Information Item

BOT – 7  Written Update on UNCG’s Faculty Realignment Incentive Program (FRIP)

Background Information

Enclosed is a written update from Academic Affairs regarding UNCG’s Faculty Realignment Incentive Program (FRIP) as of March 22, 2024.

Attachment

7.1 Update on UNCG’s Faculty Realignment Incentive Program

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Provost & Executive Vice Chancellor
FRIP Background Information

The Faculty Realignment Incentive Program (FRIP) was established by the UNC Board of Governors to provide a retirement incentive for eligible tenured faculty members on five UNC System campuses facing resource challenges linked to enrollment decline: UNC Greensboro, UNC Asheville, East Carolina University, NC Central University, and Winston-Salem State University.

The Program provides eligible faculty a retirement incentive in the form of a one-time payment equal to the individual’s base academic year (9-month) salary or in the case of a Library faculty member (12-month). The Program is voluntary and is not intended to solicit requests broadly for early retirements across the UNC System’s workforce, but rather to be a management-directed initiative addressing the following legislatively imposed criteria:

a. Long-term (recurring) cost savings of a FRIP offer to the institution.
b. Positive long-term impact of a FRIP offer on institutional efficiency and effectiveness.
c. Total one-time cost of contemplated FRIP offers to the institution and its ability to fund.

Faculty are not eligible if they had any pending or in-process termination action prior to the date of the FRIP offer that would have otherwise resulted in end of employment with the University, such as retirement under disability or application to the phased retirement program.

A total of $16.8 million was set aside by the Legislature to fund the program across all five participating campuses over a two-year period (2023-24 and 2024-25).

Current Status of FRIP at UNCG

- A minimum of $3,825,788 in incentive funding is guaranteed to be available to UNCG. If UNCG exceeds that number (awards a greater sum in incentive funds to faculty FRIP participants) we may qualify for additional funding, up to $4.2 million (110% of the minimum).

- UNCG was allocated an initial sum of $2,987,658 based on the number of faculty members who accepted an invitation to participate in FRIP, as of March 15, 2024.
However, these faculty are given a System-mandated period of 45 days to opt-out of participation. Two UNCG faculty opted-out of participation after March 15.

- To date, UNCG has commitments from 20 faculty members to join the FRIP. The total incentive funding needed for these faculty is $2,524,097, leaving a net (minimum) balance of $1,301,691 for subsequent allocation.

- The estimated gross salary savings at UNCG (assuming no replacement of these 20 faculty members) is $2,524,097 in salary and $699,878 in benefits, for a total of $3,223,975. However, in order to continue to meet student course demands, some of these faculty must be replaced. These expenses reduce the anticipated net savings to $1,539,070.

- UNCG will launch another round of invitations early in the Fall 2024 semester, hoping to fully expend the balance of our minimum allocation ($1,301,691), and perhaps exceed it.

- Our deadline for committing next year’s incentive funds, for retirements occurring after the Fall 2024 or Spring 2025 semesters, is January 14, 2025.