
c. Position is frozen or eliminated and funds are repurposed/reallocated to another department.
d. If the position has been eliminated and is needed later, it must go through the local position justification process.

4. **Budgeted Salary Levels for Vacant Positions**—The following pay levels are to be used when budgeting for vacant positions, unless an alternate salary has been identified based on appropriate justification.
   a. Tenure-track positions should be budgeted at a rank of Assistant Professor, step 3.
   b. Temporary faculty should be budgeted at a rank of Instructor, step 1.
   c. Vacant positions in other bargaining units should be budgeted per language in the respective collective bargaining agreement.
   d. Nonrepresented positions should be budgeted at the top of the second quartile of the position’s pay grade.

**IV. Suggestions for Position Approval and Budgeting Process**

Based on feedback from surveys sent to all universities, the following are being offered as helpful—but not mandatory—guidelines to assist in the consistent, accurate management and reporting of complement and associated budget.

**A. Tenure-Track Faculty Positions**

1. It is recommended that consideration of whether to fill a tenure-track position should be based on adherence to sustainability plans and/or strategic goals. Defined data points should be utilized, to include at least the following: enrollment, tenure-track to temporary faculty ratio, accreditation requirements, class size ratio, mission critical, program creation/expansion and excess instructional capacity at other universities.

2. It is recommended that a defined position justification process should be followed to include human resources, administration and finance, and budget offices in concert with academic affairs (provost, deans, department chairs) prior to president’s review/approval of positions to be advertised (timeline example: summer 2019 for fall 2020 needs).

3. It is recommended that another review of needs for tenure-track positions should be conducted based on the data described above and to ensure dollars budgeted for the position align with the anticipated offer and are still available - before offers are made (timeline example: February 2020 for fall 2020 needs).

**B. Temporary Faculty Positions**

1. It is recommended that consideration of whether to hire temporary faculty should be based on adherence to sustainability plans and/or strategic goals. Defined
data points should be utilized, to include at least the following: workload projections that consider such things as credit hour demand by semester, class size ratios, existing FTE faculty, projected tenure-track vacancies (searches and leave), projected enrollments, targeted student/faculty ratio, and use of overload and alternative workload assignments/workload equivalents. The decision process should include the following offices: provost, deans, department chairs, institutional research, human resources, and budget (timeline example: January/February 2020 for fall 2020 needs, with another review in summer 2020 for fall 2020 needs and a review in November/December 2020 for spring 2021 needs).

2. It is recommended that temporary faculty pools should be budgeted based on realistic projections tied to the System’s and university’s sustainability plans and/or strategic goals and not just on prior year experience. Temporary faculty are to be used for the following reasons and should be budgeted accordingly.
   a. Supplement/support class schedules (i.e., faculty/student ratios, defined credit hours).
   b. Supplement tenure-track faculty on various types of leave and other assignments.
   c. Supplement classes during active tenure-track searches.
   d. Specialized areas of instruction (e.g., individual instruction for music lessons, supervised teaching in education, etc.).

C. Staff (Nonfaculty) Positions
   1. It is recommended that consideration of whether to fill a staff position should be based on adherence to sustainability plans and/or strategic goals. Defined data points should be utilized, to include at least the following: compliance issues, separation of duties, ability to repurpose or reallocate to another area, ability to obtain services through intra-System shared services or other means, and core functionality.

   2. It is recommended that a defined position justification process should be followed to include department heads; area vice presidents; human resources, administration and finance and budget offices; and the president/cabinet.

   3. It is recommended that a periodic process (at least biannually) should take place to review vacancy reports, pending personnel changes and adherence to sustainability plans and/or strategic goals. This process should include department heads, area vice presidents and human resources and budget offices.

V. Implementation

   Effective immediately. This procedure/standard will be reviewed after three years to determine if it fulfilled its goals of transparency and consistency.