IRMY22: Year in Review

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Agenda

- FY2022 UT System Budget
- IRM Model Overview
- IRM Process Improvements
- IRMY22 Outcomes
- IRMY22 "At Work"
  - Compensation Strategy Investments
  - Strategic Investment Fund
  - Operational Review Committee
- IRMY22 Conclusion
FY2022 UT System Budget
FY2022 Budgeted Revenue

- Tuition & Fees: $244,421,000
- Sponsored & Gifts (143M in Pell & HEERF): $253,711,583
- Other: $55,011,699
- State Appropriations: $145,056,350

TOTAL: $698,200,632
## FY2022 Budgeted Revenue

<table>
<thead>
<tr>
<th>STATE APPROPRIATIONS</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenue</td>
<td>$114,129,800</td>
</tr>
<tr>
<td>State Group Insurance</td>
<td>$13,577,249</td>
</tr>
<tr>
<td>Other Benefits (TRS/OPR/OASI)</td>
<td>$17,349,301</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$145,056,350</strong></td>
</tr>
</tbody>
</table>

**$25M INCREASE**
FY2022 Budgeted Expenses By Type

- Debt Service (Principal & Interest): $11,685,383
- Operations & Maintenance: $198,332,017
- Utilities: $14,701,549
- Compensation & Benefits: $387,763,473
- Scholarships & Fellowships: $85,718,210

Total: $698,200,632
FY2022 Functional Budgeted Expense

TOTAL
$698,200,632

- Instruction
  $155,066,628

- Research
  $127,377,490

- Academic Support
  $90,285,595

- Public Service
  $18,267,168

- Student Services
  $31,369,077

- Auxiliary Enterprises
  $66,749,714

- Institutional Support
  $60,009,187

- Scholarships & Fellowships
  $88,388,551

- Debt Service Interest
  $9,419,483

- Operations & Maintenance of Plant
  $51,267,739
IRM Model Overview
Guiding Principles

1. Align resources with institutional priorities and state investment processes.
2. Promote collaboration amongst the colleges, support units and auxiliaries to advance institutional and student success.
3. Support the decision-making process with reliable data and analysis.
4. Improve budget transparency.
Guiding Principles

- Incentivize enrollment growth and cost effectiveness while enhancing fiscal accountability and prudent management of resources.
- Align college opportunities to develop resources for program support and to make “local” decisions that advance their college and students.
- Evaluate the budget process periodically and adjust as necessary.
- Develop a budget model that promotes clarity and understanding for academic and administrative leaders with financial responsibilities.
How It Works

IRM aligns institutional goals and KPIs with academic planning and financial management.

This ensures our budget supports the university’s priorities, while encouraging campus units to own and develop their resources.
Governance Structure

IRM is governed by a collaborative, data-driven participatory process.

Under IRM, we all have shared responsibilities in deciding budget priorities. Regular touchpoints with campus stakeholders, shared governance bodies, and representative leadership is part of IRM. While ultimate budgetary decisions are made by the president, the Resource Management Team and University Leadership Council (which includes shared governance leadership of faculty, staff, and students) provide guidance and key insights to the overall decision-making process.
How Does UTSA use IRM?

Centered on activity generation, IRM aligns resource allocation model with activity.

IRM distinguishes campus units into two main types: revenue and support based on relative differences in expectations to directly generate activity and for financial sustainability.

Both Revenue and Support individual units have autonomy, transparency & clear financial data for decision making.
Implementation Progress

Despite delays from COVID in 2020, IRMY22 is the third year of the model.

- Continuous Assessment
  - University Finance Team regularly reviews model inputs and effectiveness.
  - More regular communication with stakeholders

[Diagram of implementation timeline]
IRM Process Improvements
Process Improvement

New Comprehensive Planning Process

• Ongoing Collaborative Meetings with Academic College Deans
  ▪ Series of meetings with members of the University Finance Team and Deans.
  ▪ Reviewed changes in activity, and associated revenue, expense, and strategic investment allocation concepts in detail with discussion and feedback.

• Planning meetings held individually with Auxiliary Revenue Units and collectively with Support Units.
Process Improvement

Continuous assessment led to model changes.

Support Expense for Revenue Units

• The previous allocation used nine activity drivers to allocate twenty support unit costs, which made planning for final expense amounts difficult.

• Auxiliaries were direct-billed for facilities costs. Academic Revenue Units bore unbalanced portion of facilities costs.

• In order to promote easier planning and more predictability, support unit expenses are now allocated to revenue units via a support rate.

• Support rate charged to eligible revenue sources such as tuition and sales and services revenue.

• Service Level Agreements set with auxiliaries that are primarily fee-funded.
Process Improvement

• Engaged Huron Consulting to provide feedback on our progress with IRM.
  ▪ To evaluate our budget process and support our commitment to continuous improvement.
  ▪ Interviews with more than 50 stakeholders

• In May, we began delivering results of Huron’s review to our various constituent groups.

• The **final Huron report** is posted on the **IRM website**:
  
Outcomes

IRMY22

Outcomes
IRMY22 in Summary

- Increases in WSCHs, majors, and total research expenditures led to earned increases in revenue distributed to the colleges, both from tuition and state appropriations.
  - IRMY22 tuition period is summer 2020, fall 2020 and spring 2021
- Record numbers in overall enrollment, increased SCHs, and majors and large gains in external research, other sponsored and gift expenditures.
- Both the total state appropriation to higher ed and UTSA’s share increased, optimizing UTSA’s new appropriation revenue.
- Increased general revenue from the state resulted directly from successful efforts by the colleges and academic support divisions to increase enrollment, retention and externally sponsored activity.
- Increased activity-based revenue created a unique opportunity, in turn, to make investments in our university priorities and community.
IRMY22 in Summary

• Third highest in state appropriations increase – efforts to grow WSCH were instrumental in this dramatic increase
• 9.1% increase in WSCH
• 19.4% increase in research expenditures
• 7.9% increase in student enrollment
  • 7.1% undergrad & 12.6% graduate
• $39.5M or 12.2% academic revenue increase
• $1.4M auxiliary revenue decrease
• $14M allocated to colleges for additional investment

Note: Changes listed are based on prior year activity drivers.
IRMY22 in Summary

• Transitioned from multiple drivers to rates for support expense allocation

• $14.3M provided as one-time assistance for Auxiliary Units:
  ▪ $11.7M of lost revenue claimed under Higher Education Emergency Relief Fund (HEERF)
  ▪ $2.6M of 8% relief from SIFF on mandatory fees
IRMY22 in Summary

Using changes in activity, IRMY22 allocated the earned activity-based revenue to units, creating additional opportunity for investment directed towards strategic goals and for hiring and retaining best-in-class faculty and staff to meet those goals.

- Minimum pay rates for Fixed Term Faculty and Staff
- Compression and market retention adjustments for Faculty & Staff
- Faculty promotions and tenure
- Institutional merit
- New Faculty hires
- Graduate student support
- Startup expenses
- Increased student services
- Operations
- Space enhancement
IRMY22 “At Work”: Compensation Strategy Investments
IRMY22 Investments: New Faculty Hires

21 Tenured / Tenure Track Faculty

- 11 Traditional Faculty Hiring
- 5 Clustered / Connected
- 3 Faculty Diversity Hiring Program (FDP)
- 2 Dual Career Partners Hiring Program (DCP)
- 1 Post-Doctoral Fellow to Faculty

13 New Full-Time Fixed Term Track Faculty

School of Data Science Startup Funded as New Academic Support Unit
IRM Y22 Compensation Investments – Already Implemented

**Paid October 1**
- Staff minimum wage increases
- Fixed Term Faculty minimums established
- Faculty market retention/compression adjustments
- One-time faculty Fall instruction transition supplements

**Paid November 1**
- Staff compression increases
Compensation Investments

Staff Minimum Wage Increase
• Increases staff minimum hourly pay rate from $14 to $15/hour
• Aligns with San Antonio’s minimum rates
• Directly supports workforce retention
• Proactively addresses future federal minimum wage increases

Staff Compression Increases
• Focus on new $15/hour minimum and raise select incumbent rates $16 to $17 to alleviate pay compression in lower salary grades
IRM Y22 Compensation Investments

Staff Market Retention Adjustments

• Hard-to-fill jobs / high turnover positions / highly skilled positions

• People Excellence meeting with each Senior VP/VP in November
  ▪ Discuss purpose and intent of strategy
  ▪ Review employee and position data
  ▪ Discuss funding sources and strategies for non-E&G funded positions

• People Excellence will review data, based upon leader discussions, and make recommendations

• Approved changes will be effective March 1, 2022 with April 1, 2022 pay date
IRMY22 Compensation Investments

**Fixed Term Track Faculty Minimum Pay Scale**

- Leveraged new Fixed Term Track Title series and appointment structure
- 120 Fixed Term Track promotions
- Conversion of per course compensation to FTE based appointments with pay scale

<table>
<thead>
<tr>
<th>Title</th>
<th>AY Compensation (1.0 FTE)</th>
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<tbody>
<tr>
<td>Lecturer</td>
<td>$32,000.00</td>
</tr>
<tr>
<td>Senior Lecturer</td>
<td>$35,000.00</td>
</tr>
<tr>
<td>Assistant Professor of Practice</td>
<td>$40,000.00</td>
</tr>
<tr>
<td>Associate Professor of Practice</td>
<td>$45,000.00</td>
</tr>
<tr>
<td>Professor of Practice</td>
<td>$52,000.00</td>
</tr>
<tr>
<td>Assistant Professor of Instruction</td>
<td>$42,000.00</td>
</tr>
<tr>
<td>Associate Professor of Instruction</td>
<td>$47,000.00</td>
</tr>
<tr>
<td>Professor of Instruction</td>
<td>$54,000.00</td>
</tr>
</tbody>
</table>

- Part-time instruction rate: $3,500 per course
- 282 FTT faculty received increases
- $1,611,000 investment across the institution
Faculty Market Retention Compression Adjustment Process

- The proportionate share of academic activity determines the revenues allocated to the college, where the earned allocated revenue supports all faculty compensation costs.

- College Deans, using a college-specific consultation process, determined the proportion of funding allocation to college-specific purposes (e.g. new hires, market retention compression adjustments, graduate students investments, etc.)
  - Annually, deans review available resources to make plans and decisions regarding the funding allocation to new hires, retention compression adjustments, and other priorities for institutional review prior to implementation.
  - The dean, again with input from college consultation processes, used the institutional data provided in dashboards to determine the number and level of pay adjustments for individual faculty.
  - Dashboards included analysis and scatter plots with slicers of faculty information (e.g. department, rank, years of experience, teaching and research/scholarly work, last annual evaluation) and comparisons with R1 and R2 salary medians by CIP code.
  - The dean put forward their college plan for individual retention compression adjustments based on their “localized” knowledge and assessment, as well as their priorities for the college in light of its particular goals and context.

IRM Y22 Compensation Investments
FY22 Faculty Salary Market Retention Compression Outcomes

97 FACULTY RECEIVING ADJUSTMENTS

Professors: 45
Associate Professors: 31
Assistant Professors: 21

COMPENSATION ADJUSTMENT INCREASES RANGED FROM $2,000 TO $15,794.64

- Adjustment > $10,000: 24
- Adjustment $5,000 - $9,999: 38
- Adjustment < $5,000: 35

ACROSS THE FOLLOWING COLLEGES

ACOB: 8
CEID: 20
COEHD: 1
COLFA: 19
HCaP: 34
COS: 15
IRM Y22 Compensation Investments

Institutional Merit Process – Faculty Annual Review

SEPTEMBER 15, 2021
Faculty submit Annual Review materials

OCTOBER 10, 2021
Department Review Committee Completes Reviews

OCTOBER 30, 2021
Chair completes Reviews and Faculty and Chair Annual Review and Workload Agreement Meetings

NOVEMBER 15, 2021
Dean Completes Review

EARLY DECEMBER
Academic Affairs through Faculty Success archives evaluation ratings data in Digital Measures
IRM Y22 Compensation Investments

Institutional Merit Process – Staff Evaluations

<table>
<thead>
<tr>
<th>When?</th>
<th>What happens?</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 15, <strong>2020</strong></td>
<td>SMART Goals due</td>
</tr>
<tr>
<td>August 1 – 31, 2021</td>
<td>Self-evaluation process</td>
</tr>
<tr>
<td>August 1 - September 10</td>
<td>Complete performance evaluation</td>
</tr>
<tr>
<td>September 11-30</td>
<td>Evaluation Review Period</td>
</tr>
<tr>
<td>October 1-22</td>
<td>One-on-one meetings to discuss evaluation</td>
</tr>
<tr>
<td>October 22</td>
<td>Performance evaluation complete</td>
</tr>
</tbody>
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IRM Y22 Compensation Investments

**Institutional Merit Increases**

- Effective January 1, 2022 with February 1 pay date
- Merit percentage increases for each rating are institutionally set
- Merit award based on:
  - July 1, 2021 salary for staff
  - September 1, 2021 salary for faculty, based on faculty contract start date
- IRMY22 budget - $6.3M E&G/Designated Tuition; $3.6M other funds
- Total $10M compensation investment in faculty and staff
  - Increases for positions paid from Education & General and Designated Tuition are supported by the IRM activity allocations and will be permanently reflected in budgets in early February
  - Increases for positions paid from other sources supported by existing budgets
  - Same for other institutionally-set compensation strategies
IRM Y22 “At Work”: Strategic Investment Fund
Strategic Investment Fund

- Strategic Investment Fund (SIF) Committee was launched.
- Committee comprised of faculty and staff representatives from throughout the university.
- SIF funded by allocation of revenues:
  - 14% on tuition, appropriation, sales and services and other revenue
  - 8% on mandatory fees (IRMY22 and forward)
- Allows for investment in critical strategic efforts that serve the best interests of the university.
- 32 distinct proposals were awarded SIF funding, totaling more than $7 million!
### Strategic Investment Fund

**Examples of Funded Projects**

<table>
<thead>
<tr>
<th>Department</th>
<th>Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Enrollment</td>
<td>Implementation of new Graduate Application Platform to support UTSA’s Strategic Enrollment goals</td>
</tr>
<tr>
<td>College of Sciences</td>
<td>Renovation Project, New COS Student Success Center</td>
</tr>
<tr>
<td>College of Engineering &amp; Integrated Design</td>
<td>UTSA Drone Enclosure for Research, Training and Certification</td>
</tr>
<tr>
<td>College of Liberal &amp; Fine Arts</td>
<td>UTSA Spanish Heritage Program</td>
</tr>
</tbody>
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[utsa.edu/budget/irm/strategic-investment-fund]
IRM Y22 “At Work”: Operational Review Committee
Operational Review Committee

- First reviews completed in IRMY22
- Collaborative review process
  - Assess internal policies, processes and priorities.
  - Identify opportunities to improve outcomes and recognize efficiencies.
- Committee Membership
  - Leadership from academic revenue units, auxiliary units, and support units.
  - Faculty and staff in financial, business, and at-large positions.
Operational Review Committee

• Reviews during IRMY21
  ▪ Campus Recreation
  ▪ Student Success
  ▪ Facilities

• IRMY22 review units
  ▪ University Technology Solutions
  ▪ Strategic Enrollment
  ▪ Inclusive Excellence
  ▪ Child Development Center

http://utsa.edu/budget/irm/operational-review-committee.html
Actions Taken Since Spring 2021 Reports

• Facilities
  ▪ Working with People Excellence on improving job descriptions and analyzing salary equity issues to reduce employee turnover rate
  ▪ Planning to publish key data highlights in their annual report

• Student Success
  ▪ Continues to seek external funding to support student success programs
  ▪ Initiated strategic planning to eliminate high turnover in critical advising roles
  ▪ Maximizing resources through strategically hiring positions that can assess programmatic outcomes, build out the business service center and manage large-scale initiatives

• Recreation & Wellness
  ▪ Adjusted hours to save costs within current revenue limits
  ▪ Previously collected assessment data like annual survey and usage data now posted on website
IRM Y22
Conclusion
Final Thoughts

• Commitment to communication and collaboration
• Commitment to continued process improvement
• We appreciate your ongoing feedback and will count on your continued engagement