



## MEMORANDUM

DATE: August 12, 2019

TO: TTU Deans, Department Chairs, Faculty and Staff

FROM: Dr. Lawrence Schovanec, President

RE: FY2020 Budget and Investments

At its regularly scheduled meeting last week, the Texas Tech University System Board of Regents approved the FY2020 annual operating budget. We are grateful to the board for its continued support of TTU's academic and research enterprises.

A crucial component of our ongoing success in these areas is our exceptional faculty and staff. As such, the FY2020 budget contains several funding allocations to reward performance, address faculty salary equity and compression issues, aid in the recruitment and retention of top faculty, provide an increased minimum wage for all full-time benefits eligible employees, and enhanced retirement contributions for both TRS and ORP participants.

**Merit Pool**

The FY2020 budget includes a 2% merit pool for all centrally funded positions. Merit allocations were entered as part of the budget prep process to be effective September 1, 2019. Merit salary increases are intended to reward faculty and staff for their outstanding performance in teaching, research and creative activity, and service and engagement.

**Faculty Equity Pool**

In addition to the \$500,000 midcareer equity pool provided March 2019, an additional \$500,000 was provided for FY2020. This pool has been distributed to academic colleges based on their proportion of full-time faculty members and will be used to adjust salaries of top-performing faculty whose compensation is considerably below their peers as a result of compression caused by market conditions and subsequent hires. Equity adjustments have been entered as part of the budget prep process to be effective September 1, 2019.

**Spousal Accommodation Pool**

In FY2017, funds were allocated to a new spousal accommodation pool. This has been a great benefit for the recruitment of highly qualified faculty members. We expended all available funding this past year. As a result, an additional \$500,000 will be added to the spousal accommodation pool for FY2020. Please remember that funding is available for up to 2 years, and that permanent funding will need to be identified by the college and/or department for continued employment. We strongly encourage collaborations that will benefit the institution.

**Minimum Wage**

While Texas minimum wage is \$7.25 per hour, the FY2020 budget provides for an increase in the minimum wage to \$11.00 per hour for all full-time, benefits-eligible employees of Texas Tech University. This does not include part-time, interns, temporary workers, or event workers.

**Enhanced Retirement Contributions**

Senate Bill 12 (SB12) was passed by the 86<sup>th</sup> Legislature and signed by Governor Abbott earlier this summer. SB12 relates to contributions to the Teacher Retirement System of Texas (TRS) and makes the pension fund actuarially sound immediately. For FY2020 this will result in a .7% increase in employer contributions for TRS. TTU has chosen to provide a similar .7% salary benefit for its employees participating in the Optional Retirement Program or ORP.

Once again, we thank you for all that you do for Texas Tech University. Your dedication to our students, our alumni, and our community partners sets us apart and will lead us to even greater heights as we approach our centennial year. We look forward to celebrating additional milestones together throughout the new academic year.