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## Message from the President

Georgia Southern University

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# Message from the President – April 29, 2019

Dear Colleagues,

With the information on tuition and budget allocations provided by the Board of Regents, and having now collected all the information we were seeking on the budget redirection and the first phase of the Comprehensive Administrative Review (CAR) implementation, we have finalized our budget for Fiscal Year 2019-2020.

I am pleased to announce that we will be investing **approximately \$11 million toward recurring faculty and staff salary increases for FY20**. This means approximately \$6.5 million in salary equity to faculty and staff, \$500,000 in faculty promotion and tenure salary increases, and another \$4 million (this includes \$3 million from state funding) in salary merit increases to faculty and staff.

I, along with the entire leadership team, want to thank you for your patience and understanding as we have worked through our enrollment-related budget issues in preparation for the new fiscal year, which starts July 1. Your willingness and diligence to address these budget issues directly, while prioritizing our students' needs, was essential to resolve our budget shortfall and inevitably to invest in our people. We want to thank each unit, department, college, and division that earnestly assessed operations and vacant positions. This is not fun work, but I am convinced this effort will ensure financial sustainability and growth for the future.

The budget redirection process was extremely successful in realizing savings without significant impact on our students. Our guiding principles in this process were: 1) direct instruction and ensure program and course delivery, 2) student services, support and success, and 3) operational sustainability and effectiveness. With these in mind, we identified 196 vacant positions for elimination (43 faculty and 90 staff from budget redirection, plus an additional 63 staff positions identified during the CAR process). Vacant positions eliminated were all vacant as of March 15, 2019 — with some vacant for six to 12 months or longer.

We want you to understand, in detail, the FY20 budget prioritizations and implementations. Below is an overview of the identified savings, new funding and strategic investments. You may notice that some of these figures are different from what Vice President Whitaker presented last month – his March presentation was based on available estimates. These are final figures. For more detail, please see “FY '20 Actual Budget and Redirection/Reduction (pdf)” at <https://president.georgiasouthern.edu/performance-excellence/>

- Actual budget reduction: \$13.1 million  
*(Previous figures were based on available estimates)*
- Savings identified/new funding: \$26.4 million  
*(generated via budget redirection, elimination of vacant positions, savings from first phase of CAR efficiency study, new formula funding from USG, funding from 2.5% undergraduate tuition increase)*
- Funds available for FY 2020 strategic priorities: \$13.3 million  
↳ Strategic priorities planned for FY 2020:
- Addressing faculty & staff salary equity studies: \$6.5 million
- GS share of 2% merit increase + faculty promotion & tenure: \$1.5 million
- Student success/enrollment growth/retention: \$2.67 million
- Restoring university reserves: \$2.6 million

We began with a budget redirection target of 10% for each unit — the total redirection ended up ranging from 5.5% (Academic Affairs) to 10.07% (Business & Finance) for an average university-wide reduction of 6.79%. The total amount identified was approximately \$20.3 million. My thanks to all for their diligent work on this process.

As noted previously, CAR helped us identify 63 vacant staff positions that could be eliminated without adversely impacting student success and operational effectiveness. While the CAR effort is *not* a budget exercise, the work did assist with our redirection efforts and will be part of continuous assessment and improvement at Georgia Southern.

Also noted earlier, the budget redirection process is allowing Georgia Southern to invest approximately \$6.5 million in salary equity to faculty and staff. This is a priority to invest in our people.

This investment is a result of the staff salary study by Sibson Consulting, and the faculty salary study by Dr. Michael Toma, an economics professor in our own Parker College of Business.

We are investing \$3.8 million to ensure all staff salaries are at least at the entry point minimum of their pay band with additional targeted market adjustments planned for some critical areas. This first round of adjustments will impact 816 staff members. (No one's salary will be decreased through this process.)

For faculty, we are investing approximately \$2.7 million in salary equity to ensure compensation for the faculty, as a whole, will be at approximately 90% of peer median. This investment will impact 327 faculty members.

Employees and their supervisors will be notified of their new salaries pending final review and approval from the University System in May.

Again, we will post details of the FY 2020 budget, CAR and the salary study online at <https://president.georgiasouthern.edu/performance-excellence/> and will communicate these details at upcoming Faculty Senate and Staff Advisory Council meetings.

We are all in this together and will continue to invest in our students' success, our dedicated faculty and staff, and the communities we serve.

Sincerely,  
Kyle Marrero  
President