

Frequently Asked Questions re: Managing the Financial Impacts of COVID-19

Updated as of April 21, 2020

I. Hiring and Compensation Freeze

Hiring

Are any types of positions exempt from the freeze?

The freeze applies to positions for all non-student employee types (staff, temporary staff, temporary academic, and seasonal), unless the position is entirely grant-funded, mission-critical, or contractually obligated. The Position Control Committee will determine if the position is mission-critical based on the description provided. Academic hiring will be slowed; Deans should consult with the Provost's Office on the disposition of searches that are currently underway. Most searches should be paused.

What if an offer has already been extended?

If the position is faculty or another academic appointee, academic units may continue with the appointment where an offer has already been extended, but no further financial adjustments (e.g., in salary or start-up funds) can be made. For any other faculty or academic hire, the Provost will determine which cases, if any, may proceed this year and which should be delayed until the financial situation is clearer. Only those cases that are both mission-critical and represent significant and unusual opportunities to enhance the eminence of the University should be brought to the Provost for consideration.

For non-grant-funded staff positions, hiring cannot proceed unless an offer was already extended.

If I already have a position(s) posted, can it still be filled?

Only positions that are entirely grant-funded or mission-critical can proceed to fill. Unfilled, non-grant-funded job positions will be unposted. Candidates will be notified through Workday that the position has been closed.

What will happen to my open requisition?

The Position Control Committee will review open requisitions to identify those that are grant-funded or mission-critical. All positions that do not meet these requirements will be removed from active posting.

How does the Position Control Committee determine if the position is mission-critical?

All positions that units specify as mission-critical in the notes section of Workday will be raised to the Provost for her consideration. Mission-critical positions in general either support significant external revenue generation or perform core operational duties whose absence would put the University at risk. Further, the duties cannot be absorbed by other staff and are of an expertise that is not replicated on campus. For example: Chief Information Security Officer, Payroll Director.

If an employee resigns or terminates and I want to create a position to replace the employee, will this position be approved?

The replacement position would only be approved if the position of the departing employee is mission-critical or grant-funded.

If I have a grant-funded or mission-critical position need, what process should I follow for approval?

The current process for posting the position should be followed for all staff positions, routing the position for approval by the Position Control Committee through Workday. For academic positions, Deans may contact the Provost's Office.

What if I have a position currently under review with the Position Control Committee?

Unless it is approved as grant-funded or mission-critical, it will be denied.

Can I hire a temporary employee?

Temporary positions will only be approved if designated mission-critical or are grant-funded. Temporary position creation will be reviewed for approval.

Can temporary assignments be extended beyond the current policy of a one-year maximum?

No, there will be no change to the current policy and temporary assignments will continue to be limited to a one-year period.

Can I proceed with a labor pool posting for an employee who is becoming a lawful permanent resident?

Yes, when a position is requested to satisfy posting requirements for an employee undergoing the citizenship process using the job profiles Labor Pool Test – LAPOTOON (non-exempt) or LAPOTOOE (exempt), this request would be approved. The University is currently awaiting guidance regarding limitations on immigration.

What is the guidance around the hiring of Postdoctoral Researchers (PDR)? Is there a requirement that PDRs be 100% grant-funded, following the guidance around the hiring of staff?

The hiring of PDR is allowable when 100% grant-funded or funded with faculty start-up funds. Please provide a justification, including the faculty start-up account to which the PDR's salary will be charged, to the Provost's Office along with the request for these positions.

What is the guidance around the hiring of students? Is there a restriction on funding types that can be used to hire students?

Given the cyclical nature of student employment and the desire to keep our students financially supported, units may continue with student hiring if deemed critical by unit leadership. They may use any fund type for student employment, as long as it is within their budget.

Are faculty start-up funds an allowable funding source for the hiring of postdoctoral researchers, lab managers, research associates, or other scientific staff to conduct research?

Faculty start-up funds are considered contractual obligations in that they are included in a faculty member's recruitment or retention package. As with all exceptions, these cases will need to be reviewed and considered carefully by unit leadership. Any request to hire new staff or postdoctoral researchers in accordance with these funding sources needs to be accompanied by the specific faculty start-up account where the position will be funded. In the case of staff positions funded from faculty start-up, this information should be clearly communicated through the fields in Workday during the submission process.

Does the salary freeze pertain to both FY20 and FY21?

Yes. The freeze will be effective for the remainder of FY20 and all of FY21. This includes incentive payments made in either year for both performance periods.

Variable Pay (formerly extra service payments): Incentives and bonuses paid in addition to base pay compensation

Will there be a freeze on sign-on, spot, annual, retention and/or incentive bonuses?

Incentive pay or bonus payments will only be permitted if contractually obligated (i.e., the bonus has been formally and clearly communicated in a contract, employment/letter of agreement, union contract, or another legally enforceable contract method). Note that discretionary incentive or bonus payments will not be permitted at this time. Documentation of contracts will be required during any request.

Base Pay Adjustments: Annual Compensation Process (ACP)

Will annual base pay increases be frozen for all employees?

Annual compensation increases are frozen for faculty, other academic employees, and staff for FY21 (FY20 merit cycle). There are only two classes of exceptions: 1. contractually obligated increases, such as those in Collective Bargaining Agreements, which we will continue to honor, and 2. Pay increases associated with promotion to Associate Professor with tenure and to Professor.

Can grant funds be used to provide compensation increases or promotions?

The compensation freeze applies to all positions, regardless of funding source. Allowing increases based on the position funding source has potential to create a campus-wide disparate impact. For graduate fellowships or postdoctoral researchers funded on external funds, salary increases in accordance with federal guidelines or requirements for the grant may be considered.

Is the freeze on annual compensation increases likely to lift and result in a delayed annual compensation process?

No, the annual process, scheduled for implementation in July 2020, is cancelled.

Will union represented employees receive any increases?

If an increase is stipulated in a union contract, the increase will occur as stipulated in the contract. Requests for off-scale pay changes will not be approved.

Are probationary increases for non-union staff permitted?

Only if the probationary increase is contractually obligated.

Are equity increases permitted?

No, unless contractually obligated, all forms of increases are frozen.

Can promotions with pay increases for internal employees still proceed?

Contractual promotions may continue. Promotions to Associate Professor with tenure and to Professor may include pay increases. Promotion reviews that are required by a CBA and that may contractually entail pay increases may also proceed. All other promotions with an increase in base compensation must demonstrate adherence to mission-critical guidelines and will require review and approval from the Position Control Committee.

If my unit has a special circumstance that warrants appeal to the freeze, what is the process for this?

In very rare circumstances, an appeal for an exception may be requested. Requests should be submitted via email to compensation@uchicago.edu. Central HR and the University Budget Office will review any requests and agree on any determination.

Allowances

Will employees continue to receive housing allowances?

Any allowances that are contractually obligated will continue. Generally, housing allowances are articulated in the language of an offer or retention letter.

Will employees continue to receive interim pay for assuming roles and responsibilities outside of their scope?

Compensation arrangements due to coverage of interim duties or additional work will be considered. Approvals for new arrangements must be submitted via compensation@uchicago.edu, and will be reviewed by Central HR and the University Budget Office.

Will employees continue to receive administrative supplements?

Yes, though the amount of those supplements will not increase unless contractually obligated. Often, faculty pay is structured as administrative supplements on top of base pay. Those supplements will also not receive an increase.

Workday Functionality

Will Workday functionality be configured to reflect the new requirements and processes?

Yes, position routing to the Position Control Committee and all relevant compensation processes (e.g., request compensation change, request one-time payment) will be re-configured per requirements.

Will the Workday Performance Management process continue?

Yes, regardless of compensation rewards, documentation of goals and accomplishments towards goals should still be discussed and documented. Performance should still be recognized, even if monetary rewards are removed or limited. Central HR will be working with Units to recommend alternative ways to encourage and reward performance.

For positions that already exist in Workday and were previously approved by the PPPC, how do we provide the additional information to demonstrate that they are 100% grant-funded or mission-critical, and should not be closed?

Central HR will provide Units with access to Excel spreadsheets containing posted staff, temporary staff and seasonal positions, by the end of April. Units will be asked to reassert that positions previously submitted indicating full grant funding are still 100% grant-funded. For positions that are not 100% grant-funded, Units will be asked to indicate if they request to leave the position open. For requests to leave positions open, the Unit must be able to assert that the position 1) supports significant external revenue generation, and/or 2) performs core operational duties whose absence would put the University at risk and cannot be absorbed by other staff/are of an expertise that is not replicated on campus. Units will have two weeks to populate their spreadsheets with appropriate responses. Central HR will communicate to each Unit once PPPC decisions are indicated on the Unit spreadsheet.

If I have unfilled positions that are neither grant-funded nor mission-critical, can I proceed to close the positions in Workday?

Yes, Units may close positions at their own discretion in advance of the mass effort. When closing a position in Workday, Units must be mindful of the need to appropriately disposition all active candidates on open requisitions attached to the closed position. Please use the following reason codes and template for any positions you close.

- Requisition close reason: Administrative > No Longer Recruiting Due to Covid-19
- Candidate disposition code: Job No Longer Available
- Candidate email template: Close/Cancel Requisition – Covid-19 Freeze

How will candidates be notified of position closings?

Messaging has been developed that will be emailed to active applicants when the requisition is closed.

What will happen to my unfilled positions in Workday that were never posted or approved by the PPPC (e.g., most temporary staff, seasonal)?

Unfilled positions that were never posted or routed for approval to the PPPC will be closed as part of the mass effort. If you have a temporary staff or seasonal hiring need, you must create a new position. The new position will route to PPPC for approval, who will apply the same criteria as staff positions (documented evidence of full grant funding or mission critical).

II. Budget and Cost Reductions

Q3 Forecast

If units plan to submit a request for the use of banked funds in order to meet their FY20 target, is there a cap on the amount of money requested?

There is no specific cap, but units must clearly and adequately justify the need for use of banked funds using the updated form. Units may not include use of banked funds in their forecast unless it has already been approved.

Budget

How should units interpret the guidance of ‘discretionary spending will be suspended’ from President Zimmer’s April 7 communication?

Only essential spending will continue, and discretionary spending (catering, non-essential travel and conferences, etc.) should be paused. Adherence with this policy is up to the careful judgment of budget managers.

Will the Budget Office be distributing new FY21 targets and waterfall charts to units as a result of the new guidance?

Units’ FY21 budget targets will remain the same and there are no additional target adjustments as a result these budget impacts. All changes will be handled as allocations rather than as target adjustments.

Is the new FY21 guideline of a 10% reduction in the Supplies, Services and Other (SSO) category in addition to the previously communicated FY21 budget actions of 1% target adjustment and 1.5% for the ITS allocation?

Yes, units will need to adjust their FY21 budgets as previously communicated and include a budget for the new 10% reduction in SSO.

How should units budget for the 10% SSO savings transfer?

Units should use their allocation account (generally 4205XX) and use subaccount 9496 (mapped to the same line as other allocations - M42). Please note the subaccount will not be available until Tuesday, April 14.

When will the transfers be made (annually, quarterly, monthly)?

The transfers for the 10% reduction in SSO expenses will take place at the end of each quarter.

How was the 10% calculated?

Please refer to the “FY21 budget impacts – calculation description” document included in the April 7 communication from the Budget Office for an explanation of this calculation.

What if my unit cannot meet the additional 10% reduction in non-personnel (SSO) expenses?

Units will need to include the allocation in their budgets. This will be difficult for units to meet, requiring making difficult decisions on how to cut expenses.

Should Non-Academic/Administrative units submit the *FY21 Alternative budget scenario* with the assumption of remote working for staff for Autumn Quarter as well?

Yes, all units should submit this template and assume that remote teaching and remote working, to the extent possible, continues through Autumn Quarter 2020.

Do the travel restriction assumptions in the guidelines for the *FY21 budget to be submitted in Delphi* mean that international students who may need to return to campus will be able to?**What about study abroad programs?**

Yes, the assumption in the (more optimistic) FY21 budget scenario to be submitted in Delphi is that all students will be able to return to campus for traditional in-person teaching beginning Autumn Quarter 2020 and all study abroad programs will resume at that time as well. However, units are also asked to provide details in the *FY21 Alternative budget scenario* regarding how the *FY21 budget submitted in Delphi* would differ if international students could not return to campus in Autumn Quarter 2020.

I have submitted a Capital Request. When will I know if that has been approved?

Notifications of approval decisions for FY21 capital requests will be sent to units following the May Board of Trustees meeting (early June). All FY21 capital decisions have been pushed to the May board meeting.

Are non-grant-funded faculty research accounts an allowable funding source for non-compensation related research support?

Unrestricted faculty research accounts may be used to support critical faculty research activities. Only expenses that are critical and essential should move forward. Units will be required to manage this in accordance with their budget target.