

Arts & Sciences: Budget Update

AUGUST 2022

Highlights

- Increase in permanent budget of A&S of more than \$600K
- Increase in travel budget to \$3000/faculty member
- Creation of a single faculty development (FD) account for each faculty member, and start-ups will no longer expire
- Restoration of COVID budget cuts to academic departmental budgets
- Creation of a school-wide equipment replacement model and allocation of resources to support that schedule of replacement
- Simplification

Why?

- Faculty concerns about operational resources have been heard; this exercise begins the work to address those
- Gather new folks around the table to begin with a collaborative relationship in mind; turnover in administrative roles over the past year
- Ensure a shared understanding of existing resources via joint review and analysis
- Position the new Dean to be able to implement new or transformative initiatives in the near-term and plan appropriately for the long-term needs of the school
- Most broadly, **unlocking resources to support the academic mission**

Who?

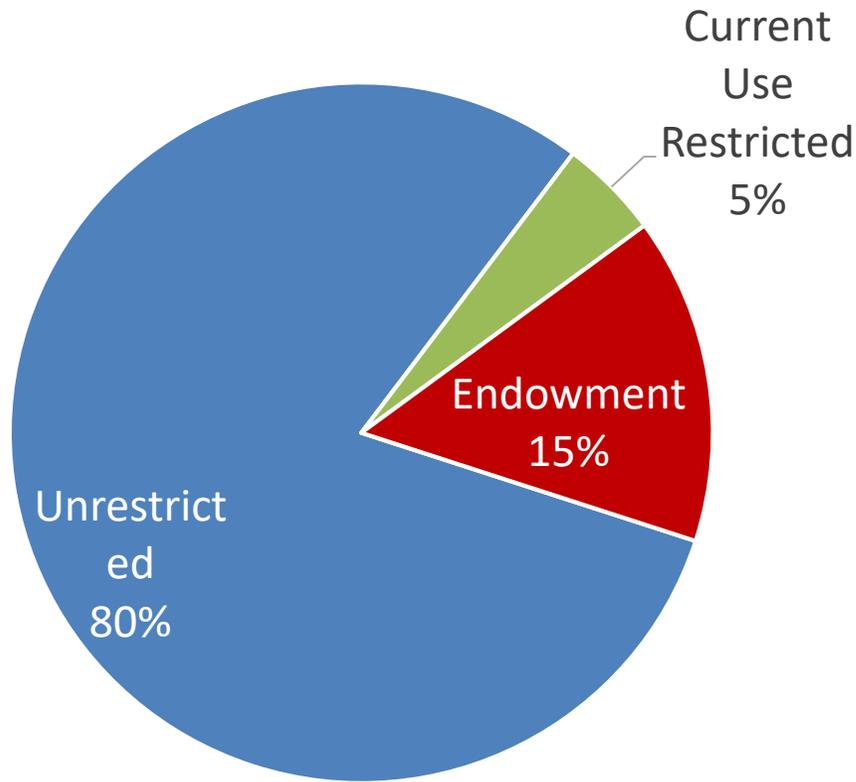
- **Dan Palazzolo**, Interim Dean of the School of Arts & Sciences
- **Sarah Orr**, A&S Budget and Operations Manager
- **Jenny Cavanaugh**, Dean of the School of Arts & Sciences *(new)*
- **Cindy Glavas**, A&S Director of Financial Planning and Operations *(new)*
- **Tim Vest**, Sr. Director of Finance and Operations, Office of Provost
- **Meghan Coates**, Assoc. Vice President, Financial Planning and Budget *(new)*
- **Steve Walker**, Senior Associate Controller
- **Lori Schuyler**, Vice President, Planning and Policy

A&S Budget Quick Facts

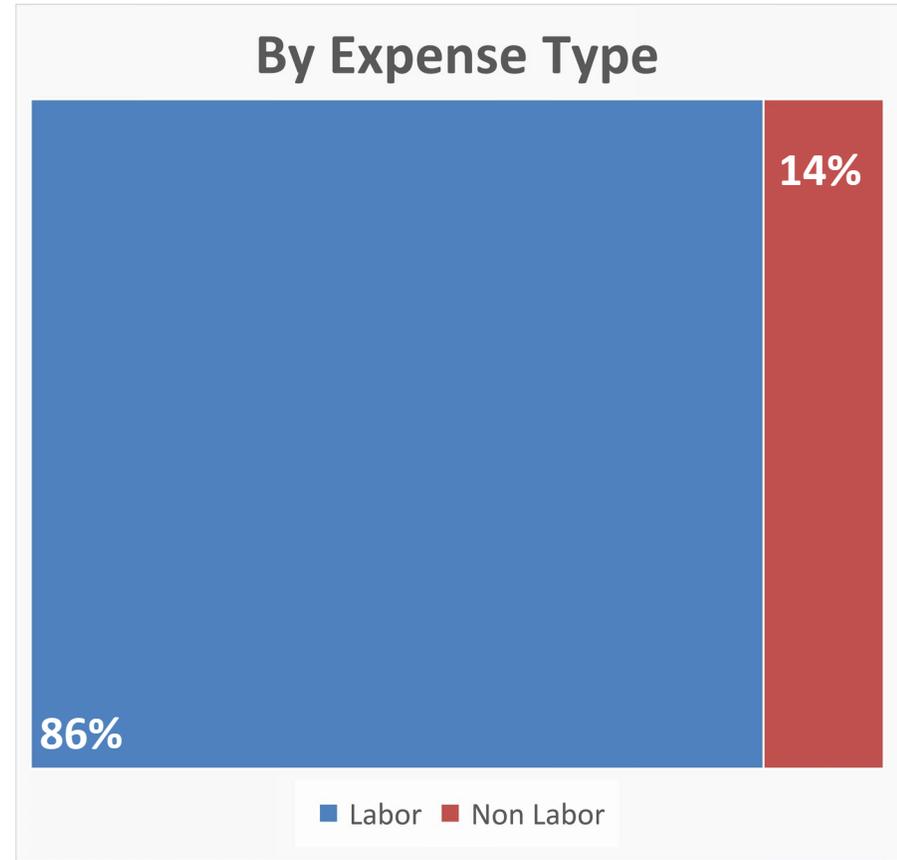
**FY22 Budget
(Final)
\$53.3M**

**FY23 Budget
(August)
\$54.9M**

By Funding Source



By Expense Type

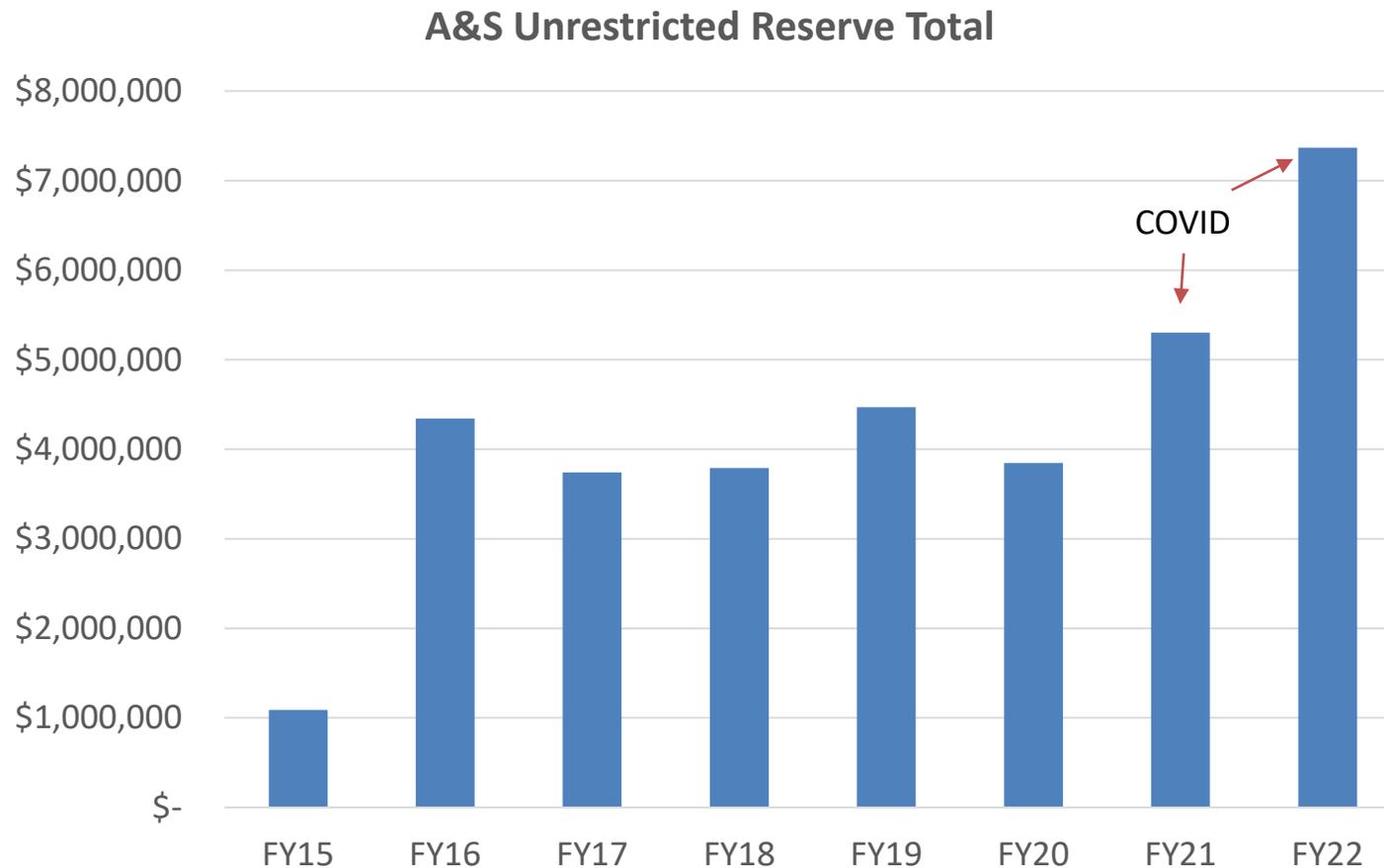


Budget Historically Balanced

- Highlighted cells demonstrate that, in a pre-COVID norm, A&S runs a balanced budget
- COVID created unusual budget savings in FY20 and FY21
- Turnover (not unique to A&S) and reduced travel left some funds underutilized in FY22; unlikely for this to recur with 11 faculty searches currently underway and travel normalizing

FY	Unrestricted Budget	Actual	Variance	% Variance
22	\$ 42,769,528	*FY22 unaudited data suggests a variance of ~\$2.0M or ~5%		
21	\$ 41,180,092	\$ 38,371,333	\$ 2,808,759	6.8%
20	\$ 40,628,073	\$ 39,381,171	\$ 1,246,902	3.1%
19	\$ 39,330,285	\$ 39,235,654	\$ 94,631	0.2%
18	\$ 38,309,080	\$ 38,140,559	\$ 168,521	0.4%
17	\$ 36,985,064	\$ 37,013,840	\$ (28,776)	-0.1%

Reserve Balances Rising



- At end of each year, A&S retains certain unspent resources in its reserves to be deployed for future needs
- Historically reserves have been kept to cover expenses associated with Faculty Development and Start Up Accounts
- Figures represent the starting reserve balance for a given FY
- From FY16-FY20 reserve balances basically stable as A&S ran balanced budget
- Growing balances post-COVID signal the need to rethink reserves to maximize the use of available funds

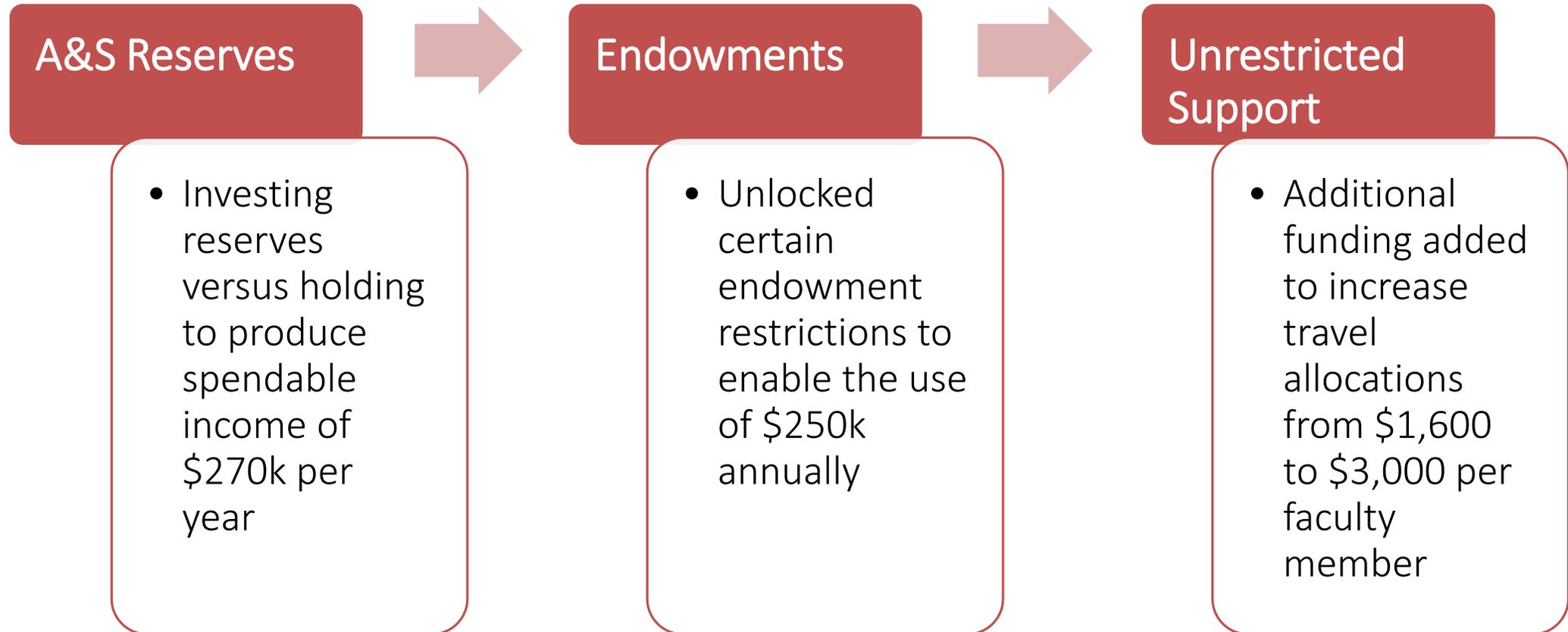
Now, What?

- Wherever possible, ensure that processes and financial structure are consistent and simple
- To the extent that every dollar is not being fully deployed towards the mission, evaluate ways to further unlock (restricted) resources
- Create a budget that accommodates averages and run-rates versus saving significant resources for one-time needs and rainy days
- Employ an enhanced budget partnership and framework with the Office of Planning and Budget

Simplification

Concept	Example/Action
Don't complicate departmental budget with universal charges	<ul style="list-style-type: none">- Move telephone base charges to IT
Resources should be easy to identify and in as few accounts as possible	<ul style="list-style-type: none">- Consolidation of orgs in Banner, one per department- Merge FD accounts and start-up accounts; eliminate expiration date on start-ups
Keep program specific funding in one place – don't do secondary budgets and transfers	<ul style="list-style-type: none">- Put all resources for summer undergraduate research supplies in one org- School-wide travel and equipment funds

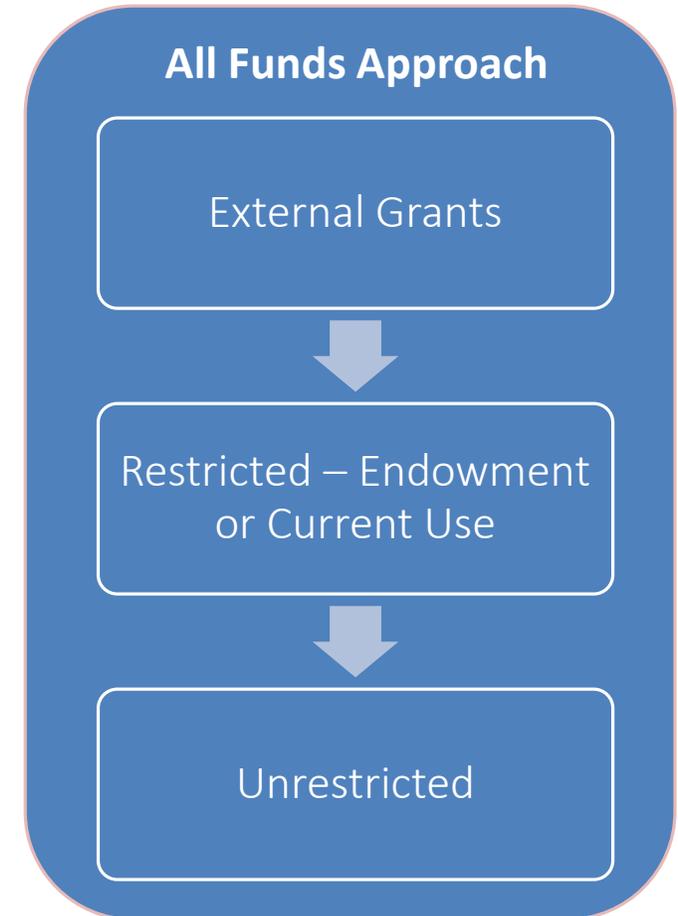
New Resources



New Approach

- All-funds approach that spends the most restricted resources first
- Greater reliance on budget partners for budget administration
- Reduction in small-dollar expense tracking

...all intended to preserve time and flexibility for faculty.



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Next Steps



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