

MEMORANDUM

DATE: March 12, 2018
TO: Vice Presidents and other Direct Reports to the President
FROM: David W. Pershing *Dave*
SUBJECT: **2018-2019 Operating Budget Guidelines**

As you know, the 2018 Legislature has completed its work. We received funding for enrollment growth, workforce initiatives, and completion strategies. We received the remaining funding from the Legislature for the Medical Education and Discovery complex in Health Sciences. We also received approval for building additional student housing to assist with our growing enrollment. In addition, the Legislature provided funding for several other smaller requests.

Legislative funding, along with the tuition increase, will provide resources for a performance-based salary increase for those employees paid from state funds. We will be distributing funding from the tuition increase and legislative funding equivalent to a 2.5 percent increase for employees paid from state funds. A portion of these funds should be used to address equity and exceptional merit. The Legislature also provided funds for some increased benefit costs, such as health care for state-funded employees.

Please follow the instructions below in administering 2018-2019 budgets in your areas.

Compensation

The following general guidelines have been established for granting salary increases:

Faculty and staff supported by state funds. The expectation is that these employees may receive a salary increase considering performance, market, good business practice, and the availability of funds. Individual increases in excess of 4.0 percent will require written justification and subsequent approval.

Faculty or staff supported primarily or solely by endowment income, auxiliary income, or research funds. The expectation is that these employees may receive a salary increase considering performance, market, good business practice, and the availability of funds. Individual increases in excess of 4.0 percent will require written justification and subsequent approval.

Faculty or staff supported primarily or solely by clinical income. The expectation is that these employees may receive a salary increase considering performance, market, good business practice, and the availability of funds. Individual increases in excess of 4.0 percent will require written justification and subsequent approval.

Each of you has the ultimate responsibility for salary decisions made by people who report to you. I encourage you to exercise careful oversight and consultation in allowing reallocations from vacant positions. In no case should deans or directors reallocate funds that would result in units for which they are responsible going into a budget deficit situation or that would exacerbate an existing deficit situation.

Salary Adjustment Procedures (Including Non-State Funded Accounts). It is the general policy (Policy 5-401) of the University to consider salary increases for staff only once each year during the cycle for budget implementation on July 1. Requests for salary increases outside this annual review are subject to the off-cycle provisions of the policy and the guidelines outlined above.

Other Funding Allocations

Funding provided by the Legislature for earmarked purposes will be allocated as specified.

Final Thoughts

Legislative support for salary and benefits increases this year is helpful. Please be aware that 25 percent of that increase is funded by tuition. Although we recognize that the increase needs to be higher to support the efforts of our faculty and staff, we are cognizant of the delicate balance of rewarding our faculty and staff for their dedication and performance while keeping tuition affordable for our students. Please communicate to our employees that we value their efforts and all that they contribute to the University.

DWP:jj

cc: Cathy Anderson, Associate VP for Budget and Planning, CFO Main Campus
Sandy Hughes, Director, Budget and Analysis