

# **Recommended Revisions to Academic Impact Fund Statement of Priorities and Guiding Principles**

**Background of the Fund Formation** The *Academic Impact Fund* (AIF) was conceived in the mid-1990s as a method of dealing with both short and long-term issues surrounding changing circumstances in the distribution of faculty resources among various units and disciplines. Three issues stood out at that time as the major reasons for the creation of the fund, all of which remain critical in the ongoing implementation of the AIF:

- ***Faculty/Staff Vacation and Sick Leave Pay-outs:*** When a faculty member retired or resigned, the department, school and/or college would be responsible for the lump-sum payout of accrued vacation time (if any)<sup>1</sup>. This would also include one-half of sick leave accrued during the period 1984-1997.<sup>2</sup> Those payouts would seriously impact the financial viability and ability to fund replacement costs for classes.
- ***Support for Instruction Following Faculty Retirements and Resignations:*** When a faculty member retired or resigned, the department/school would be required to fund instructional support for the classrooms during the gap year. We currently call this “Instructional Capacity.”
- ***Lack of Flexibility in Shifting Resources between Units:*** When a faculty member retired or resigned, the tenure track funds would stay in the tenure track buckets of the unit. These historical practices did not allow the Dean or Provost the flexibility to reassign lines between units based on student demand and programmatic needs.

Because of these major factors, the AIF was born. The essential nature of the AIF was that, upon retirement or resignation of tenured or tenure-track faculty members, all funding would return to the Academic Impact Fund. The Academic Impact Fund would centrally fund all the necessary sick leave payouts and provide the College Instructional Capacity funds during the period the funding for the vacated position remained in the AIF.<sup>3</sup> Colleges make prioritized requests to the Office of the Provost for new and/or replacement tenure track positions as part of the annual Academic Affairs Budget Request process, typically held in March.

## **Fund Processes and Procedures**

- ***Retirements and Resignations:***  
When a tenure-track faculty member retires or resigns, the funding for the salary is returned from the school/department tenure-track bucket to the Academic Impact Fund.
- ***Non-Reappointment, Tenure Denials and Deaths:***

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<sup>1</sup> Faculty ordinarily do not accrue vacation time, but faculty assigned to administrative duties may accrue time up to 420 hours. The AIF historically did not pay vacation payouts until 2008. In that year, the AIF assumed vacation payouts for tenure-track faculty.

<sup>2</sup> It is important to note that many of the current faculty retiring were initially employed during the 1984-1997 period and, thus, continue to have payouts upon retirement.

<sup>3</sup> During the early years of the AIF a flat amount for instructional capacity was given to each unit with a resignation or retirement to cover temporary instruction during the “gap year.” That practice has given way to a more flexible process based upon student demand and programmatic needs.

When a tenure-track faculty member is non-reappointed, denied tenure, or dies,<sup>4</sup> the funding for the position remains committed to the College for up to two years. During that period, the College may request permission to fill the position permanently in the annual budget request process. Additional funding may be requested by the Dean to ensure the ability to hire in the event the salary for the previous incumbent is insufficient.

- **Budget Reporting/Planning Process in March:** College Deans and other units in Academic Affairs are asked to provide an annual report of the current fiscal year and a planning report for the following fiscal year. It is through this budget process that requests are made and prioritized by Deans for consideration of authorization of tenure-track searches.
- **Office of the Provost Decisions – Two-Tier Allocations in May and August:** Following the Budget/Planning Presentations, Office of the Provost personnel thoroughly evaluate all requests for new and/or replacement positions to fully represent all perspectives, including the Associate Vice President for Undergraduate Education, Associate Vice President for Enrollment Management, Associate Provost, Assistant Vice President for Academic Planning, Associate Vice President for Research and Graduate Studies, along with the Associate Vice President for Academic Fiscal Management. Historical trends related to enrollment and faculty FTE are also reviewed. After substantial discussion<sup>5</sup> and carefully considering priorities in Academic Affairs, the Provost provides a recommendation for initial allocations to the President, who makes the ultimate decision on search authorizations. Most positions are authorized in May. However, since resignations and retirements are common at the end of the academic year, a supplemental allocation is authorized in August to address these resignations and retirements which may have changed college priorities. Decisions regarding authorized positions are communicated to the Deans at the time of both the initial and supplemental allocations.
- **Hiring Processes:** Once decisions have been made and approved by the President, hiring authorizations are communicated. At this point, the Departments/Schools can begin the search process. Example timeline:
  - May 2021 – Initial position authorizations made for FY 22 searches/FY 23 hires.
  - August 2021 – Additional positions authorized in consultation with the Deans and authorizations made for FY 22 searches/FY23 hires.
  - FY23 in Aug. 2022 – New tenure track faculty member hired for current year and tenure track funding permanently moved from AIF to the school/department tenure track buckets. The funding remains in the school/department budget as long as the tenure track faculty member maintains the appointment.

Departments and Schools follow recruitment guidelines, and supplemental recruitment funds are available through the Office of the Provost or through college and/or department/school funds. New hires will have a start date of August 16.<sup>6</sup>

- **Instructional Capacity Funding:** Because there is ordinarily a “gap year” or two between the effective date of the retirement/resignation and the beginning of the contract of a new faculty member (if

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<sup>4</sup> In some cases, faculty facing non-reappointment may agree to resign instead. Such cases are treated on a case-by-case basis.

<sup>5</sup> It is at this point that the Office of the Provost must make a number of predictions and estimates for the coming months and years, including the number of retirements and resignations that will occur in the current year, the size of the incoming freshman and transfer classes, the demand for certain majors, second majors, minors and programs, and the need for specific research expertise, among other things.

<sup>6</sup> Milner Library faculty have a start date of July 1; all other faculty have a start date of Aug.16.

authorized), it may be necessary to provide funding to assure that classes taught in that unit will be adequately covered. Ordinarily, this means providing instructional capacity (IC) funding to the affected college based on student demand and programmatic requirements. An initial base allocation to colleges is made in May for the upcoming FY. A second supplemental allocation request is made in January that considers the size of the incoming freshman class, resignations, retirements, FMLA and other academic leave situations and accounts for actual spring enrollment, which may include additional sections of courses needed due to rapid enrollment growth. The Office of the Provost continually monitors and modifies the IC allocation model as necessary to assure a thoughtful and efficient allocation. It is important to note that FY 17 budget reductions negatively impacted permanent non-tenure track faculty funding and graduate teaching assistantship funding available in schools/departments. The decision to give up permanent funding in school/department budgets has led to reliance on temporary instructional capacity funding each year.

- Appropriate IC requests
    - Replacement costs for resignations, retirement, non-reappointment/tenure denial, death.
    - Replacement for sabbaticals or educational leaves.
    - Replacement costs to cover courses for faculty member serving in interim/acting administrative role.
    - When there is a lack of permanent funding to cover a TT overload, or a course taught by an NTT or GTA instructor of record (this includes teaching assignments for clinical/student teaching supervision).
    - Temporary IC needed for program growth (additional course sections)
  - Inappropriate IC requests (will not be funded)
    - Operating costs (student workers, travel, commodities, non-instructional personnel)
    - Additional pays of any kind.
    - Costs associated with course reassignments for administrative duties not included in a faculty members' contract when department variance is available.
    - Graduate Assistantship funding for students who are not course instructors (i.e. grading/attendance only)
- **Guiding Principles**

The following principles are used by the Office of the Provost, in consultation with Deans and members of the Provost's staff, to make decisions regarding the allocation of faculty lines and resources between units.

- Faculty resources should be distributed in accordance with the principles articulated in *Educate•Connect•Elevate* 2018-2023.
- Faculty resources should be distributed so that all students at Illinois State University receive timely instruction in classes needed for timely graduation.
- Faculty resources should be distributed so that all students receive high-quality instruction, and the critical research and service functions of the university are met.
- Faculty resources should be distributed with consideration of current and future student demand.
- Faculty resources should be distributed utilizing the best forecasting tools and metrics available.

Any unique situations that may require IC funding should be directed to the Office of the Provost.

**Uses of the AIF Fund** In addition to hiring new tenure-track faculty, several additional expenditures/considerations influence the AIF:

- **Distinguished Professor and University Professor** [*permanent dollars used to fund*]; The AIF provides permanent funding for salary increases for both Distinguished Professors and University Professors.
- **Distinguished Professor 10<sup>th</sup> month** [*temporary dollars used to fund*]; Distinguished Professors receive a 10<sup>th</sup> month of salary for 2 years, funded by temporary AIF funds.
- **Reserve for Counteroffers:** [*permanent dollars used to fund*]; Deans may request permanent funding from the AIF for counteroffers at any time. Before a counteroffer is made, a confirmed written offer from another institution must be provided. Counteroffers must be approved by the Provost and AVP for Academic Fiscal Management.
- **Salary Increases to New Faculty Replacing Non-Reappointed Faculty:** [*permanent dollars used to fund*]; Often new hires replacing non-reappointed faculty will require additional permanent salary over the prior salary of the non-reappointed faculty member.
- **Administrator Returns to Faculty:** [*permanent dollars used to fund*]; When an Administrator holding faculty rank returns to the faculty after holding a *permanent* AP or Department Chair/School Director position, the AIF funds the tenure track position.
- **Mid-year Retirements and Resignations:** [*temporary dollars used to fund salary expenses and sick/vacation payouts*]; The department/school will be responsible for covering the instructional need created by a mid-year resignation or retirement. If no funding is available, a request can be made to the Office of the Provost for additional instructional capacity to cover instructional costs. This is typically addressed in the supplemental allocation distributed in January.
- **Mid-year Authorizations to Hire:** [*permanent dollars used to fund*]; Deans may request mid-year authorizations as needs arise. The number of such authorizations occurs in unique situations with extenuating circumstances and are quite rare.
- **Acceptance of Permanent A/P or Chair/Director Position:** [*permanent dollars pulled back to AIF*]; When a tenure-track faculty member accepts a permanent AP position (or a position as a Department Chair or School Director) the tenure-track line and funding return to the AIF.
- **Acceptance of Temporary (Acting or Interim) A/P or Chair/Director Position:** When a tenure-track faculty member accepts an *acting* (or *interim*) administrative position, the salary for that temporary appointment is paid by the college or unit. At that point, the faculty salary is returned to AIF. The department/school is responsible for covering the instructional need created by the faculty member's departure. College variance is sometimes used to pay for these instructional costs as well. If full funding is not available from the department/school or college, then a request can be made to the Office of the Provost for additional instructional capacity to cover instructional costs. If the interim appointment ends and the individual returns to their tenure-track position, the salary funding is then returned from AIF to the department/school.
- **Instructional Capacity:** [*annual temporary funding*]; This funding is provided to fund instructional needs depending on student demand and programmatic requirements.

## FAQs

- **What is "variance" and from where does it come?** Variance is unused General Revenue money available during the current fiscal year. There may be variance in departmental/school, college, and university budgets that is available each fiscal year. That is permanent variance. In the case of AIF, if all available permanent funds are not spent in a fiscal year, the remainder is carried forward using the Strategic Budget Carryover (SBC) mechanism. These funds become temporary variance. Please see the Year End Summary Table in the Administrative Affairs and Budget Committee (AABC) report for a current accounting of AIF temporary variance.

- **What is the difference between “permanent” and “temporary” money?** “Permanent” funds are allocated to units on July 1 of each fiscal year for annual commitments. For example, salaries of tenured and tenure-track faculty are permanently allocated until the faculty member resigns, retires, or otherwise terminates employment. “Temporary” funds may be available given circumstances within a fiscal year. For example, the additional funds for a tenth month for Distinguished Professors is a temporary allocation for two years only. Similarly, Instructional Capacity funds are temporary allocations to colleges for one fiscal year.
- **What is Strategic Budgeted Carryover?** Under current State of Illinois guidelines, Strategic Budgeted Carryover (SBC) provides the opportunity for units to strategically address needs that would otherwise be too expensive in one fiscal year. Units can identify specific projects/equipment/initiatives that require strategic use of multiple years of fiscal reserves and make a request to carry over a portion of funds from one fiscal year to the next for expensive strategic initiatives.
- **How has the Strategic Budgeted Carryover changed the operation of the AIF?** SBC has allowed the Academic Impact Fund the ability to be more strategic with temporary commitments. During uncertain budgetary times, SBC funds from AIF provide a source to pay for instruction on a year-to-year basis. Beginning in FY18, AIF-SBC funds were allocated through Provost Enhancements to colleges for equipment needed for instruction, facility renovations, technology, and other uses endorsed by the Academic Senate. This type of allocation continued in FY 19 and FY 20. The priority of SBC funds in AIF will continue to support instructional needs in the colleges. Effective in FY 21, strategic allocations of AIF-SBC funds will no longer be allocated out of AIF due to a mandatory student fee that is collected annually. The Academic Enhancement Fee (AEF) is available to fund technology and facility projects to enhance student learning and can be requested in the annual budget request process. This reserves the AIF for tenure track faculty lines or temporary replacement funds in the event of resignation, retirement, academic leave, or increased instructional resources in response to student enrollment demand.

**Recommended revisions April 29, 2022 by AVP Dan Elkins and the NTT/TT Ratio ad hoc committee of the Academic Senate**