

Lamar University

Salary Savings Guidelines

Effective 9-1-2023

All positions and associated budgets are under the purview of the President of the University. From time-to-time salary savings materialize as positions become vacant due to attrition, retirement, or external funding. These savings fall into one of four buckets: Vacancy Savings, Direct Salary Savings, Differential Salary Savings, or Buyout Savings.

- Vacancy Savings - created when an unfilled budgeted position at the beginning of the fiscal year is not filled for the entire fiscal year, or up to the time it is filled.
- Direct Salary Savings - generated when a position is vacated for a period less than a full fiscal year.
- Differential Salary Savings - created when a variance exists between a position's budget and a new hire's salary, or through position reclassification.
- Buyout Savings - generated when a portion of a position's salary is being funded by an external source.

Guidelines for each of these buckets are as follows:

Vacancy Savings

Generated savings revert to the University General Fund which mitigate the University from unplanned costs such as emergency response, weather damage, leave payouts, revenue shortfalls, or expenses deemed critical by the Provost, CFO, or COO and approved by the President for continued operations.

Direct Salary Savings

Savings generated when a position is vacant for a period less than a full fiscal year remain within unit budgets and can be utilized for needs that arise due to the *direct* result of the vacancy such as adjuncts, overloads, or temporary employees.

Differential Salary Savings

Differential savings between a position budget and a new hire's salary, or savings generated through position reclassification, will revert to the University General Fund as a resource for new positions, tenure promotion, merit, and other wage adjustments due to retention, equity, and market demands.

Buyout Savings

These funds are generated when external sources, such as a grant, funds a portion of a position for a fixed period. Faculty members can reduce their teaching loads to devote more time to research if external sourced funding is available to support a portion of their academic-year base salary.

Specifically, the standard teaching load for faculty is four courses per semester and eight per year. A faculty member may buy out of teaching by providing funds equal to 12.5% (1/8) of his or her academic-year base salary for each course reduction in teaching load. The buyout savings available for distribution will be base salary buyout amount less any additional cost required for the release, such as adjunct compensation.

Distribution of Buyout Savings will be as follows:

- 40% - University General Fund
- 20% - College
- 20% - Department
- 20% - Research and Sponsored Programs

The portions of buyout savings will be distributed annually, after faculty have certified and submitted their time & effort report for the Fall and Spring semesters. Use of distributed buyout savings will be in accordance with the same spending guidelines that apply to the University General Fund. Some examples of allowable expenditures include the following:

- Summer salary (requires prior approval)
- Student support
- Travel
- Honoraria
- Equipment & Supplies (University owned)