TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER™

Budget Guidelines FY 2027

www.ttuhsc.edu/Budget/ 806-743-7717 hscbud@ttuhsc.edu

Overview

The following Budget Guidelines have been developed to assist in the preparation of the FY 2027 Operating Budget. Each Vice President or Dean may issue more specific budget instructions as they deem necessary to allocate funds or meet school or division goals. Please check with the appropriate administrative official for any additional requirements.

Operating Budget Requirement

The goal of the FY 2027 Operating Budget is to support the strategic priorities of TTUHSC. Each division is expected to scrutinize all expenditures in order to maximize resources in support of their operations and contingency plans.

Budget Philosophy

The TTUHSC Budget philosophy is supported by the following:

- Increased transparency of institutional resources.
- Provides Deans and Vice Presidents the authority and fiscal accountability over established resources to support division planning and flexibility.
- Promotes the use of strategic goals in the budgeting process.
- Each Dean or Vice President may determine how lapsed salaries will be handled and distributed.
- Each division is responsible for maintaining contingency funds.
- Salary adjustment policies must be funded from within the current operating budget.
- Cost efficiencies and fund balances must be evaluated before requesting additional funds.

Budget Prep Cycle – Important Dates

May 4 – Budget Prep Cycle Opens and Targets Distributed

- Budget Prep System opened for departmental input
- E&G Targets will be distributed to Division Heads
- Budget Guidelines will be emailed to Organization Managers

May 22 – FY 2027 HR Transactions due to HR Office through PASS

- Reclassifications
- New Positions
- Salary Review

May 28 – Budget Prep Cycle Closes

- The Budget Prep System will be closed for departmental input at 5:00 p.m.
- Earlier deadlines may exist at the division level.

Budget Prep System

Departments will input the FY 2027 budget into the online Budget Prep System. Instructions for using this system can be found on the Budget Office website.

- Budget Prep User's Guide
- Budget Prep System Training FY2027

Budget Prep System Security

Organization managers are responsible for reviewing and setting security to the Budget Prep System. Organization managers can review security by using the Cognos report titled ***003_SECUR-Budget Prep Orgn Security***.

Security is set using the TEAM application. Instructions for setting security are located on the Budget Office website.

- Setting Budget Prep Security

Human Resources Guidelines

Texas Tech University Health Sciences Center (TTUHSC) is dedicated to hiring and retaining exceptional team members who live our values. Recognizing that our team members are our most valuable assets, we demonstrate this commitment through market adjustments, performance incentives, and a 'respectful wage' minimum hourly rate. These plans support our mission to reward our team members who operationalize our values while ensuring equitable and motivating compensation.

Our compensation philosophy and approach utilize three methodologies designed to be responsive to the changing market dynamics surrounding our institution:

1. *Biennial Market-Based Adjustments:* A market adjustment may be implemented in odd-numbered fiscal years if financially feasible. The last market increase was effective in FY25.
2. *Biennial Performance-Based Salary Reviews:* A performance adjustment plan may be implemented in even-numbered fiscal years if financially feasible. The last performance incentive plan was effective in FY26.
3. *Maintaining a Respectful Wage*: TTUHSC diligently monitors and adjusts this respectful wage to exceed the US Census Bureau poverty threshold for a family of four, with the last adjustment occurring in FY24.

Optional Increase for FY2027

For FY27, there will be no mandatory performance-based salary increases. An optional, funding-dependent 2% Merit Increase Policy is approved for all staff, effective September 1, 2026. Faculty are not included in this policy.

There are two options for a merit increase: a percentage-based salary increase or a One-Time Merit Payment (OMP) through the Employee One-Time Payment System (EOPS).

There is no approved Market Adjustment Policy for FY27. Salary reviews are allowed in addition to merit increase payments, subject to normal salary review policies and procedures.

Non-Discriminatory Policy

The selection of individuals and the amount of merit increase shall not be made based on a team member's race, color, religion, sex, national origin, age, disability, or status as a protected veteran. The incentive shall be allocated based on team member performance and the criteria below.

Eligibility Criteria

Eligible

Employees receiving an optional merit increase must meet the following criteria:

- Team members must be employed on or before March 1, 2026, in a benefits-eligible position.
    - The position must be at least 0.50 FTE for six (6) months or longer.
- Each team member must have a current Performance Review completed and submitted in the system between **September 1, 2025,** and **August 31, 2026.**

Not Eligible

- Team members who changed positions through a competitive process (via applying to a job posting) or through reclassification after March 1, 2026.
    - This includes promotion, lateral, and demotion position changes.
- Team members who received a salary adjustment after March 1, 2026 through August 31, 2026.
- Any team members who were issued Corrective Actions between September 1, 2025, and September 1, 2026.
- Team members who have other performance or conduct concerns, as determined by their supervisor.

Merit Award Guidelines

- Determination of the merit increase amount will be based on the supervisor's knowledge of the team member's overall job performance, Performance Review score, accomplishments within the year, goal achievement, and other values-based behaviors.
- The percentage increase should correlate with the overall Performance Evaluation score.
    - Example: A low-scoring employee should not receive a high percentage merit increase.

Merit Increase Allocation

- **A combination of merit payment types is not allowed for any individual team member.** Either a base salary increase or an OMP may be issued to an eligible team member.
- The total dollars paid for merit increases through either option should not exceed your 2% merit pool. The merit pool is calculated using the base salary of eligible staff team members.
- The total merit increase awarded may not exceed 5% for any individual employee as either a base salary increase or as an OMP.
- Part-time employees are subject to the minimum and maximum allocation based on the FTE of their appointment in the Human Resources system.

- Secondary, overload, or other supplemental positions are not included in the merit increase calculations.
- Supervisors must identify those not eligible for the merit increase and notify Budget if changes occur post-entry to the Budget Prep system.

One-Time Merit (OMP) Process

- The effective date will be on November 1, 2026.
- An EOPS using earn code OMP will need to be entered with a comment stating:
    - The names (if multiple entered on the same EOPS), dollar amount of payment, and the percentage equivalent of annual salary for each team member.
    - The statement that the payment is a one-time merit payment for performance in FY26.
- Certain fund types may not be eligible for this form of payment.
- Multiple team members may be entered on the same EOPS, provided the same fund is used.
- EOPS transactions may be entered into the system starting August 1, 2026, and no later than October 1, 2026.
    - Work Performed dates must reflect: September 1, 2026 – October 15, 2026
    - Semi-monthly (non-exempt) team members: Payment date of October 25, 2026
    - Monthly (exempt) team members: Payment date of November 1, 2026
- Department leadership is responsible for ensuring that the total amount of base salary increases and OMP payments combined does not exceed the 2% merit pool.

Base Salary Merit Process

- Enter the award amount in the Merit Column in Salary Planner

Funding

Merit Increases awarded on Educational and General (E&G) funds must be within the targets provided to the Deans and Vice Presidents. Merit Increases awarded on other funding sources must be within the revenue budgeted in the FY27 Operating Budget.

Departments can print out a report showing supervisors their staff team members with eligibility status. The report is the ***068_ SPLAN - Merit Report (Chart H only).***

- The report is located in Cognos: Budget>Budget Prep>HSC and HSC El Paso>Step 2, 3, 4, and 5.
- This report will provide a list of employees with merit pool by supervisor. The report should be run by Budget Prep Users and distributed to supervisors to determine award amounts. After merits have been entered in Salary Planner for base salary increases, Budget Prep Users should run the report ***069_SPLAN – Merit OMP Report (Chart H) Only)*** in Excel and allocate OMP amount, not to exceed 5% for an individual and include Fund, Orgn and Program. Funds/Budget needs to be placed in 6008 Other Employee Payments in Budget Development. The report will be submitted to the Division Budget Prep approver for review. Division Budget Prep approver needs to combine reports into one sheet, validate data, ensure that OMP payments are within available Division merit pool balance and submit to hscbud@ttuhsc.edu.
  NOTE: Ineligible employees due to performance are based on the supervisor's knowledge and not captured in reporting. These employees must be changed to Ineligible by the supervisor.

- The following ineligibility reason codes may appear on the Report:
  - **BENCAT** - Not benefits eligible
  - **HIREDATE** - Employed after March 1
  - **FTE** - Supplement Position
  - **E-CLASS** - Employee Class
  - **JOBCHG** - Job Change

The ***157_SPLAN - Merit > 5%*** report will list employees with a merit amount over 5%.

- The report is located in Cognos: Budget>Budget Prep>HSC and HSC El Paso>Step 3, 4 and 5. This report should be blank.

Human Resources Transactions and Procedures

The Budget Prep process utilizes two systems to process salary actions for the planned fiscal year. Both may be necessary to complete the process.

- Salary Planner is part of the Budget Prep System, where the department can plan within the allocated budget guidelines.
- Position and Salary System (PASS) is the Human Resources system used to capture appropriate approvals.
  - PASS System Application
  - PASS System Instructions

FY27 Timeline

All 09/01 PASS transactions may not be originated until on or after **May 1, 2026**, and must be to the HR approval level by no later than **May 22, 2026**.

Please note it is the department's responsibility to ensure all PASS transactions are to the HR Level by the published deadline (May 22). Failure to meet this deadline may result in the rejection of the transaction(s).

Faculty Promotions

Any salary increases related to Faculty promotions should be entered into the Salary Planner Equity column. Human Resources will change position classes (PCLS) for Faculty promotions approved at the February Board of Regents meeting. Transactions for Faculty promotions will only be entered into Salary Planner and **should not** be submitted in PASS.

New Positions

A New Position or a New Secondary Position should only be submitted in PASS and should not be entered into Salary Planner. Transactions should be submitted within the published timeline.

- Upon approval by Human Resources, the Budget Office will enter the new position(s) into the Budget Prep system.

- Funding for the new positions should be **budgeted in Account Code 6006, Unallocated Salaries. Add a comment in Budget Development in 6006.**

Staff Salary Adjustments and Reclassification of Existing Positions

Requests for a Salary Review/Reclassification of an existing position must be entered into Salary Planner and submitted in PASS. Transactions should be submitted within the published timeline.

- **Salary Planner:** Salary Reviews and Reclassification adjustments should be entered into the Equity Column in Salary Planner. The Budget Office will remove any adjustments not approved by Human Resources.
    - For a reclassification of a vacant position, enter the amount in the Change Amount field in the List by Position screen.
- **PASS:** Salary Reviews and Reclassification transactions must include the salary amount that will be effective on **09/01/2026**. This salary amount should include any base salary merit adjustment, if awarded, as well as the requested equity increase. Comments/justification should include this information.

Overload Jobs

Departments should budget sufficient funds for Overload jobs. Report **063_NBAJOBS – Overloads Report**, located in the Budget Prep Step 2 folder, provides a list of Overload jobs and the associated funding sources.

All Overload jobs, with the exception of Supplemental Retirement Contributions, will automatically end on August 31, 2026. An ePAF must be submitted to reinstate these overload jobs.

Timeline Recap

May 1 – FY27 PASS transactions may begin being submitted with effective date 09/01/2026.

May 22 – FY27 PASS transactions due to HR approval level.

July 31 – FY26 PASS transactions due to HR approval level with no later than August 2026 effective dates.

Quick Reference Recap

Increase Type	PASS Transaction Required?	Salary Planner/Budget Development Entry	EOPS System Entry Required?
Market Increase	Yes	**Salary Planner:** Enter the amount in the *Equity* Column	No
Merit Increase to Base Salary	No	**Salary Planner:** Enter the amount in the *Merit* Column	No
One Time Merit Increase (OMP)	No	**Budget Development**: Enter the Funds/Budget in *6008-Other Employee Payments*	Yes, submit EOPS between 8/1/2026 and 10/1/2026*
Market Increase & Merit Increase to Base Salary	Yes	**Salary Planner:** Enter the Market amount in the *Equity Column* AND Enter the merit amount in the *Merit Column*	No
Market Increase & Merit Increase through OMP	Yes	**Salary Planner:** Enter the Market amount in the Equity Column **Budget Development:** Enter the Funds/Budget in 6008-Other Employee Payments	Yes, submit EOPS for the OMP between 8/1/2026 and 10/1/2026*

**Refer to instructions above for submitting these EOPS*

Please contact your campus HR office with questions regarding the Optional Merit Increase or the HR Procedures.

Other Budget Guidelines

Appropriate Budget Account Codes

Departments should budget funds in the correct Budget Account Code based on anticipated expenditures for FY 2027. The following Cognos Reports can be used to help estimate budgetary needs:

030_BUDEV_Y – Budget Development Detail Report with YTD Activity

This report will list the current year budget information, YTD activity through the previous month and the FY 2027 proposed budget.

120_BUDEV- Variance Report

This report will list the FY 2027 proposed budget, YTD activity through the last closed accounting period, an estimated total YTD activity for the entire fiscal year and a variance amount.

Use of Fund Balance (5099)

Fund balance may be used for one-time expenditures such as capital and faculty startup. A justification must be provided in the justification section of the Budget Development Module of the Budget Prep

System. The justification should include the specific use of the budgeted fund balance.

420_BUDEV – Fund Balance Usage w/ Actual Fund Balance

This report will list the FY 2027 proposed 5099 budget, 2026 beginning fund balance, 2026 fund balance through the last closed accounting period and the percent of fund balance budgeted. Analyze the proposed use of fund balance budget compared to the actual fund balance and justify.

Fringe Benefits (6007)

Departments are responsible for budgeting Fringe Benefits on all local funds. The following fringe benefit changes should be considered:

- Health Insurance rates have increased by 8% based on current estimates.
- The Retiree Insurance rate decreased from 2.00% to 1.90%.
- The Lump Sum Vacation pool rate remained the same at .90%.
- The Workers Compensation/Unemployment Compensation rate remained at .20%.
- The Teacher Retirement System rate remained at 8.25%.
- The Optional Retirement Program rate remained at 6.8%.

The Cognos report ***100_SPLAN – Fringe Benefit Estimate*** can be used to help estimate fringe benefit costs.

Professional Liability (7033)

Professional liability premiums, including abated premiums, should be budgeted using the FY 2027 professional liability rates.

Transfers (8001, 8002)

Transfer codes should only be utilized for the exchange of funding between two *different* funds.

General Funding Transfer

- Funding will be transferred from one fund to another for general funding purposes.
- Use account code 8001 for the transfer in and 8002 for the transfer out.
- The accounting cash transfer transaction will be processed at the beginning of the fiscal year based on the original operating budget.
- Transfers are not allowed on E&G Funds.
- Transfers in or out of restricted funds should not be budgeted in the Budget Prep Cycle. These should be processed on a Budget Revision in FY 2027.

Multi-Year Current Restricted Funds

Multi-Year Current Restricted funds should not be updated in Budget Development.

- The establishment and revision of all budgets on these funds must be processed on a budget revision in FY 2027.

- Employees and positions should be updated in the Salary Planner module of the Budget Prep System.

Budget Validation Process

Departments should run all edits in **Step 4: Finalizing the Budget – MUST Run Before Locking Budget** folder. These reports will help users verify the budget prep data entry.

Revenue and Expense Budget

Revenue Budget
The revenue budget for each fund should be based on anticipated revenue for FY 2027.

- Departments should be prepared to justify any significant revenue changes between the FY 2026 projected revenue and the FY 2027 budgeted revenue.

Expense Budget
Sufficient funds should be budgeted in all account codes based on the anticipated expenditures for the entire fiscal year.

Fringe Benefits and Longevity

Verify Fringe Benefits (6007) and Longevity (6005) budgets are sufficient for each FOP with a salary budget. The following reports and edits are available to assist in this process.

170_SPLAN – Longevity Estimate VS Budget Development
Report compares the longevity estimate to data entered in Budget Development.

- Please enter a comment in Budget Development on the 6005 Budget Account Code if you have a valid reason for budgeting a lower longevity amount than the estimate.

180_SPLAN – Fringe Estimate VS Budget Development
Report compares the fringe estimate to data entered in Budget Development.

- Please enter a comment in Budget Development on the 6007 Budget Account Code if you have a valid reason for budgeting a lower fringe amount than the estimate.

220_BUDEV – Salary Budget no Longevity Budget
Report will display records if a budget exists on 6001 or 6002 Budget Account Code but no longevity is budgeted.

230_BUDEV – Salary Budgets with no Fringe Budget
Report will display records if a budget exists on 6001, 6002, or 6003 Budget Account Code, but no fringe benefits are budgeted.

- Fringe Benefits must be budgeted for all non-E&G funds

Salary Budget

Run the following edits to verify salaries, position budgets and labor distributions for all employees are correct. Please contact the Budget Office if you have questions about these edits.

- ***210_SPLAN – Position Budget <> Employee Salary Single Posn***
- ***235_SPLAN – Job Base Budget = 0.00 and Proposed > 0.00***

- ***240_SPLAN – Posn Budg > 0.00 but Proposed Budg = 0.00***
- ***250_SPLAN – Proposed Position Salary is Negative***
- ***260_SPLAN – Position Labor = Zero***
- ***270_SPLAN – PLBD <> 100%***
- ***280_SPLAN – JLBD <> 100%***
- **290_SPLAN – No Position Labor**
- ***300_SPLAN – FOAP used multiple times***
- ***185_SPLAN- SM Fluctuation Estimate VS Budget Development***

Budget Development

Run the following reports to correct data entry errors in Budget Development

190_BUDEV – Budgets with Negative Account Codes

- The Transfer In Budget Account Codes are the only account codes that carry a negative budget balance.
- No other negative account codes should be budgeted.

200_BUDEV – Budget Not in Whole Dollars

- The Annual Operating Budget is presented in whole dollars. Please clear all cents from the data entered in Budget Development.

350_BUDEV – Invalid Fund Program Combination

360_BUDEV – Invalid Fund Orgn Combination

Transfers

Verify budgeted transfers reflect the amount to be transferred in FY 2027. The following Cognos report can be run to ensure transfers are balanced.

- ***320_TRNFR – Transfers Out of Balance***
- ***040_TRNFR – Transfer Roster***

Budget is Balanced

All E&G Budgets are limited to the target amount distributed by each Dean and Vice President. Revenue should be adjusted in each E&G fund to match the target provided by the Dean or Vice President.

The revenue budget plus any use of fund balance must equal the expense and net transfer budgets for each fund. The following report should be used to verify all funds are balanced.

310_BUDEV – Funds Out of Balance

- An unbalanced budget will not be accepted by the Budget Office. Ensure that all funds are in balance before submitting your budget proposal.

Fund Balance Justification

Verify a justification for the use of fund balance has been entered into the Budget Prep System. The following report displays the use of all fund balance and any justifications provided in the Budget Prep System.
400_BUDEV - Fund Balance Usage Report

Revenue Justification for Practice Plan Funds

In Step 4, run the ***410_BUDEV – Revenue Justification*** report.

Report Requirement for **Medical Practice Plans**. Email completed document with detailed justification to hscbud@ttuhsc.edu and cc:

- Lubbock – Javier Delgado, Shalene Vineyard, Bowie McGinnis, Lacey Hendricks
- Amarillo – Cari Neeley
- Odessa – Kory Smith

Report Requirement for **other school Practice plans**, email completed document with detailed justification to hscbud@ttuhsc.edu.

Other Budget Prep Tools

Other items created to further assist with Budget Prep process.

- Budget Prep Quick Start Guide - The Quick start guide has been updated to incorporate the new checklists and still has links to other budget prep systems to guide a user through budget prep.
- Pre-Budget Prep Checklist – A beginning checklist for budget prep users to get started.
- Final Budget Prep Checklist – This is a final review of items a user should ensure has been completed before locking salary planner and budget development. It is strongly encouraged for all areas to check through this checklist before locking.

Budget Contact Information

If you have any questions concerning these guidelines or require additional information, please call the Budget Office at (806) 743-7717 or email the budget office at hscbud@ttuhsc.edu. Below is a list of Budget Office personnel and their associated Budget Prep responsibilities.

Division	Contact	Contact Phone #
Chief Operations Office	Emily Hinojos	743-4092
Excellence and Culture	Shana Haney	743-1207
External Relations	Emily Hinojos	743-4092
Facilities Operations	Thomas Mowery	743-2217
Finance	Emily Hinojos	743-4092
Graduate School Biomedical Sciences	Thomas Mowery	743-2217
Human Resources	Fabiola Haro	743-3617
Information Technology	Fabiola Haro	743-3617
Institutional Compliance	Fabiola Haro	743-3617
President	Shana Haney	743-1207
Provost	Lucas Hendrix	743-9470
Research	Lance Lankford	743-1131
Rural Affairs	Thomas Mowery	743-2217
School of Health Professions	Fabiola Haro	743-3617
School of Medicine – Amarillo	Lucas Hendrix	743-9470
School of Medicine – Lubbock	Lance Lankford	743-1131
School of Medicine – Odessa	Fabiola Haro	743-3617
School of Nursing	Lucas Hendrix	743-9470
School of Pharmacy	Thomas Mowery	743-2217
School of Population and Public Health	Lucas Hendrix	743-9470
Strategic Initiatives	Thomas Mowery	743-2217
TTUHSC	Leticia Almaguer	743-7423
TTUHSC	Kerry Romine	743-6779