MEMORANDUM

To: Deans, Directors, VPs and Others Responsible for Budgets
From: James P. Holloway, Provost and Executive Vice President for Academic Affairs
Date: April 10, 2023
Subject: FY24 PROVOST BUDGET GUIDELINES

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 April 10, 2023. Please examine these allocations closely. All units that report to the Provost have until April 17, 2023 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 19, 2023 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 6% increase has been approved for individual non-bargaining unit faculty (12-month faculty, 9-month faculty, Executive faculty, Faculty Working Retirees, and Post-Doctoral 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.

For bargaining unit faculty, the increase in subject to negotiation and 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 unit faculty, the 6% increase should be applied to these faculty in Salary Planner, with some exceptions. Additional guidelines for non-bargaining faculty can be found on the Office for Academic Personnel OAP website.

All salary increases are to be calculated based on the individual’s 2022-2023 base salary prior to any promotional adjustments. The individual’s base salary does not include special administrative components, special teaching components, plus component of a base plus compensation structure, or extra compensation as defined by Faculty Handbook Policy C140.
Faculty Promotions:
Fixed promotional increments for Main Campus faculty for 2023-2024 are funded from a separate allocation of revenue (Branch Campuses will fund their promotions internally).

**FY23 Increase Amounts are detailed below:**
- Full Professor to Distinguished Professor: $8,826.68
- Associate to Full Professor: $8,826.68
- Assistant to Associate Professor: $4,413.34
- Lecturer to Principal Lecturer: $4,413.34
- Lecturer to Senior Lecturer: $3,310.07

Changes to rates for FY24 are subjected to union negotiations and still to be determined. These increments will be added to your budgets in FY24. Provost Holloway will notify faculty members of the promotion and tenure decisions no later than June 30, 2023.

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 2023-2024 9-month 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 2023-24 9-month 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 the exception of 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, per the department’s approved workload policy.

Special Administrative Components (SACs):
Any special administrative components (SACs) for faculty performing administrative duties which will continue in 2023-2024 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 approved SAC policy.

New SACs for 2023-2024 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/academic-administrators/forms/special-administrative-component-sac-form.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 2022-2023 that will not be continued in 2023-2024, 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 end EPAF form ending the assignment with an effective date of 5/31/23. Please make sure to submit these to ensure that we have the correct effective dates. Otherwise, they will be loaded with $0 compensation.

Note: For faculty administrators (chairs/directors/associate deans), departments must follow OAP’s process for establishing or ending an administrative appointment that impacts bargaining unit status.

**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 Faculty:**

Increases for Temporary Part-Time (TPT) Faculty and Term Teachers are subject to union negotiation. Increases for temporary faculty are not automatic, therefore please budget the funding allocated for these increases in a pooled budget account code (20FB- Pooled Temporary Faculty Compensation) until 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. Please note fringe rates vary for temporary part-time faculty depending on the employee’s FTE, additional information regarding fringes can be found on the OAP website. For temporary part-time faculty, calculate FTE by dividing budgeted salaries by $33,280. The current pay rates for temporary part-time faculty are published on the OAP website.

**Staff Salaries**

Effective July 1, 2023, a 6% increase has been approved for eligible staff, which should be awarded on the basis of satisfactory performance. Please see HR’s website Mass Salary Update https://hr.unm.edu/mass-salary-update for details regarding compensation increases. 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 negotiations and 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.

Graduate Assistantship Compensation

There will be funding allocated for graduate assistantship compensation increases in FY24 for I&G funded units. These funds will be held centrally in Academic Affairs until negotiations conclude. In prior years, GA/TA pay rates were adjusted to reflect these increases. The increase for all assistantship types, including GA/TA pay rates, require negotiation and the collective bargaining agreement requires that annual salary negotiations start no earlier than September 15th. Rates will not be adjusted until negotiations have been concluded. Please see the graduate assistantship salary guidance posted on the OAP website: https://oap.unm.edu/graduate-assistantship-resources/salary-guidelines.html.

For GA/TAs, calculate FTE by dividing budgeted salaries by $34,534.

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 is based on the compensation increase of 6%. Please use $26,000 to compute student/temporary FTEs.

Fringe Benefits

Each unit is responsible for budgeting fringe benefits in the appropriate account codes. The table below provides guidance on what rates to use 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.
### Estimated Averages* for Budgeting Purposes - Calculate Benefits as a percent of salary, see below.

<table>
<thead>
<tr>
<th>Account Code</th>
<th>Benefits</th>
<th>Faculty</th>
<th>Staff</th>
<th>Temp Faculty &amp; Temp/On Call Staff</th>
<th>Other Student</th>
<th>Graduate Students (GA/TA/RA/PA)**</th>
</tr>
</thead>
<tbody>
<tr>
<td>2110</td>
<td>FICA Gen (Includes Medicare)</td>
<td>7.65%</td>
<td>7.65%</td>
<td>7.65%</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>2140</td>
<td>Retirement</td>
<td>18.15%</td>
<td>18.15%</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>2160</td>
<td>Group Insurance</td>
<td>10.43%</td>
<td>14.26%</td>
<td>n/a</td>
<td>n/a</td>
<td>23.65%</td>
</tr>
<tr>
<td>2180</td>
<td>Unemployment Compensation</td>
<td>0.07%</td>
<td>0.07%</td>
<td>0.07%</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>21A0</td>
<td>Workers Compensation ***</td>
<td>0.11%</td>
<td>0.11%</td>
<td>0.11%</td>
<td>0.11%</td>
<td>0.11%</td>
</tr>
<tr>
<td>21J0</td>
<td>Misc. Other Benefits</td>
<td>3.83%</td>
<td>3.83%</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>21L0</td>
<td>Accrued AL</td>
<td>0.01%</td>
<td>0.01%</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>21L1</td>
<td>Catastrophic Leave</td>
<td>0.01%</td>
<td>0.01%</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>40.26%</td>
<td>44.09%</td>
<td>7.83%</td>
<td>0.11%</td>
<td>23.76%</td>
</tr>
</tbody>
</table>

* 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 1.61% for employees in hazardous positions.

### 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)**. 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 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 the Provost’s 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.

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 FY24. Questions regarding overhead budgets should be referred to Greg Trejo (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 a 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 FY24. 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 by April 17, 2023.

Budgets must be completed at the Level Three Org. no later than April 19, 2023 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 if you have questions or need assistance.