

### **What is happening?**

Beginning July 1, 2020, all hiring managers will be asked to categorize new staff hires into standing or fixed-term positions based on the position's description and the work being done. A truly temporary position that has an end date will be labeled a fixed-term position, and every other position will be in the standing category. Typically, "standing" positions came from the permanent budget, and "fixed-term" positions were funded from the temporary budget. This approach implied to some that standing positions are more secure, while fixed-term positions must be renewed annually. Using the new strategic approach to budgeting, the budget categories "permanent" and "temporary" will be removed, which will enable positions to be categorized by the intent of the work being done.

### **Why is this happening? Is this related to the university's response to the coronavirus pandemic?**

In December 2018, Nick Jones and David Gray worked with key university stakeholders and formed the Strategic Budget Task Force. This group was asked to examine key issues related to the university's budget process and make recommendations about a new budgeting approach for Penn State. Three key areas were identified: Overall Budget Approach, Operating Budget, and Capital Planning. A recommendation within the operating budget key area was to address salaries, specifically to update policies and processes related to salary identification and reporting. As a result, the Salary and Job Classification working group was formed and has been tasked with creating new policies and processes to optimize the human resource classifications that align with the new budgeting approach. The changes that go into effect July 1, 2020 are a direct output of this working group. The recommended changes for phase 2 (current staff employees) and phase 3 (faculty) are currently being addressed and aim to be implemented towards the later part of the 2020-21 fiscal year.

### **Why is Penn State moving away from "permanent" and "temporary" funding? How does that impact the current "standing" and "fixed-term" categories?**

Penn State is moving away from "permanent" and "temporary" funding due to the launch of SIMBA on July 1, 2020 and the new approach to strategic budgeting. As of July 1, 2020, there are no immediate impacts on current **staff** in "standing" and "fixed-term" categories. In phase two, which is taking place throughout fiscal year 2020-21, current staff positions will be reviewed based on the new approach, and a process will be developed to recategorize employees from fixed-term to standing, as needed. Also, new category names will be explored and potentially adopted to reflect these changes.

### **What is the difference between "standing" and "fixed-term" positions now? How will those definitions change on July 1?**

Currently the difference between "standing" and "fixed-term" positions, from a budget perspective, is how they are funded. A "standing" position is typically funded by "permanent"

funds, while a “fixed-term” position is typically funded by “temporary” funds. With the launch of SIMBA on July 1, 2020 and the new approach to strategic budgeting, the “permanent” and “temporary” fund types will no longer exist. Hence, the link of position type to fund type is removed. Allowing Budget Executives, Financial Officers, Hiring Managers and Human Resources professionals the ability to correctly identify **Staff** positions based on the work being done and the financial resources supporting the position.

**Will employees lose their jobs as a result of the recategorization process described in phases two and three?**

No, recategorizing the position type will not affect the position’s salary, duties or responsibilities. This change only allows the University the ability to correctly identify positions based on the work being done and the financial resources supporting the position.

**Why is the change to position type for staff new hires happening now?**

The launch of SIMBA on July 1, 2020 and the new approach to strategic budgeting have allowed us to re-evaluate the way we label **Staff** job types and appropriately position them inside of the University. The changes will allow Budget Executives, Financial Officers, Hiring Managers, and Human Resources professionals the ability to correctly identify **Staff** positions based on the work being done and the financial resources supporting the position.

**Will this change impact my current Standing or Fixed-Term staff position?**

No, at this time the changes will only affect new **staff** positions hired after July 1, 2020.

In phase two, which is taking place throughout fiscal year 2020-21, current staff positions will be reviewed based on the new approach and a process will be developed to recategorize employees from fixed-term to standing, as needed. Also, new category names will be explored and potentially adopted to reflect these changes.

**Will this change impact my current Standing or Fixed-Term Faculty position?**

No, at this time the changes will only affect new **staff** positions being hired after July 1, 2020. Additionally, in phase three, which is running parallel to phase two, non-tenure track faculty categorizations will be examined. This process will involve the University Faculty Senate, which will help to determine if any non-tenure track faculty job category changes are needed. Both phases are expected to conclude by the end of the 2020-21 fiscal year.

**Will this change impact the Tenured Faculty hiring process and policy?**

No, the Promotion and Tenure process is outside of the scope of this project and will not be impacted.

**I am a hiring manager. How do I know the correct position type, Standing or Fixed-Term, for a new position I am hiring?**

Human Resources will provide hiring managers with a job aide with guidance on how to choose the position type that is more aligned with the work and true intention of the position. Additionally, Financial Officers will be able to help with guidance based on their knowledge of the financial resources supporting the position in order to accurately classify the job type.

**Does this announcement mean the pause in hiring has been lifted?**

No, as of April 2020 new hires still need to be requested for and approved by Budget Executives through to the Provost.

**If I have additional questions as a staff member or member of the faculty, who should I contact for more information?**

Unit-specific questions should be directed to the appropriate Human Resources Strategic Partner or Recruiting Specialist. Budget-related questions about positions should be directed to unit Financial Officers.

*If you are a Hiring Manager or need unit specific information visit the [Human Resources FAQ](#).*