Budget Guidelines for Academic Affairs

Annually, the Provost, in consultation with Academic Affairs Council and the Academic Affairs Program Effectiveness Council (AAPEC), will prepare a budget request with funds needed for enrollment growth, increases in resources for non-college Colleges (e.g., Library, University Advisement Center, Center for Teaching and Learning), and increases for non-faculty funds (e.g., staff positions, faculty travel, Operating Expense, equipment). This budget will be submitted to the University Budget Committee (UBC). After the budget is approved by the President, the Provost is responsible for allocating the budget within the Division.

The Academic Affairs budget will consist of 1) a prudent annual reserve, 2) the allocations of enrollment dollars, 3) a faculty recaptured salary pool, 4) Lottery funds, and 5) Continuing Education Revenue Funds.

I. Allocations of Enrollment Funds

    Basic Principle: Each College is expected to meet its enrollment target within its resources unless:

1) the University receives a de-allocation which cannot be handled in any other way than reduction in enrollment;

2) the University is given additional funding in the current year for over-achievement of FTES, in which case the money will be distributed among those Colleges that achieve more than 100% of target;

3) a College achieves less than 98% of target, in which case the College may have funds deducted.

A. When the campus receives an increase in allocation and when circumstances permit reallocation of funds for an increased FTES target in the next year, all Colleges will receive the base allocation from the previous fiscal year, subject to the following provisions:

1) Any College that has achieved less than 98% will receive no additional allocation. College underachievement of FTES target by more than 2% may result in a redistribution of resources.

Approved: Allen A. Mori

Date: 5-28-04
Prior to such redistribution from a College, attention will be given by the Dean and Provost to the need to redistribute funds within the College to avoid irreparable damage to a valued and/or growing program and to the need to provide overall stability in the College.

2) Any College that has achieved above 98% up to 99.9% of target for one year will not have the target or the allocation lowered;

3) Any College that has achieved 2% or above its assigned target will receive a negotiated new target and an increased allocation based on a share of the new money.

B. Excess Fee Revenue

   1) In any year in which excess fee revenue is generated, Academic Affairs will receive extra money as specified by the enrollment growth marginal cost formula. Fee revenue from the Academic Affairs portion of the funds will be distributed to the Colleges that have exceeded 100% or more of their target FTES. This distribution will be negotiated once a year after Spring Semester census date based on combined enrollment for the College (including summer session). This money may be rolled over into the next fiscal year on approval of the Provost.

II. Faculty Recaptured Salary Pool

A. Salaries of tenure track-faculty who retire (including FERP), resign, or are terminated will revert to the Faculty Recaptured Salary Pool in Central Academic Affairs on a prorated basis, based on the separation date. Thereafter, full salary will be allocated to the pool. Current replacement rate (Assistant Professor at $3,636/month or $43,632/year entry level) for 30 WTUs will be allocated to the respective College until the position is filled.

B. At the Provost's discretion, the Faculty Recaptured Salary Pool may be used as follows:

   1) Priority 1. Promotion/Range Elevations: Promotions for the tenure-track faculty and range elevations for temporary faculty will be funded fully based on a promotion date of September 1 for a given year.

   2) Priority 2. Salaries for newly hired tenure-track (probationary or tenured) faculty: Colleges will negotiate with the Provost for the difference between the actual salary of the individual being hired and replacement rate.

   3) Priority 3. Permanent use of funds from the Faculty Recaptured Salary Pool, beyond those mentioned in Priority 1 and 2, may be used to increase the number of tenure-track (probationary or tenured) faculty hired in subsequent years.

   NOTE: One-time use of the funds in a current year include (1) faculty start-up costs (including technology/research needs), (2) new faculty relocations, and (3) faculty travel / development.
III. The Academic Affairs Budget Process

This process is based on the principle that the Deans, working closely with the Provost and Vice Provost, and with input from the appropriate Vice Presidents and the Enrollment Management Planning Council, will establish FTES targets and appropriate Student Faculty Ratio (SFR) and Average Class Size (ACS). The Deans, the Provost, and the Vice Provost will identify faculty recruitment needs and related resources. The plan that emerges from this process will then be considered by the Provost and forwarded to AAPEC for recommendation.

1. Each College establishes the mix of classes it usually offers. This baseline should reflect a rational sequencing of courses and an adequate distribution of classes over times/days and frequency to meet student demand and permit progress to degree while achieving SFR and ACS targets that are consistent with maintaining:
   a. academic excellence
   b. fiscal responsibility in a Marginal Cost Funded Enrollment Growth environment.
   c. other indicators as deemed appropriate

   To enable the above, the Office of Institutional Research will provide on a timely basis:
   a. reports of courses with low enrollment;
   b. reports of FTES, SFR, and ACS by College and Department/Division/Program and by level and type of courses.

   Deans will be responsible for maintaining fiscal oversight in their Colleges. They will be accountable for managing budgets within allocations.

2. The pattern of instructional costs for each College will be entered into the Resource Book annually and analyzed, looking at:
   a. direct instructional costs per FTES
   b. administrative and staff costs per FTES
   c. O/E and other costs per FTES

   The above will be based upon expenditure patterns of the General Fund.

3. The Marginal Cost Funding that is needed to support enrollment growth FTES will be negotiated for each College, subject to the availability of funds provided to Academic Affairs. FTES targets, ACS targets, and SFR still must be maintained by the College regardless of funding low enrollment or new programs. Attention will be given to distinguishing among:
   a. programs with the capacity to grow in areas that reflect the University Strategic Plan and the Academic Affairs Master Plan.
   b. programs with the capacity to grow as reflected in their accreditation status.
   c. new programs in existing or new departments or divisions, which will need direct instructional support in the form of tenure-track faculty and other resources.
   d. programs that address state educational and workforce needs or new areas of knowledge and show strong potential to be viable programs regarding enrollment and meeting student needs.
   e. programs considered to be distinctive and that add excellence to the University.
In starting new programs, cost estimates will include the need to build the infrastructure and support services required for program operation. Costs that will be born by non-academic Colleges in creating new programs must be explicit and funded.

4. Deans, working closely with the Provost and Vice Provost, will establish College FTES targets based upon the following items:
   • enrollment goals/objectives submitted to the Chancellor’s Office,
   • the negotiated SFR and ACS targets,
   • existing average FTES funding ratios for each College, and
   • input received from the Enrollment Management Planning Council and other strategic information.

5. The overall budget and enrollment growth plans for each following year will be developed for approval by the Provost in fall (around mid-October) of each year for consultation with AAPEC and subsequent presentation to UBC. At the same time, anticipated long-term needs and initial faculty recruitment plans for 1, 2, and 3 years will be developed and considered for approval by the Provost. The following year’s faculty recruitment requests should all be approved early in the fall semester.

6. Once the budget approval process has been completed, the Provost provides information to the Vice President for Administration & Finance regarding:
   • planned funding of Colleges and the Academic Affairs Office from funding provided to Academic Affairs from campus appropriations received from the Chancellor’s Office,
   • identified funding shortfalls, and
   • proposed redistribution plans, as needed.

7. Redistributed resources will be used to fund new programs, programs with promise, and programs of distinction.

8. The pattern of the expenditure of funds from all sources (Lottery, Instructional Related Activity funds, Research, Scholarship and Creative Activities funds, Special Allocations, Indirect Cost Sharing funds, other funds from grants and contracts, and trust funds) will be monitored quarterly.