

## MEMORANDUM

**DATE:** March 15, 2021

**TO:** Cabinet and other Direct Reports to the President

**FROM:** Ruth Watkins, President  
Cathy Anderson, CFO

**SUBJECT:** **2021-2022 Operating Budget Guidelines**

As you know, the 2021 Legislature has completed its work. We received generous ongoing performance funding for academic priorities such as workforce initiatives and completion strategies. We also received funds based on enrollment growth. In addition, there is ongoing funding for Driving Out Diabetes.

We are pleased to announce that the Applied Sciences building state funds of \$60 million as well as O&M funding was restored. Funds were originally approved during the FY2020 session but cut because of challenges caused by the pandemic. This building will be of great importance for our STEM programs. We will also be partnering with Salt Lake Community College with their project for an Education Building on their Herriman Campus, which they received \$30 million to develop. We will provide a complete list of all funding by separate email as soon as it is complete.

Legislative funding, along with a proposed tuition increase, will provide resources for a performance-based salary increase for those employees paid from state funds. We will distribute funding from the proposed tuition increase and legislative funding equivalent to a 3.0 percent increase for employees paid from state funds. We recognize that there are equity issues across campus. As such, a portion of the 3.0 percent funding should be used in your areas to address equity and exceptional merit. We would like each unit to analyze where there are equity issues that need to be addressed. We recognize that the resources are not available to address these all at once. This will be a multi-year effort but we need to start along this path. 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 2021-2022 budgets in your areas.

## **Compensation**

The following general guidelines are 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 5.0 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 5.0 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 5.0 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. Please exercise careful oversight and consultation in allowing reallocations from vacant positions. In no case should leaders 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. We appreciate the coming together across campus as One U, especially during this unique and challenging time.