

MEMORANDUM

Date: March 7, 2024
To: Cabinet and other Direct Reports to the President
From: Taylor Randall, President *TR*
Cathy Anderson, CFO
Subject: 2024-25 Operating Budget Guidelines

Last week the State Legislature completed its 2024 General Session, and as you are aware, higher education was a dominant topic. I remain steadfast in my commitment to our institution and the enormous benefit it brings to students, our community, and the broader state and national ecosystem. Please know we value you and your work, and will continue working toward our goal of being a top public research institution with unsurpassed societal impact.

Compensation Increase

This year the University received ongoing funding for state-funded employees equal to a 3% compensation increase, a 7.2% health care benefit increase, and 0.9% dental benefit increase. The Legislature funds 75% of these increases and we typically fund the remaining 25% with tuition revenue. We are working through our tuition revenue planning now, and any increases will be brought to students through a Truth in Tuition hearing (March 13), approval by our Board of Trustees (March 15), and ultimate approval by the Utah Board of Higher Education (March 22).

Subject to tuition approval outcomes, we will distribute funding equivalent to a 3% increase for employees paid from state funds for you to distribute at your discretion. We will hold a portion of the appropriated funds centrally for salary-related benefits, for those who participate in the benefits pool.

We recognize there are equity and market issues across campus, and request that you consider using these funds to first address equity and merit in your unit. This has been a priority in recent years, recognizing that change will be a multi-year effort with not enough resources to address issues in any one year. Please pay considerable attention to those earning \$50,000 or less as you look at equity issues.

Budgeting 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. Do not reallocate funds that will result in your unit going into a budget deficit situation or that will 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 provision of the policy and associated guidelines.

Please follow these general guidelines for granting salary increases and administering 2024-25 budgets in your areas:

1. The expectation is that employees may receive a salary increase considering performance, market, good business practice, and the availability of funds.
2. Individual increases **in excess of 5%** will require written justification and subsequent approval, and should have an identified and sustainable funding source to justify.
3. These guidelines are applicable to:
 - a. Faculty and staff supported by state funds
 - b. Faculty or staff supported primarily or solely by endowment incomes, auxiliary income, or research funds
 - c. Faculty or staff supported primarily or solely by clinical income

Other Funding Allocations

Funding provided by the Legislature for specific purposes will be allocated as specified. Please coordinate with Sandy Hughes, Director of Budget, if you have any questions.

Final Thoughts

Despite challenges this year, we are grateful that the Legislature invested in our employees with a compensation increase. We greatly value your leadership and know the importance of your work.

Please communicate to faculty and staff that we value their continued efforts and see their hard work each day. While we recognize that the increased amount of funding is not sufficient to provide every employee with the compensation they would like to see, we are also cognizant of the delicate balance we must strike to provide high-quality, yet affordable education to our students.

Thank you for your daily efforts to imagine, inspire, innovate, and impact our great community of leaders and learners across campus as One U.