

March 10, 2023

MEMORANDUM

To: Academic Deans and Direct Reports

From: Mitzi M. Montoya, SVP for Academic Affairs
Jason Atuaia, Interim AVP for Budget & Finance

Subject: Guidelines for Preparing Your Budget Presentation – FY 2024



As noted in the President’s Budget Memo, dated March 10, 2023, we received generous ongoing funding for compensation increase, including funding to cover portions of increased benefit costs, such as health care for state-funded employees. We also received ongoing performance funding for academic priorities such as workforce initiatives and one-time funding for a variety of initiatives.

Legislative funding will provide resources for salary increases for employees paid from state funds. The Legislature approved an 8.75% compensation increase. However, the freeze on tuition increases this year impacts our ability to fully fund the approved rate since the Legislature passes 75% of the approved compensation increase with the expectation that we cover the remaining 25% with tuition revenue. In addition, we will need a portion held centrally to cover related benefits costs. Fortunately, the Legislature did pass additional one-time funds to offset the tuition freeze. This will allow us to distribute funding equivalent to a 5.5% increase for employees supported by state funds.

We recognize that the current labor market is creating retention and equity issues across campus. As such, salary increases should be used in your areas to address retention, equity, and merit. Each unit should analyze equity and market issues that need to be addressed. Please focus on employees earning \$50,000 or less when considering equity issues. We recognize that resources are not available to address these all at once. We hope this will be a multi-year effort and will require innovative solutions. Colleges are encouraged to look to their existing carry-forward funds to help address immediate equity needs.

Your FY2024 budget should be completed according to the instructions that follow. It is your responsibility to allocate available funding to the units and activities within your purview. Your staff should then enter the detailed budget data in the University’s budget system. We will be conducting the budget meetings in April to review your budget plans and recommendations, in light of your strategic aims and the aims of the campus. At that time, we will also discuss implications for the future strategies.

State Funds

Base budget totals will be entered in the budget system by the Budget Office. These amounts will include additional allocations per the guidelines below.

Salary Guidelines

We will allocate 5.5% of new base funds for salaries to state-funded budget centers across campus. Legislative support for salary and benefits increases this year is very helpful, especially with a 0% tuition increase. Although we recognize that tuition increases play a part in supporting the efforts of our faculty and staff, we are cognizant of the delicate balance of awarding our faculty and staff for their dedication and performance while keeping tuition affordable for our students.

The expectation is that employees supported by state funds may receive a salary increase considering performance, market, good business practice, and the availability of funds. We strongly encourage you to avoid applying a standard increase to all of your faculty and staff. Please evaluate each employee on their unique strengths and weaknesses, performance, and consider equity and retention. Please be aware of and follow the salary instructions as outlined in [President Randall's 2023-2024 Operating Budget Guidelines](#).

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. Leaders should not 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.

Funds in the amount of \$10,000 will be available in FY2024 for promotions to Associate Professor or Professor (tenure track). Please enter faculty promotion data in the EPM budget system.

Detailed explanations for salary increase above 10% must be included in the FY2024 Salary Justification Form, which is available at www.obia.utah.edu/budget. These explanations should originate at the department level and should be approved by you prior to June 1. The Salary Justification Form should be sent to the [Budget Office](#) before the June 1 deadline.

Budget Principles

Pending completion of our collaborative budget discussions, we will continue to allocate funds through the budget incentive model, with the allocation based on student credit hours (SCH), majors, and degrees awarded. The details of the model can be found on the OBIA website: <https://www.obia.utah.edu>.

As in past years, the Campus Budget Advisory Committee (CBAC) will participate in the budget review and discussion of your annual report on strategy and alignment of resources with priorities. The CBAC meetings have been scheduled to begin in April. Hence, the deadline to enter financial information into the EPM system remains April 1. The deadline to submit salary justification forms is June 1st.

Thank you for all you do on behalf of the University. We look forward to discussing your budget and how you are using resources strategically to strengthen your college or unit.