

April 10, 2015

MEMORANDUM

To: Deans, Directors, and Others Responsible for Budgets

From: Chaouki Abdallah, *Chaouki Abdallah*
Provost and Executive Vice President for Academic Affairs

Subject: **BUDGET GUIDELINES FOR FY2015-16**

If your unit receives an allocation of the Instruction & General (I&G) budget, a Microsoft Excel workbook was emailed to you and your fiscal agents on 3/26/15. Please examine these allocations closely.

All units that report to the Provost have until **April 19, 2015** to Lock Level 4 Organizations in Salary Planner and Budget Development. All Schools/Colleges/VP units at the Level 2/3 Organization must be completed and locked no later than **April 23, 2015** for both Salary Planner and Budget Development. However, smaller units are encouraged to complete their budgets before this date, if possible. Budgets must comply with the following instructions, which supplement the University-wide guidelines:

1. Faculty Salaries

There will be no I&G funds allocated to academic units to support individual faculty (12 month faculty, 9 month faculty, Executive faculty, and Post Docs/Fellows) increases on the basis of such factors as merit, market competitive salary levels and correction of inequities.¹ The pre-authorized range for individual salary increases is 0%-2%. **Any non-promotional increase to a faculty member's base salary outside of this range requires approval by the Provost Office by 4/20/15 or the changes will be voided within Salary Planner.**

Non-Promotional Compensation:

Any academic unit requesting non-promotional compensation changes for faculty, including equity and retention increases, must provide the following information to support their request:

1. Merit Increases:

- a. Increases within the 0-2% range must be sure to have the Annual Written Faculty workload and performance review completed and on file.
- b. Increases above the range (2% plus) must complete the "Compensation Change Request" form which includes verification that the Annual Written

¹ The final determination of salary increases for School of Medicine faculty will be made by the Chancellor for Health Sciences.

Faculty workload and performance review was completed and on file, and written justification addressing the need for the increase.

2. Equity and Retention Increases:

- a. Increases within the 0-2% range must be sure to have the Annual Written Faculty workload and performance review completed and on file, and an update of the department's compensation assessment (5 year equity scatterplot submitted with college hiring plan and/or updated analysis; this form can be found on the OFAS website: <http://ofas.unm.edu/#>).
- b. Increases above the range (2% plus) must complete the "Compensation Change Request" form which includes verification that the Annual Written Faculty workload and performance review was completed and on file, written justification addressing the need for the increase, and an update of the department's compensation assessment (5 year equity scatterplot submitted with college hiring plan and/or updated analysis; this form can be found on the OFAS website: <http://ofas.unm.edu/#>).

Please contact your OFAS consultant for the "Compensation Change Request" form and more detailed instructions for completing the 5 year equity analysis.

If the reviews have been completed, and the non-promotional increase to base salary has been approved by the Provost Office before Salary Planner has locked on **4/20/15**, please include the increase in Salary Planner. If the review has not been completed notify the Office of Faculty Affairs and Services (OFSA) to ensure that you process the request for review and approval before **7/7/2015**.

The pre-approved salary increase is to be calculated based on the individual's 2014-2015 base salary. The individual's base salary **does not** include special administrative components, special teaching components, or extra compensation as defined by Faculty Handbook Policy C140.

Research Faculty Compensation:

Consistent with prior year, for main campus research faculty, including Post Docs, increases are permitted provided that funding is available and approved in their respective **restricted** budgets. The range for salary increases is 0% -6 %. **Any change outside of this range must be justified to the Vice Provost for Research by 4/20/2015.** In order for the July 1st salary increase to be applied, the relevant compensation form or post doc information form must be submitted to the OFAS.

Faculty Promotions:

Fixed promotional increments for 2014-2015 will be funded from a **separate allocation** and will be as follows:

| | |
|---|---------|
| Full Professor to Distinguished Professor | \$5,000 |
| Associate to Full Professor | \$5,000 |

| | |
|----------------------------------|---------|
| Assistant to Associate Professor | \$4,000 |
| Lecturer to Principal Lecturer | \$4,000 |
| Lecturer to Senior Lecturer | \$3,000 |

These increments will be added to your budgets when promotion decisions have been completed. Submitted budgets should reflect the current titles of faculty under consideration for promotion and should not reflect the fixed promotional increments. Notifications for these faculty members, including the promotional increase, will be held pending final promotion and tenure decisions. The Provost Office will provide written notification to these faculty members at the completion of the process.

Faculty Sabbaticals and Leave Without Pay (LWOP):

Sabbatical salaries should be footnoted and budgeted as follows:

- Full base salary for regular one-semester sabbaticals at full pay;
- 0.67 times base salary for regular one-year sabbaticals at 2/3 pay;
- 0.835 times base salary for mini-sabbaticals (one semester at 2/3 pay);
- 0.835 times base salary for regular one-year sabbaticals at 2/3 pay that span two academic or fiscal years.

Please indicate Sabbaticals at 67 percent appointment or 100 percent appointment, based on the fall semester assignment. Please add a comment in salary planner for all sabbaticals, indicating the 2015-2016 9 or 12 month base salary.

For faculty on leave without pay (LWOP) please indicate the anticipated length of the LWOP and the 9 or 12 month base salary in the comments.

Compensation for Faculty Administrators

While additional compensation is appropriate for faculty administrators, it should not include increases to the base salary, which would be retained after the administrative role ends. The preferred means for compensating an individual for additional administrative duties is via Special Administrative Components (SACs) and/or workload adjustments. SACs may be payable with non-recurring revenue.

Special Administrative Components (SACs):

Please include any special administrative components (SACs) for faculty performing administrative duties. SACs should not be awarded unless written SAC guidelines for making such awards are on file with the requisite Dean/Director per policy C.180. For 9 month faculty, SACs can be distributed in equal installments over the academic year or over 12 months if it includes a summer administrative component. Please use comments to specify the amount, title of the SAC, and desired number installments if it includes a summer administrative component.

For faculty who did not have a SAC in 2014-2015 or a secondary job record is not available in salary planner, please include the amount of the SAC in the position budget; do not include the amount of the SAC on the primary job record with the month base salary. Please add comments to specify the addition of the SAC, the amount, title of the SAC, index to be paid from, and the desired number of installments if it includes a summer administrative component.

For faculty who had a SAC in 2014-2015 that will not be continued in the 2015-2016, please zero out the position and job record and include a comment that the SAC is being discontinued.

Extra Compensation:

Funds to be paid to faculty from account codes: 2001-STCs, 2004-Teaching Overload, 2005-Incentives, 2008-Non-credit Instructors, 2009-Extended University; as Extra Compensation per policy C. 140 are to be budgeted as a line item in budget planner on account code 20EA, not on the position record. Extra Compensation should not be awarded unless written guidelines for making such awards are on file with the requisite Dean/Director per policy C.140.

Please be sure to document all changes (Equity Adjustment, Distinguished Professor increase, etc.) in the comment section with dollar amounts and explanation of changes per the OFAS Comment Guide.

Temporary Part-Time Faculty:

For temporary, part-time faculty, calculate FTE by dividing budgeted salaries by \$23,896. The minimum rate of pay for adjunct and temporary part-time faculty is \$664 per credit hour.

2. Staff Salaries

There will be no I&G funds allocated to academic units to support staff salary increases in FY16, therefor there is no pre-authorized individual salary increase. **Any changes must be justified to the Provost Office through the Out of Guidelines request process. All Out of Guidelines request must be entered into Salary Planner and submitted to the Provost Office for approval by 4/20/15.** Please see the HR website for additional information <http://hr.unm.edu/compensation/mass-salary-update.php>.

3. GA/TA Stipends

There will be no I&G funds allocated to academic units to support GA/TA increases in FY16. Please use the following *minimum* amounts per 0.50 FTE appointment:

| | | |
|---------------------|----------------------|-----------------------|
| Graduate Assistants | \$12,907 pre-masters | \$14,198 post-masters |
| Teaching Assistants | \$13,919 pre-masters | \$15,312 post-masters |

For calculating FTE use a value of \$30,624 for 1.0 FTE.

For more information please see Office of Graduate Studies website:
<http://ogs.unm.edu/funding/assistantships.html> under Minimum Salary tab.

5. **Student and Temporary Employee Salaries**

There is **no additional I&G allocation** for student and temporary salaries. The minimum wage rate for student employees will not change. Use an average of \$19,068 to compute student/temporary FTEs.

6. **Instructional Planning Allocations**

In FY16 we will allocate funding for summer session and the remaining instructional Planning funding (was funding for EWDP, Intercession, and Enrollment Growth) as two 1660 allocations. The I&G allocation workbook includes these allocations. Actual funding will be allocated based on these amounts as long as the unit is committed to offering all the courses needed for their students, regardless of the modality of instruction.

7. **Other Allocations/Transfers**

Schools/Colleges will receive a detailed spreadsheet regarding your base budget adjustments. Included will be allocations/transfers coming from the Provost and the VP for Equity and Inclusion. The allocation and transfer spreadsheet shows what the Provost and VP will be budgeting (in most cases a negative 1660 or transfer account code), you should budget the opposite (in most cases a positive 1660 or transfer account code).

8. **Indirect Cost (“Overhead”) Budgets**

Separate budgets are required for all overhead funds allocated or “returned” by the Vice Provost for Research. Overhead budgets are subject to the guidelines included in this document. Your unit will receive a projected F&A budget for FY16. Questions regarding overhead budgets should be referred to Barbara West at 277-2949 or bwest@unm.edu.

9. **Other Instructions**

The Academic/Student Affairs will use only the Budget Development system in Loboweb. Your budgets must be prepared using this system. At their discretion, deans and directors may reallocate funds within their overall I&G allocations. **However, non-salary allocations may *not* be used to supplement salary increases for continuing employees.**

Regarding employees with multiple salary sources, please utilize the *“comment”* field to show all sources of salary by index number, if at all possible. Contracts cannot be issued until all salary sources are known by index number.

Please pay close attention to the calculation of FTEs, which should be consistent with budgeted salary dollars.

Comments **will be required** for budgets using account code 1901, 20SA, and 20EA. Please provide detailed description of planned use for these amounts in the comments section of the account code.

Comments **will be required** for budgets using allocation account codes and transfer account codes. Please indicate the index, account code, short description and dollar amount where the offset allocation is occurring (**ex: To 688001-1660 Funding for Academic Excellence \$10,000 *or* From 158003-11F0 Departmental training support \$5,000**). All allocations and transfer budgets must tie out at a university level. This documentation will help both the Provost Office and Budget Office tie out the final allocations and transfers.

Budgets must be completed at the Level Three Org. no later than April 23, 2015 by 5pm. Please see Budget Office website <http://www.unm.edu/~budget/guidelines/> for University Budget Guidelines.

Please contact Nicole Dopson at 277-8126 or nicole14@unm.edu if you have questions.