

Office of the Provost and Vice President for Academic Affairs (VPAA) Budget Principles

These guidelines are provided to assist in the management of annual budget and expenditures in Academic Affairs. Colleges/units are expected to cover all financial commitments, notwithstanding any arrangements articulated herein, from its existing budget allocation and/or discretionary resources. Deans and unit administrators have authority for expenditures within their unit budgets and are responsible to keep expenditures within the limitations of the budgets available to them from all sources of funds.

1.0 Faculty Salary Administration

1.1 Faculty Hires

- 1.1.1 Budgeted funds for hire requests submitted via ePAR must include the chart field string identifying a budget sufficient to hire at no less than 90% of the CUPA-HR median salary. The position must be budgeted at the highest rank if the search is open rank.
- 1.1.2 New hire faculty salaries should be within +/- 10% of the CUPA-HR median for the faculty member's credentialed CIP code. A detailed justification shall be provided for new hire salaries that are outside of this range.
- 1.1.3 The VPAA-131 Offer Letter Approval form establishes the *maximum* salary that may be offered to a candidate. The department must request a change in writing if a greater starting salary is desired.

1.2 Faculty salary savings

- 1.2.1 Permanent salary savings ("salary savings"), derived from the difference between a former faculty salary and the new entry salary, remain entirely within the college. The college is expected to reinvest these savings into new positions, market-based increases, adjuncts, and other faculty salary expenditures in furtherance of the University's mission.
- 1.2.2 Permanent salary savings are typically transferred by the college from the prior department to a Dean's Reserve. The Dean's Reserve should be differentiated from other pooled instructional costs by using purpose code 10180.

1.2.3 Temporary salary savings (“turnover savings”) reflect the budget encumbrance saved during the period of the position’s vacancy or during periods of leave without pay (LWOP). These are one-time funds that are recognized each month by not paying salary to an incumbent.

1.2.3.1 Two-thirds of turnover savings are returned to the college. The college may use these savings for one-time instructional purposes such as course replacement, teaching assistants, etc.

1.2.3.1.1 Turnover savings on local funds may only be used for nonsalary expenditures with prior approval by the Provost.

1.2.3.2 One-third of turnover savings is retained by VPAA for one-time strategic investments.

1.2.4 Faculty salary savings shall not be re-purposed (e.g. converting to staff salary, M&O, graduate student support, etc.) without prior approval of the Provost.

1.3 Course buyouts

1.3.1 VPAA will fund course buyouts from faculty that result from an externally funded grant or sponsored project. Course teaching replacement costs must be funded before any operating (“M&O”) funds are returned to the college.

1.3.1.1 The faculty member must be permanently funded on one of the three basic budgetary chartfield strings (105-800001; 105-805001; 200-830001) to be eligible.

1.3.2 The grant or externally sponsored project must come from external funds in pursuit of research or other scholarly activity. The external entity must not be an agency of the State of Texas, and the funds must result in salary saved on one of the three basic chartfield strings (105-800001; 105-805001; 200-830001) and redirected to the external funding source.

1.3.3 Any M&O funds returned to the PI, department, and/or Dean must be spent by August 31 of the respective fiscal year because the funds returned will be designated tuition (fund 830001) that does not carry forward.

1.3.4 A college may retain any faculty salary that is re-distributed from a centrally budgeted fund as a result of out-of-state-teaching-fee (OSTF) credit hours or Testing Services Agreements (TSA) that generate sufficient revenue to offset the faculty salary.

1.3.4.1 For example, a college may retain the \$5,000 temporary savings from redistributing a faculty member’s salary from a centrally budgeted fund

to the OSTF fund. The OSTF fund must have at least \$5,000 available to cover the distribution.

1.4 Counter-offers

- 1.4.1 Retention efforts should be reserved for faculty members who have a documented offer from a peer institution and who are performing at or above expectations. Any given faculty member may receive a counter offer no more than once every three years.
- 1.4.2 The College/Department is expected to fund retentions. The Office of the Provost will coordinate with other offices to provide matching funds to colleges that are making counter offers with a documentable offer from a peer institution in certain circumstances. Provost funding will be approved on a first come first served basis contingent upon available funds which are reviewed on an annual basis.
- 1.4.3 There are two tiers of retention:
 - 1.4.3.1 Tier 1: These are counter offers to faculty that result in market based adjustments to salary and/or enhanced research support. These counter offers are managed by the College, with review and approval by the Office of the Provost.
 - 1.4.3.1.1 The college and department coordinate to review an offer by another institution and come to an agreement on an appropriate adjustment to salary and/or research enhancement. All costs associated with the counter offer are paid for by the College/Department.
 - 1.4.3.1.2 If the adjustment in salary would result in salary increase greater than 10%, a counter offer form, along with a market analysis and letter of offer, is completed and submitted to the Vice Provost for Academic Affairs for review.
 - 1.4.3.1.3 All communication with the faculty member regarding the retention is coordinated by the department/college. The department is responsible for the submission of any needed ePAR's
 - 1.4.3.2 Tier 2: These are counter offers that involve significant institutional resources in order to support market based adjustments to salary and/or enhanced research support. These counter offers are managed by the Office of the Provost, in concert with the College.

- 1.4.3.2.1 Upon notification from the faculty member to the chair or dean that there is an actual or pending offer, this is immediately escalated to the Provost.
- 1.4.3.2.2 The Office of the Provost, in concert with the Office of Research, will engage in discussions with the College to determine the resources needed to support retention.
- 1.4.3.2.3 The College/Department are expected to significantly contribute funds to the retention, with the Office of the Provost and the Office of Research providing supplemental support.
- 1.4.3.2.4 All communication with the faculty member regarding the retention is coordinated by the Office of the Provost.
- 1.4.3.2.5 Before an official written counter offer is issued, the college shall submit a counter offer form, along with a market analysis and letter of offer, to the Vice Provost for Academic Affairs for review.

1.5 Dual Career Hires

- 1.5.1 Colleges hiring a tenure-track faculty member may request support from the Office of the Provost for a partner who could be placed in a tenure-track, clinical-track, research-track, lecturer-track faculty position or post-doctoral researcher position.
 - 1.5.1.1 One-third of the cost of the position would be provided by the Office of the Provost for a period of up to three years.
 - 1.5.1.2 The hiring and receiving colleges would be responsible for the remaining 2/3 of the salary, split equally unless other arrangements are made.

1.6 Merit Increases

- 1.6.1 Merit increase guidelines for faculty and staff are prescribed by the University each year based on available funding. Generally, each Dean will be given a pool of funds from which merit may be awarded. Furthermore, the funds may also need to be differentiated between merit and equity/retention.

1.7 Promotion & Tenure Increases

- 1.7.1 Faculty will follow established promotion, tenure and reappointment policies and timelines. Promotions are generally implemented on September 1st. Faculty promoting in rank will now receive either a 5% salary adjustment or a flat dollar amount as listed in the following table, **whichever is greater.**

Department chairs and other 12 month administrators promoting in rank will Receive an annualized adjustment, which will be converted to a 9 month amount at the time the administrator returns to a 9 month appointment.

▪ Assistant Professor to Associate Professor	\$3,600
▪ Associate Professor to Professor	\$4,800
▪ Assistant Clinical Professor to Associate Clinical Professor	\$2,600
▪ Associate Clinical Professor to Clinical Professor	\$3,800
▪ Lecturer to Senior Lecturer	\$2,600
▪ Principal Lecturer (From Senior Lecturer)	\$3,800
▪ Regents Professor	\$7,500
▪ Distinguished Teaching Professor	\$5,000
▪ Distinguished Research Professor	\$5,000

1.6 Fringe Benefits

- 1.6.1 Fringe benefits costs for positions on budgetary funds (i.e. funds 800001, 805001, and 830001) are covered by central fringe benefits pools. The college will not be expected to budget for fringe benefits on these three funds. However, the college will be expected to fund benefits on non-budgetary funds.
- 1.6.2 A college may be required to contribute funds to the central benefits pool for any position moved from a non-budgetary fund to a budgetary fund or a newly created position.

1.7 Faculty administrators

- 1.7.1 Department chair augmentations are funded by VPAA and paid based on a sliding scale of active departmental faculty members.
- 1.7.2 Colleges may appoint faculty to serve in administrative roles for the college such as associate and assistant deans. The college is expected to fund any associated administrative supplement and/or course replacement costs.
- A good practice is for a college to create a pool of fallback funds for faculty administrators returning to their previous academic roles. Fallbacks are not centrally funded.
- 1.7.3 Faculty appointed to administrative roles in the Provost's Office will be compensated for their service by VPAA, and VPAA will temporarily fund course

replacement costs based on a 2-2 teaching load, prorated for FTE, for tenure system faculty during the period of service to the Provost Office.

- Fallback positions for deans may be funded by a central administration pool. Any fallback position funded by VPAA will revert to VPAA upon that faculty member's departing the university.

2.0 Faculty Searches/Start-up

2.1 Advertisements

- 2.1.1 Expenses related to advertisements and recruitment cost such as, travel, meals, video conference interview that are incurred prior to hiring may be reimbursed by VPAA. Costs up to \$3,000 for tenure-system faculty, up to \$2,000 for librarians and up to \$1,000 for multi-year lecturers are allowed. Colleges shall submit reimbursement requests to the VPAA after expenses have posted to Cognos transaction detail reports.

2.2 Medical insurance reimbursement

- 2.2.1 VPAA covers health insurance reimbursement for eligible new faculty up to the equivalent of 2 months of state contributions toward HealthSelect family coverage – medical only (\$2,445 total in FY18). Colleges shall submit reimbursement requests to the VPAA only after expenses have posted to Cognos transaction detail reports.

2.3 Summer research (Junior Faculty Summer Grant)

- 2.3.1 Associate or Assistant Professors hired without tenure and with no additional summer salary support, are eligible to receive a \$5,000 award from VPAA their first summer. This can be used for summer salary, equipment, travel, or other related expenses. The new faculty member must submit the election form for these indicating if they wish to defer the payment until their next fiscal year of if the funds will be used for M&O and/or salary, to the Academic Resources office before the first day of the fiscal year. If no selection is made at that time it will default to the election of salary.

2.4 Conference support

- 2.4.1 The Conference Support grant is available to assistant professors and must be used either in the second or third year of the new faculty member's appointment. Application criteria and approval process can be found on the Office for Faculty Success website.
- 2.4.2 Amount awarded can be up to \$1,000.

2.4.3 Allowable expenses

- Conference registration fees
- Travel to and from the conference
- Meals and incidental trip-related expenditures with proper documentation

2.5 Creative and Research Enhancement Activity Time for Engagement (CREATE) program

2.5.1 Award is open to new assistant professors who have successfully completed the midterm review process in their fourth or fifth years. Complete information on eligibility and the approval process can be found on the Office for Faculty Success website.

2.5.2 The award amount of \$4,000 may be increased by an additional \$1,000 if the collaborator's institution is among the top 20 institutions in the faculty member's field.

2.6 Start-up packages

2.6.1 Routine start-up packages funded by VPAA contribute towards expenses related to the hire itself and include moving, computers, furniture, and other basic start-up costs. VPAA will publish a matrix of maximum start-up reimbursements per faculty rank at the beginning of each fiscal year. Moving must be differentiated from the other types of expenditures. VPAA will reimburse departments on a reimbursement basis and expire per terms of the offer letter approval form. Colleges will submit reimbursement requests to the VPAA only after expenses have posted to Cognos transaction detail reports.

2.6.2 Exceptional start-up packages are the result of a negotiation among the Chair; Dean; VPAA; SVP, F&A; and VP, R&I (among others) that require investment beyond the standard start-up reimbursement matrix. All resource commitments must be captured on an offer letter approval form prescribed by the VPAA and approved by all parties prior to an offer letter being extended.

2.6.3 VPAA contributes toward summer research for College of Business faculty hires.

2.7 Recruitment and Relocation/Moving Expenses

2.7.1 Recruitment Expenses for New Hires: The University may approve one-time payments or allowances at the initial point of hire to facilitate staff recruitment. Any additional payments for recruitment must be clearly stated in the new employee's hiring letter or employment contract at the point of hire, or

amended thereafter. These payments will be processed through a payroll payment to ensure any applicable taxes are withheld from the payment. This section does not apply to employee reimbursements for expenses (see policy 10.014).

- 2.7.2 Relocation/Moving Payment: New hires may be offered a relocation payment to offset the cost of moving to their new work location. This payment is meant to cover expenses related to:
- a. Moving an employees' household goods and other personal items to their new home;
 - b. Any travel expenses, including but not limited to mileage, meals, and lodging, from their old home to the new home;
 - c. Storage expenses incurred if the employee is required to move prior to them obtaining a new residence; and
 - d. Any other expenses necessary for relocating to their new work location.

The amount of the payment must be approved by the appropriate Vice President or President as part of the hiring for the position, regardless of the source of funding. Human Resources may maintain a preapproved list of payment amounts based on employee positions. If a preapproved list is maintained, the appropriate Vice President or President only need to approval any payments that would be greater than the amounts preapproved. A preapproved list must be reviewed and updated annually.

The new employee's hiring letter or employment contract must clearly state that a relocation payment is due to the employee. The hiring letter or contract must be attached to the payment request, no other documentation will be accepted for justifying the payment. The payment for relocation expenses will be paid through payroll after the employee completed all required hiring documentation and is setup as an employee. The university will withhold federal taxes from the payment according to Internal Revenue Service regulations.

3.0 Instructional Support

3.1 Summer instruction

- 3.1.1 Colleges are expected to fund summer instruction from its summer instructional budget allocation. Colleges are expected to differentiate its summer Instructional budget from reserve funds by using the summer purpose code, 11611.
- 3.1.2 VPAA increased the cap for summer instruction from \$6,500 to \$8,500 per course in FY16. VPAA covered the cost of increasing this cap in FY16, FY17 and FY18 with a permanent budget adjustment made for FY19. Colleges will be expected to fund the incremental cost due to this increase beginning in FY19 now that the permanent funds have been transferred.

3.2 Winter Session

- 3.2.1 Funds to support instructional expenses (faculty, adjunct and TF salaries) will be provided by the VPAA. Departments should use chartstrings utilizing their department number and the fund cat and fund provided in the instructions from VPAA.
- 3.2.2 If departments elect to utilize TA's, then departmental or college funds should be utilized to cover the expense. Instructional fee funds may be used to cover TA expenses if funds are available.

3.3 Adjunct instruction

- 3.3.1 Colleges are expected to cover the cost of hiring adjuncts for course instruction. Colleges should differentiate its adjunct instruction pool from its reserve funds by using purpose code 11560.

3.4 Wait-listed courses

- 3.4.1 VPAA may fund instructional costs necessary to add sections needed to assuage a wait-list (aka "bottleneck"). Any request for budget support must be submitted to the Vice Provost for Academic Affairs prior to any commitment.

3.5 Graduate students

- 3.5.1 VPAA funds a certain number of graduate assistantships. The assistantships may be differentiated from other internally funded graduate students by the designation of a specific position number beginning with an "A." The Dean of the college, in collaboration with the Dean of Toulouse Graduate School, may reassign graduate student lines among departments based on need or other strategic priorities.

4.0 Staff Salary

4.1 Staff salary savings

- 4.1.1 “Permanent” salary savings are obtained when a position is ended, a position that was budgeted above entry hires someone at a lower annual salary, or a position is reclassified down. Permanent salary savings can be used to fund equity increases, hire someone over entry, fund a new position, or reclassify a current position.
- 4.1.2 “Temporary” salary savings are obtained from vacant positions. Temporary salary savings can be used for lump sum payouts, temporary employees, overlaps, and comp time payouts. These funds cannot be used to fund new positions, give equity increases, or hire someone over entry.
- 4.1.3 Direct any questions about staff salary savings to the University Budget Office.

4.2 Merit Increases

- 4.2.1 Merit increase guidelines for staff are prescribed by the University each year based on available funding. Generally, each Dean will be given a pool of funds from which merit may be awarded.

5 Operating Expense Support

5.1 Institutional memberships and accreditation

- 5.1.1 VPAA funds required institutional membership and accreditation costs for colleges and departments. Colleges shall submit reimbursement requests to the VPAA only after expenses have posted to Cognos transaction detail reports.

5.2 Supplemental travel

- 5.2.1 VPAA provides each college/school with \$400 per tenure-system faculty member to support professional travel. Each college may determine its own process for determining how funds are awarded to faculty.

5.3 Unexpended Year-End Budget Balances (Roll Forward)

- 5.3.1 In any given year unexpected cost savings will occur. The policy for use of these funds should encourage careful planning and discourage unnecessary spending. Colleges/Units in Academic Affairs can expect to roll forward their unexpended *discretionary funds* into the next fiscal year absent any other specific guidance by the University’s VP for Finance and Administration.
- 5.3.2 Cost savings that occur in *budgetary funds* will not roll forward. Any exception due to exceptional circumstances must be submitted through the Provost and approved by the VP for Finance and Administration.

6.0 Requesting Financial Assistance

6.1 Any request for additional financial assistance must be made in the manner prescribed by the Provost and be approved prior to incurring a liability.