

Budget Realignment Initiative First Phase

Frequently Asked Questions

What is a fiscal year? – A fiscal year defines the one-year period that we use to track our budget. The NMSU fiscal year starts on July 1 and ends June 30 each year. NMSU and the State of New Mexico use the same fiscal year.

How are the First Phase budget reductions being calculated and, what fiscal years do they apply? – The reductions are permanent, which means they are recurring and apply to all future fiscal years. For a position that will be eliminated, the budget will be reduced by the annualized I&G salary, after market adjustments, starting July 1, 2021. However, any salary savings occurring in fiscal year 2021 (which runs July 1, 2020 to June 30, 2021) will be taken as a one-time reduction. The amount needed to cover the retirement incentive should be taken into consideration when calculating the one-time salary savings. See also “What amount do I use for the annual I&G salary” below. The operating budget amounts will be permanently reduced on July 1, 2021.

How and when will the Second Phase reductions be administered? – Many aspects of the second phase reductions are still being determined. The second phase reductions depend on the amount required for the remainder of the planned overall reduction, which may be adjusted as a result of legislative actions and enrollment changes. The second phase is intended to focus on budget realignment and will be informed by metrics to streamline, reorganize, and establish data-informed distribution of reductions with input from stakeholders. It is anticipated that the additional budget reduction requirements will be communicated to the units around the end of April, and these reductions will differ by unit. These reductions would be identified during FY22 and implemented no later than July 1, 2022 (the first day of FY23).

What amount do I use for the annual I&G salary? – The salary amount to use for the budget reduction should reflect the amount of I&G budget remaining after the position budget is swept down to market entry level for the faculty position, entry level for non-exempt staff, and mid-point for exempt staff salaries above mid-point. Only the I&G portion of the position can be indicated. If you have questions regarding a position, please contact the budget office at positions@nmsu.edu.

When will we know who has elected to participate in the Voluntary Retirement Incentive Program? – For those retiring on or before January 1, you should have already received notification of the retirement, along with a request to complete their PAF. For those retiring later in the fiscal year, Human Resources will provide a preliminary listing in early January. However, some employees may still be waiting on the final confirmation of eligibility from the Educational Retirement Board.

How is the Graduate Assistants pool affected? – The Graduate Assistant pool that is allocated by the Graduate School has been excluded from your base budget calculation. Thus, the GA pool allocations cannot be reduced as part of the budget reduction scenario. Any reduction to the GA pool will be determined centrally for the overall pool.

What role do fringe benefits play? – Fringe benefits were not included in the base budget calculation and cannot be included in any reduction scenarios.

Where do I send the completed forms? – Please send the completed forms to budget@nmsu.edu

Do I apply my carry forward and salary savings sweep to these first phase reductions? – No. The carry forward and salary savings are not part of the permanent budget cuts and were used to manage cash flow and allow time to determine permanent budget reductions. The first and second phase budget reductions are permanent and recurring.

What if my reduction plan includes a filled position? – Please include the information on your reduction plan. The plan will be reviewed by the Budget Office and any impacted I&G filled positions will be forwarded to Human Resources for the next steps. Do not discuss with the impacted employee until the process is completed with Human Resources. Please refer also to the Human Resources Budget Reduction-Position Management Guidelines FY21 and additional information regarding Layoffs located at <https://hr.nmsu.edu/elr/job-separation/rif/>