MEMORANDUM

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

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

Date: March 22, 2024

Subject: FY25 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 March 22, 2024. Please examine these allocations closely. All units that report to the Provost have until April 11, 2024 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 16, 2024 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 3% 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 non-bargaining unit faculty, the 3% 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 website.

For bargaining unit faculty, the increase is 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 compensation 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 to move the budgeted expenses to the appropriate account codes.

All salary increases are to be calculated based on the individual’s 2023-2024 base salary prior to any promotional adjustments. The individual's base salary does not include special administrative components, special teaching components or overloads, the 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 2024-2025 are funded from a separate allocation of revenue (Branch Campuses will fund their promotions internally).

**FY24 Increase Amounts are detailed below***:
- Full Professor to Distinguished Professor $9,356.28
- Associate to Full Professor $9,356.28
- Assistant to Associate Professor $4,678.14
- Lecturer to Principal Lecturer $4,678.14
- Lecturer to Senior Lecturer $3,508.67

*Changes to rates for FY25 are subject to compensation negotiations and still to be determined. These increments will be added to your budgets in FY25. Provost Holloway will notify faculty members of the promotion and tenure decisions no later than June 30, 2024.

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 2024-2025 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 2024-25 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 except 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, per the department's approved workload and school/college SAC policy.

Special Administrative Components (SACs):
Any special administrative components (SACs) for faculty performing administrative duties that will continue in 2024-2025 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 2024-2025 should not be applied in Salary Planner; however, the SAC should be budgeted in Budget Planner under account code 20SA with a comment indicating the amount, name of faculty, and administrative title. The new SAC should be submitted via the SAC Request Form, 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 2023-2024 that will not be continued in 2024-2025, 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 an EPAF form ending the assignment with an effective end date of 5/31/24. 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 compensation negotiations. 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 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 $38,500. The current pay rates for temporary part-time faculty for each school/college are published on the OAP website: [tpt_payrate_revised.pdf (unm.edu)](unm.edu).

**Staff Salaries**

Effective July 1, 2024, a 3% 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](unm.edu) 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 Budget Planner on the pooled budget account code (20SU-Pooled Union Staff Compensation) instead of Salary Planner on the position and job side until 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.

**Graduate Assistantship Compensation**

Increases for graduate assistantships are subject to compensation negotiations. Increases for graduate assistantships are not automatic, therefore please budget the funding allocated for these increases in a pooled budget account code (20SA-Salary Adjustments) until 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.

There will be funding allocated for graduate assistantship compensation increases in FY25 for I&G funded units. 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 annual compensation negotiations. Rates will not be adjusted until negotiations have been concluded. Please see the graduate assistantship salary guidance posted on the OAP website: [Salary Rates beginning January 2024 :: Office for Academic Personnel | The University of New Mexico (unm.edu)](https://oap.unm.edu/salary-rates/beginning-january-2024/)

For GA/TAs, calculate FTE by dividing budgeted salaries by $35,940.

**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 3%. Please use $26,000 to compute student/temporary employees 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.
Research, Public Service Programs (RPSP) Changes

Through House Bill 2 appropriation to the university several recurring RPSPs were rolled into the I&G appropriation. Funding for these programs will now be added to the I&G 1640 base allocation, which should be directly allocated to these programs. Please see I&G allocation workbook, tab FY25 RPSP Rollup for details of each program and associated index the funding should be allocated to. If the RPSP was originally under a research or public service program code a new index has been established under an I&G program code for the allocation.

Other Allocations/Transfers

Schools/Colleges will receive a detailed spreadsheet with your unit’s I&G base allocation. Included will be allocations/transfers coming from the Provost Office. The allocation and transfer spreadsheet shows what the Provost Office 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. Only budget necessary transfers/allocations. Reconciling the university budget is complex, so entries of small amounts, especially internal to a unit, should be processed with budget entries in the fiscal year the transfer/allocation happens.
- 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 $10,000). All allocations and transfer budgets must tie out at a university level. This documentation is necessary for this process. If there are budgets in these account codes and no comments, the budget will be removed in the system.

- **Do not** enter transfers to plant funds (account code 12XX). These entries will be removed in the system if entered.
- Transfers from and to non-endowed (fund- 2U0007) and endowed (fund-2U0008) indices are unallowable unless an exception is granted.

**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 FY25. Questions regarding overhead budgets should be referred to Greg Trejo gtrejo@unm.edu.

**Budget Use of Reserves**

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 FY25. 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 11, 2024.

**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, except for compensation which should be budgeted and used as described in these guidelines.

- 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 and guidelines provided in this document.
- 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.

Budgets must be completed at the Level Three Org. (school/college/divisions) no later than **April 16, 2024 5pm**. Please see Budget Office website 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.