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## College of Liberal Arts Budget Guidelines for FY21

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This document provides guidelines for allocating base budget and one-time resources within departments and academic programs.

Here are several considerations to keep in mind this year as we prepare our FY21 budgets:

- In April, in the midst of the pandemic and economic outlook, the college was instructed to submit a 7.5% centralized budget reduction plan in preparation for the next biennium (FY22-FY23), which represents \$5.6M for our college; 86% of that amount must be from state E&G funds.
- In May, Governor Abbot directed all state agencies to reduce budgets by 5% for the *current* biennium (FY20-FY21). The college's share of this base reduction is 2.5% which represents over \$1.8M and 86% of that amount must be from state E&G funds. These funds will be retrieved from the college's FY21 base budget.
- The long-term prognosis for the state's economic status is still uncertain and may not be known before the end of the next legislative session, which begins in January 2021.
- The approved base merit pool this year (calculated on the salaries of continuing budgeted positions funded from the base budget on September 1, 2019) is 1.25% of eligible salaries. Increases for exceptionally meritorious faculty and staff were to be awarded in the following manner:
  - 0.50% of the approved base merit must be awarded to staff making less than \$50,000 and lower-paid faculty (lowest 40%) on a meritorious basis. This was our "Pool A."
  - 0.75% of the approved base merit should be mainly used for mid-level faculty and staff for whom retention is a concern, including those in the lowest 40% of salaries (faculty and staff), while limiting merit for highest paid faculty and staff. This was our "Pool B."
- In addition to base merit, President Young authorized an additional 0.75% of eligible salaries may be awarded as one-time merit for exceptional performers and faculty and staff for whom retention is a concern. This was our "One Time Merit" pool.
- Fringe benefits now must be accounted for by the college. This is an additional 25%, on average, for salaries on all central funds.
- In lieu of our usual uniform department allocations, unit heads were asked to submit proposed salary increases for faculty and staff with justifications. Equity requests with merit justification were submitted separately on June 1 and taken from Pool B.

As is our usual practice, we will have a two-part process for unit requests, Phase I and Phase II. This year's budget reduction and caution about next year mean that there is little opportunity for the college to provide additional funds. Here is the process:

- Phase I. In early 2020, we received your requests for renewal of your APT faculty and for replacement teaching. Those decisions were made prior to the pandemic.
- Phase II. Departments and other units may request funds for (1) requests for replacement teaching that have become necessary since Phase I; and (2) requests for emergency one-time funding. Examples of the latter might include urgent facilities needs, COVID-19-related support for teaching or research, or time-sensitive proposed initiatives related to diversity, equity, and inclusion (DEI) efforts. Any proposal for (1) or (2) must have compelling justification based on strategic priorities and anticipated *measurable* outcomes.

Recall that President Young's "flexible hiring freeze" is still in effect. We have already approved the limited hiring that you requested in late spring.

A few useful reminders:

- **Merit Approval:** All merit increases are subject to approval by the Dean. Merit increases that exceed 10% for employees should be rare and require approval by the Provost and Executive Vice President.
- **Equity Approval:** With rare exceptions, equity increases are funded from the department's available merit pool and are subject to approval by the Dean, the Dean of Faculties (or Human Resources for staff), and the Provost and Executive Vice President.
- **Faculty Promotion:** Faculty promoted effective September 1, 2020 will receive a 10% base increase (5% from the university and 5% from the college). This includes academic professional track faculty. The only exception is for faculty promotions funded by non-central sources. In those cases, the promotion is funded by the non-central source. The promotion increase is separate from any additional merit recommended by heads and directors.
- **College Budget Practices:** Base funding from all vacated faculty positions will return to the College. The retrieval will be implemented during the budget prep cycle. All other faculty salary savings will automatically revert to the College at the time of the official payroll action.

The college budget guidelines will be revisited annually.