

**MEMORANDUM**

To: Deans, Directors, VPs and Others Responsible for Budgets

From: James P. Holloway, Provost and Executive Vice President for Academic Affairs

Date: March 23, 2022

Subject: **FY23 PROVOST BUDGET GUIDELINES**

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If your unit receives an allocation of the Instruction & General (I&G) budget, an Excel workbook was emailed to you and your fiscal agent on March 23, 2022. Please examine these allocations closely. All units that report to the Provost have until **April 11, 2022** 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 15, 2022** 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:

**Faculty Salaries:**

At this time, a 7.12% (3% effective 4/1/22 and 4% additional increase effective 7/1/22) increase has been approved for individual faculty (12-month faculty, 9-month faculty, Executive faculty, Faculty Working Retirees and Post Docs/Fellows), which should be awarded based on satisfactory performance to all faculty listed above. Funding for the I&G portion of the increases will be allocated to your unit in the base allocation. Given the current faculty union negotiations these increases are **not automatic**, therefore please budget the funding for bargaining faculty increases in a pooled budget account code (**20FA- Pooled Faculty Compensation**) until union negotiations have concluded and final decisions have been made for this allocated increase pool. Fringe benefits for the compensation increase amount should be budgeted **in the appropriate fringe account codes**. Please note once compensation has been negotiated, budget adjustments will be needed in order to move the budgeted expenses to the appropriate account codes.

For non-bargaining faculty, the 3% increase has been loaded into Salary Planner and will be effective 4/1/22. The 4% additional increase should be applied to these faculty in Salary Planner, with some exceptions. Additional guidelines for non-bargaining faculty will be sent to each unit by the Office of Academic Personnel (OAP) soon.

All salary increases are to be calculated based on the individual's 2021-2022 base salary prior to any promotional adjustments. The individual's base salary **does not** include special administrative components, special teaching components, or extra compensation as defined by Faculty Handbook Policy C140.

**Faculty Promotions:**

Fixed promotional increments for Main Campus faculty for 2022-2023 are funded from a **separate allocation** of revenue (Branch Campuses will fund their promotions internally).

**FY22 Increase Amounts are detailed below:**

Full Professor to Distinguished Professor	\$8,240
Associate to Full Professor	\$8,240
Assistant to Associate Professor	\$4,120
Lecturer to Principal Lecturer	\$4,120
Lecturer to Senior Lecturer	\$3,090

Changes to rates for FY23 are subjected to union negotiations. These increments will be added to your budgets in FY23. Provost Holloway will notify faculty members of the promotion and tenure decisions on June 30, 2022.

**Faculty Sabbaticals and Leave Without Pay (LWOP):**

Sabbatical salaries should be footnoted and budgeted as follows:

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

Please add a comment in salary planner for all sabbaticals, indicating the 2022-2023 9- or 12-month base salary.

For faculty on leave without pay (LWOP) please indicate, in the comments section, the approved length of the LWOP and the 2022-23 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 with exception for executive faculty, which would be retained after the administrative role ends. The means for compensating an individual for additional administrative duties is via Special Administrative Components (SACs) and/or workload adjustments.

**Special Administrative Components (SACs):**

Any special administrative components (SACs) for faculty performing administrative duties which will continue in 2022-2023 should be included in Salary Planner. Please use comments to specify the amount and administrative title associated with the SAC. The compensation increase should **not** be applied to any SAC. Changes to SAC amounts should be reflected in the unit's SAC policy.

New SACs for 2022-2023 should not be applied in Salary Planner; however, the SAC

should be budgeted in Budget Planner under account code 20SA with a comment indicating amount, name of faculty, and administrative title. The new SAC should be submitted via the SAC Request Form <https://oap.unm.edu/faculty/compensation/documents/sac-request-7-15-16.pdf>, and awarded only if written SAC guidelines for making such awards are approved by the Dean/Director and by the Office of the Provost, per Faculty Handbook Policy C180, and on file with OAP.

For faculty who had a SAC in 2021-2022 that will not be continued in 2022-2023, please zero out the position and job record, and include a comment that the SAC is being discontinued.

If an academic year SAC is ending, you must submit a SAC form ending the assignment with an effective date of 5/31/22. Please make sure to submit these to ensure that we have the correct effective dates. Otherwise, they will be loaded with \$0 compensation.

#### **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 FHB policy C140 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 FHB policy C140.

#### **Temporary Part-Time Faculty:**

At this time, a 7.12% (3% effective 4/1/22 and 4% additional increase effective 7/1/22) increase has been approved for Temporary Part-Time Faculty which should be awarded based on satisfactory performance. Funding for the I&G portion of the increases will be allocated to your unit in the base allocation. Given the current faculty union negotiations, please budget the funding for these increases in a pooled budget account code (**20FB-Pooled Temporary Faculty Compensation**) union negotiations have concluded and final decisions have been made for this allocated increase pool. Fringe benefits for these pooled accounts should be budgeted **in the appropriate fringe account codes**. For temporary, part-time faculty, calculate FTE by dividing budgeted salaries by \$24,862. The minimum rate of pay for adjunct and temporary part-time faculty is \$720.00 per credit hour.

#### **Staff Salaries**

Effective April 1, 2022 a 3% base salary increase will be applied to all regular staff employees who were hired prior to January 1, 2022. These increases will be processed automatically by Human Resources, and no action is required from departments. Please note this increase will be reflected in Salary Planner.

Effective July 1, 2022 an additional **4% average** increase has been approved for eligible staff, which should be awarded on the basis of satisfactory performance. All eligible employees **must receive a minimum of a 2%** increase. Increases above 2%, but not to exceed 4%, may be provided at department discretion. Deans and Vice Presidents should

endeavor to provide an overall average increase of 4% across their level 3 organization. EVP/SrVP areas will work with colleges and divisions to ensure appropriate overall increase levels university wide.

Funding for the I&G portion of the increases will be allocated to your unit in the base allocation. The 3% increase has already been added to the staff's salary on the job side of Salary Planner, so any additional increase is the only adjustment that needs to be accounted for on the job side. The position (budget) side will still need to be adjusted accordingly.

On a limited basis and contingent on sufficient internal funding, departments may request increases above 4% to address equity, performance, retention, or compaction, or to address the impact to employees whose increase results in a change in benefit salary tier. These out-of-guidelines requests will be limited and will require dean and EVP approval through completion of an out-of-guidelines request, form can be found at <https://hr.unm.edu/aa-msu>. **These requests are due to the Provost/EVP by April 15, 2022.**

Please see HR's website Mass Salary Update <https://hr.unm.edu/mass-salary-update> for details regarding the compensation increase and out-of-guidelines exceptions on HR's website. Please be sure to adhere to the deadlines noted in these additional guidelines, as exceptions will **not** be allowed.

Please note salary increases for bargaining unit employees are subject to the applicable collective bargaining unit agreement. At this time, please budget the funding for these increases in a pooled budget account code **(20SU- Pooled Union Staff Compensation)** until final decisions have been made for this allocated increase pool. These increases should not be budgeted in Salary Planner, not on the position or the job side. Fringe benefits for these pooled accounts should be budgeted **in the appropriate fringe account codes.**

## GA/TA Stipends

There will be funding allocated for GA/TA increases in FY23 by 7.12% for I&G funded units. In prior years GA/TA rates were adjusted to reflect these increases. Given the current graduate union negotiations, rates will not be adjusted until final negotiations have been concluded. Please use the following **minimum** amounts per 0.50 FTE appointment:

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Graduate Assistants	\$13,232 pre-masters	\$14,555 post-masters
Teaching Assistants	\$14,269 pre-masters	\$15,670 post-masters

To calculate FTE, use a value of \$31,340 for 1.0 FTE.

For more information, please see the Graduate Studies website: <http://grad.unm.edu/funding/assistantships.html>.

## Student and Temporary Employee Salaries

There will be additional funding allocated for student salaries to use at the discretion of the units for student employee salaries. This additional allocation was based on the compensation increase of 7.12%. Please use an average of \$23,460 to compute student/temporary FTEs.

## Minimum Wage Increase

There will be additional funding allocated to units for employees that were I&G funded and making less than the newly adjusted increased rate of \$15.00 per hour. This change will be effective July 1, 2022, which is applicable to regular staff and non-regular staff (temp., on-call, and term). Funding will also be allocated for the \$11.50 minimum wage increase made effective January 1, 2022, as well as the increase to \$12.00 that will become effective January 1, 2023. This increase will be applicable to non-regular staff and student employees.

## Fringe Benefits

Please note that your unit is responsible for budgeting fringe benefits in the **appropriate account codes**. The table below is to provide **guidance** on how to calculate estimated fringes by account code.

**Estimated Averages\* for Budgeting Purposes - Calculate Benefits as a percent of salary, see below.**

Acct Code	Benefits	Faculty	Staff	Temp Faculty & Temp/On Call Staff	Other Students	Graduate Students (GA/TA/RA/PA)**
2110	FICA Gen (Includes Medicare)	7.65%	7.65%	7.65%	n/a	n/a
2140	Retirement	17.15%	17.15%	n/a	n/a	n/a
2160	Group Insurance	9.50%	12.99%	n/a	n/a	22.52%
2180	Unemployment Compensation	0.07%	0.07%	0.07%	n/a	n/a
21A0	Workers Compensation ***	0.09%	0.09%	0.09%	0.09%	0.09%
21J0	Misc. Other Benefits	4.26%	4.26%	n/a	n/a	n/a
21L0	Accrued Annual Leave	0.01%	0.01%	n/a	n/a	n/a
21L1	Catastrophic Leave	0.01%	0.01%	n/a	n/a	n/a
	<b>Total</b>	<b>38.74 %</b>	<b>42.23%</b>	<b>7.81%</b>	<b>0.09%</b>	<b>22.61%</b>

\* The above rates are **Averages**, if your department's actual costs are higher, then use your own estimates.

\*\* Not shown above are **Tuition Waivers** for GA/TA/RA/PA. Refer to Graduate Office Policy to estimate budget for Tuition Waivers.

\*\*\* Use Workers Comp Rate of 1.4% for employees in hazardous positions.

Please note that the Foundation Surcharge of .5% will be charged against these expense account codes; therefore, units should budget accordingly.

### 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 show 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).

**Please only use account code 1660 for allocations outside of your college/school/VP unit (level 3 unit).** For all allocations within your college/school/VP unit, please use **account code 1666**. If you plan to transfer or allocate funding outside your school/college/VP unit (level 3), please email Nicole Dopson [nicole14@unm.edu](mailto:nicole14@unm.edu) for approval with a detailed rationale for the transfer/allocation and index the funding is moving to and from. **Any transfer/allocation that has not received pre-approval will be removed in the system.**

Comments **will be required** for budgets using allocation 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 \$1,000 *or* From 158003-11F0 Departmental training support \$1,000). 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. **If there are budgets in these account codes and no comments, the budget will be removed in the system.**

**Please DO NOT enter transfers to plant funds (account code 12XX). These entries will be removed in the system if entered.**

Also, please note transfers will no longer be allowed both to and from non-endowed (fund- 2U0007) and endowed (fund-2U0008) indices. Questions regarding this change can be directed to Nicole Dopson [nicole14@unm.edu](mailto:nicole14@unm.edu).

### Indirect Cost (“Overhead”) Budgets

Separate budgets are required for all overhead funds allocated or “returned” by the Vice President for Research. Overhead budgets are subjected to the guidelines included in this document. Your unit will receive a projected F&A budget for FY23. Questions regarding overhead budgets should be referred to Greg Trejo ([gtrejo@unm.edu](mailto:gtrejo@unm.edu)).

### Other Instructions

The Academic/Student Affairs uses 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, with the exception of compensation which should be budgeted and used as described in these guidelines.

Regarding employees with multiple salary sources, please utilize the “*comment*” field to show all sources of salary by index number. 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. **If there are budgets in these account codes and no comments, the budget will be removed in the system.**

Please note that budget use of reserves (1901 entries) **requires Provost approval** for all funds and should only be used if your unit plans to use the reserves in FY23. If you are unsure please do not budget the use of reserves. Please send your requests through your school/college/VP unit, which should be consolidated into one request and sent by email to Nicole Dopson [nicole14@unm.edu](mailto:nicole14@unm.edu) by April 15, 2022.

***Budgets must be completed at the Level Three Org. no later than April 15, 2022 5pm. Please see Budget Office website <http://budgetoffice.unm.edu/> for University Budget Guidelines for additional information.***

Please contact Nicole Dopson at 277-8126 or [nicole14@unm.edu](mailto:nicole14@unm.edu) if you have questions or need assistance.