

March 20, 2020

**MEMORANDUM**

To: Deans, Directors, and Others Responsible for Budgets

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

Subject: **BUDGET GUIDELINES FOR FY2020-21**

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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 20, 2020. Please examine these allocations closely. ***We expect COVID-19 and the drastic drop in oil prices will have a long-term effect on the NM economy. Even though we are asking for the preparation of budgets based upon the currently approved State Budget, we need departments to be prepared for significant budget reductions over the course of the year.***

All units that report to the Provost have until **April 20, 2020** 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 24, 2020** 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 4% increase has been approved for individual faculty (12 month faculty, 9 month faculty, Executive faculty, 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, please budget the funding for these increases in a pooled budget account code (**20FA- Pooled Faculty Compensation**) until final decisions have been made for this allocated increase pool. Fringe benefits for the 4% compensation amount should be budgeted on account code **21J0 Other Misc. Fringes**.

Please note once compensation has been negotiated, budget adjustments will be needed in order to move the budgeted expenses to the appropriate account codes. Also, the salary increase is to be calculated based on the individual's 2019-2020 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.

**Research Faculty Compensation:**

At this time, a 4% increase has been approved for research faculty, which should be awarded based on satisfactory performance and **must be specified in the contract/grant budget**. The same guidelines for how to budget this compensation described above in the faculty salaries section should be followed.

**Faculty Promotions:**

Fixed promotional increments for Main Campus faculty 2020-2021 will be funded from a **separate allocation** of revenue (Branch Campuses will fund their promotions internally) and will be as follows:

Full Professor to Distinguished Professor	\$8,000
Associate to Full Professor	\$8,000
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 made. 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 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 one-semester sabbaticals at partial pay (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 add a comment in salary planner for all sabbaticals, indicating the 2019-2020 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 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 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 2020-2021 should be included in Salary Planner. Please use comments to specify the amount and title of the SAC.

New SACs for 2020-2021 should not be applied in Salary Planner; however, the SAC should be budgeted in Budget Planner under account code 20SA, please be sure add a

comment (i.e. amount, name of faculty and SAC title). The new SAC should be submitted via the SAC Request Form <http://ofas.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 the Faculty Handbook Policy C180, and on file with OFAS.

For faculty who had a SAC in 2019-2020 that will not be continued in the 2020-2021, 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 5/31/20. 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 policy C.140.

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

At this time, a 4% 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**) until final decisions have been made for this allocated increase pool. Fringe benefits for these pooled accounts should be budgeted on account code **21J0 Other Misc. Fringes**. 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 \$692.00 per credit hour.

### **Staff Salaries**

A 4% increase has been approved for eligible staff, which should be awarded on the basis of satisfactory performance. Funding for the I&G portion of the increases will be allocated to your unit in the base allocation.

Please note salary increases for bargaining unit employees are subject to the applicable collective bargaining unit agreement. At this time, please budget the 4% increase on the position side, but not add the 4% on the job side in Salary Planner.

For additional guidance, please see details regarding Mass Salary Update on HR's website and the approval process: <https://hr.unm.edu/mass-salary-update>.

## GA/TA Stipends

There will be funding allocated for GA/TA increases in FY21, which will be used to increase the minimum GA/TA salary amount by 4%. Please use the following **minimum** amounts per 0.50 FTE appointment:

Graduate Assistants	\$13,557 pre-masters	\$14,914 post-masters
Teaching Assistants	\$14,621 pre-masters	\$16,084 post-masters

To calculate FTE, use a value of \$32,168 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 funding allocated for student salaries to use at the discretion of the units for student employee salaries. Please continue to us an average of \$19,760 to compute student/temporary FTEs.

## Fringe Benefits

Funding for I&G fringe benefits will be reallocated from the central pool to each school/college/division. The calculation for the estimated distribution to your unit can be found in the I&G allocation workbook, and a separate workbook for your unit will also be sent with the compensation information. Please note that your unit will now be responsible for budgeting these fringe benefits in the **appropriate account codes**. The table below is to provide **guidance** on how to calculate estimated fringes by account code.

Please note that the Foundation Surcharge of .5% will be charged against these expense account codes, therefore units should budget accordingly. Funding for this .5% on I&G fringe benefit expenses will be allocated to your base to account for this additional expense, which was calculated based on your I&G fringe calculation.

**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	14.15%	14.15%	n/a	n/a	n/a
2160	Group Insurance	9.16%	12.53%	n/a	n/a	20.72%
2180	Unemployment Compensation	0.07%	0.07%	0.07%	n/a	n/a
21A0	Workers Compensation ***	0.06%	0.06%	0.06%	0.06%	0.06%
21J0	Misc. Other Benefits	4.59%	4.59%	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>35.70%</b>	<b>39.07%</b>	<b>7.78%</b>	<b>0.06%</b>	<b>20.78%</b>

### 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).

**Please only use account code 1660 for allocations outside of your college/school/VP unit (level 3 unit).** 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 \$10,000 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.**

### Indirect Cost (“Overhead”) Budgets

Separate budgets are required for all overhead funds allocated or “return” 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 FY21. Questions regarding overhead budgets should be referred to Betsy Drellack ([bdrellack@unm.edu](mailto:bdrellack@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 FY21. 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 20, 2020.

***Budgets must be completed at the Level Three Org. no later than April 24, 2020 5pm. Please see Budget Office website <http://budgetoffice.unm.edu/> for University Budget Guidelines.***

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