

FY2021 Salary Savings and Contract Salary Adjustment Process



Idaho State
University

Background

As part of the FY2021 budget development process, salary savings realized from furloughs, vacancies, new hire placement, leaves of absence, and related personnel actions will be retained centrally to offset reduced state funding. This was approved by Admin Council as a one-time (one-year) balancing measure, with a planned \$2 million in savings realized through furloughs and \$2.75 million through salary savings.

Centralization of salary savings applies to all appropriated and local indexes, including special appropriations*. Research indexes are excluded, as are grant buyouts, with the expectation that units repurpose grant buyout funds for backfill and/or priority needs.

Temporary and permanent (recurring) savings will be tracked separately. Permanent savings will be available to units for FY2022 salary planning and budget development, as in prior years. For example: A unit has \$90K budgeted in vacant PCN 1234. Someone is hired at an annual salary of \$80K. The unit will not have access to the \$10K savings in FY2021 but will have access to the \$10K in their 2022 base budget.

Operationalization

The Budget Office will process a batch update of salaries in July once furlough tiers by employee have been finalized by Human Resources to account for the impact of the furloughs and salary savings due to vacant positions. All budgets will be reduced by annualized furlough amounts. In addition, all vacant PCN's and their associated budgeted salary and benefits will be moved to a central index.

The Budget Office will update budgeted salaries on a bi-weekly basis throughout the year as appropriate, with all salary savings transferred to a central index. Budgeted salaries, for the remainder of the fiscal year, for vacant positions will be distributed back to units upon hire of approved positions. The full budgeted salary for a PCN will be available to the unit for FY2022 budget development

If a unit needs a budget adjustment related to salary savings (e.g. an unexpected faculty retirement that requires adjunct backfill or temporary compensation for additional duties), the unit is expected to find funding within their overall budget authority. In cases where there is insufficient existing budget, the unit will submit a Budget Adjustment Request Admin Council review. Admin Council will consider the budget situation of the unit. Units who receive faculty buyout from sponsored activity should have a built-in source of funding. For example: units that have faculty buyout from sponsored funding, will have salary savings after paying for an adjunct to backfill the teaching section(s). This salary savings stays with the unit and can be used to fund budget adjustments.

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* Salary savings realized in special appropriations will be offset by reduced university funding to that unit so that special appropriations are fully expended in accordance with all applicable rules and guidelines.