**Proposal for CLA Annual Budget Report and Projection**

**Goa**l: Increased transparency of the college’s budget

**Challenges to meeting the goal**:

• the college is large and complex; the underlying accounting necessary to explain all income and expenses in a completely transparent would require everyone in the college to have a great deal of subject matter expertise.

• The dean’s office does not know the full funding picture for the college until after the fiscal year closes, although Academic Affairs has made progress on making its budgeting processes more transparent to the colleges.

• Expenses in various categories vary somewhat from year to year as does income in various categories; further, some monies come to us with restrictive strings attached. These two factors create two kinds of complexities:

1. The college may have to pay one type of expense (departments/programs’ operating costs) from one fund in one year and from another in the next.
2. The college may need to trade funds with Academic Affairs or other units to cover expenses that can only be paid from one category. For example, until 2019-20 the college had a chronic shortfall in general funds to cover staff costs and often traded CERF funds (our income from CPIE programs) to Academic Affairs to cover this shortfall because it has to be paid with general fund (state appropriation and tuition funds).

**Procedure**

The Dean’s Office will prepare an annual budget report for the previous academic year with a projection for the current academic year. That report will include:

• An executive summary

• Report of income in all categories

• Report of expenditures

• Report of the college’s carryforward or deficit from the past year

• Projections of income and expenditures for the current year

• Deeper dive reports on specific issues (e.g., CERF income from CPIE programs or instructional costs by department/program)

A draft of the report will be made public as early as possible in the Fall term, and various groups (e.g., The CLA Budget Committee, CLA department chairs and program directors, and the Faculty Council) will be given opportunity to ask questions and suggest additional deeper dive analyses.

The current-year report will be revised/updated based on feedback and made available on the college’s website, and that revised draft becomes the basis for the next year’s report.

**CLA 2020-21 Budget Report and**

**2021-22 Budget Projections**

**Executive Summary**

*Good news:*

Unlike last year in which the college had to return over $1 million to Academic Affairs to cover our share of COVID-related budget cuts, this year the college begins with its usual budget and an additional $3.4 million in one-time COVID relief funds. For one year, these funds will allow the college to:

--Increase instructional support for faculty members

--provide some relief for our hardworking department chairs and program directors

--continue to support faculty champions to assist other faculty members in engaging in alternative modes of instruction

--upgrade technology in many classrooms

--provide some staff development opportunities

--and provide some help for faculty to recover from the toll COVID took on their research.

*Caution:*

Unless there is more COVID relief approved at the federal or state level, these COVID relief funds will not be renewable. For this reason, these funds cannot be used to support permanent expenses.

*Limited good news for 2020-21*

The CLA Budget Committee approved the following expenditures for 2021-22:

Unfunded RSCA assigned time and Small Grants for Faculty (SGF) proposals that were approved but were unfunded by Academic Affairs will be funded by the college for 2021-22. (Estimate: $86,100)

Scholarly Intersections is going forward with a full budget. (Estimate: $25,000)

College will have its normal travel call plus a second travel call, supporting up to two in-person conferences, 1 in-person conference presentation and two virtual conference presentations, or three virtual conference presentations. (Estimate: $100,000)

RSCA-eligible faculty will be invited to apply for assigned time or a small grant to restart research. (Estimate: $1,200,000)

*Bottom-Line Summary:*

1. The 2020-21 5% cut to general funds has not been permanently restored; therefore, the college’s base budget for recurring funds remains in transition.
2. Reduced expenses during the pandemic as well CARES 2 funding in 2020-21 resulted in a larger-than-usual 2020-21 carryforward. In addition, and HEERF funding in 2021-22 will provide significant other one-time funds to ameliorate the impact of the pandemic.
3. In addition to making some one-time investments in ameliorating the impact of the pandemic, the college needs to plan for a significant 2021-22 carryforward because of the uncertainty of the return of the 5% cut to base budget in 2022-23.

**Table of 2020-21 Revenue Percentages by Budget Category**

**$53,613,941**

|  |  |
| --- | --- |
|  | **General Fund – 85%** **$46,247,691****Donated Funds (B, E, K, N) – 6.6%** **$3,554447****CERF – 3.3%** **$1,774,816****Instruct. Related Activities (IRA) ) – .01%****$1,009,136****Research Stimulation (RS) – 2%** **$549,605****Lottery – 0.008%** **$425,591****Course Fees/User Fees/Misc Trust 0.001%** **$52,655** |

Notes:

Although General Funds comprise the vast majority of the college’s available funds, CERF and lottery funds are critical for important college functions such as a travel and department/program operation expenses and equipment. Other funds such as donated, Instructionally Related Activity (IRA), and Research Stimulation funds have very specific purposes and limitations and thus do not affect the college’s bottom line significantly.

**Example #1: Lottery Funds**

|  |  |
| --- | --- |
| Description: | College’s share of state lottery funds to support education |
| Restrictions:  | Instructional use only (no faculty salaries or research) |
|  |  |
| 2020-21 Available Revenue: | $425,591 (includes $122,907 carryforward) |
|  |  |
| 2019-20 Lottery Expenditures | $21,929 |
| Travel: |  $9,367 |
| Tech Student Assistants |  $12,562 |
|  |  |
| **Carryforward available for 2021-22:**  | **$403,662** |

NOTES:

• The much larger-than-normal carryforward is due to truncated travel because of COVID-19.

• Income in 2021-22 will like be about $300K, increasing funds available to about $700K.

• Even with a second travel call paid for from lottery, the college could have nearly a $500K carryforward of lottery funds for 2022-23 if we followed our usual spending patterns.

**Example #2: General Fund**

|  |  |
| --- | --- |
| Description: | State appropriation and student tuition and fees |
| Restrictions and other notes: | --technically very flexible funds (no alcohol or employee-only hospitality)--functionally very constrained as CLA generally has had to use all or nearly all of these funds to play salaries--Student Excellence Fee (SEF) and Gradation 2025 funds come with additional restrictions--adjusted by Academic Affairs annually for:• changes in # of tenure-line faculty• gains or losses in FTES• salary increases |
|  |  |
| 2020-21 Available Revenue: |  $46,247,691 |
| Base Budget:  | $35,382,958 |
| \*Variable Funds: |  $9,587,336 |
| Student Excellent Fee (SEF) for Technology and Equipment: |  $467,394 |
| SEF/Highly Valued Degree Initiative/GI 2025: |  $758,628 |
| \*Includes various buy-outs of faculty time that are essentially in and out |  |
|  |  |
| 2020-21 Expenditures  |  $ 45,821,459 |
| • Tenured, Tenure-track - 53%• Lecturer – 32.5%• Staff & Admin- 9.9%• Department Chair – 4.6%• GA/TA/ISA – 2.1%• Operating Expense and Equipment (OE&E) – 1.7%• Misc Personnel & Benefits -0.4% |  |
| **Carryforward available for 2021-22:**  | **$426,232** |
| **Uncommitted Carryforward available for 2021-22:** | **$182,112** |

Notes:

• About $240K of the potential carryforward are general funds the college holds for others. The functional carryforward is less than $200K.

• General fund expenditures and income were more difficult to track in 2020-21 for two reasons: (1) Academic Affairs backfilled the college’s share of the 5% permanent budget cut the university; we do not yet know if or when those funds will be restored permanently and (2) some expenses that the college would have usually paid with general funds were eligible for CARES-2 (2020-21 COVID emergency funding).

• We will likely not be able to sort out how these 2020-21 oddities affect the college’s underlying budget until at least the December assessment with Academic Affairs and perhaps not until the end of the 2021-22 fiscal year so one budget priority for the college in 2021-22 is to have a significant carryforward balance at the end of the fiscal year to carry into the 2022-23 academic year.

• All possible funds should be carried forward in this category as a hedge against a possible general fund shortfall in 2022-23.

**Example #3: CERF**

|  |  |
| --- | --- |
| Description: | Continuing Education Revolving Fund (CERF) |
| Restrictions and other notes: | --indirect returns from Continuing Professional and International Education Programs (CPIE)--typical use department operating funds (i.e. supplies, copying, equipment & hospitality (dept. faculty meetings)) |
|  | CERF 100% Operating Expense & Equipment |
| 2020-21 Available Revenue: | $1,774,816 |
| Open University | $144,658 |
| Summer 2020 | $387,984 |
| Dept. Chair Salary Reimbursement for Summer | $199,595 |
| Programs – BALA, MSGIS, MAIA, MSSMP, ESI | $148,658 |
| Carryforward from 19/20 | $735,397 |
| GS 700 | $ 23,176 |
| Winter Session 2021 | $ 32,873 |
| May Intersession 2021 | $ 8,776 |
|  Computer Refresh | $93,698 |
|  |  |
|  |  |
| 2020-21 Expenditures | $429,410 |
| **Carryforward available for 2021-22:**  | **$1,345,406** |

Notes:

1. The larger-than-normal carryforward is due to normal spending being truncated due to the pandemic.
2. 2020-21 income is much the same in total as 2019-20 income, but the sources are different. Most notably, income from open university was down by about 50% but income from a fully on-line summer was up about 50%.
3. Expenses in 2021-22 will likely be somewhat lower than normal because of the continued effects of the pandemic; most of these funds should be carried forward to 2022-23 to act as a buffer against the possibility of a general fund shortfall.

**Example #4: CARES 2 Funding**

|  |  |
| --- | --- |
| Description: | Federal Emergency Support of Covid  |
| Restrictions:  | Used for Preparation in teaching on line Training and Equipment and replacement of personnel on Covid related leave |
|  |  |
| 2020-21 Available Revenue: | $2,109,034 |
|  |  |
| 2020-21 CARES Expenditures | **$2,085,388** |
| Professional Development & Leaves | $ 586,000 |
| Covid Leaves |  863,440 |
| Equipment |  616,099 |
|  SOAR Advising |  19,849 |
|  |  |

NOTES:

• This is technically General Fund money, but it must be tracked separately because the funding is one-time and must be spent on COVID-related expenses.

• Some lecturer costs were covered by Cares 2, so 2020-21 instructional costs may be artificially low by as much as much as $500,000. This funding helped to offset the 5% cut to general funds, and it is likely that HEERF funding will have a similar effect in 2021-22. This is good news as these funds help us offset the effects of the 5% cut to base general funds. However, if that base funding is not restored, the college will likely have a shortfall of General Funds to support instruction beginning in 2022-23.

**2020-21 Undesignated Carryforward**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Fund** | **2020/21****Carryforward** | **21/22 Expected****Revenue** | **21/22 Anticipated****Expenditures** | **Anticipated 21/22****Carryforward** |
| General Fund | $182,112 | - | - | None anticipated |
| CF/UF | 1,518 | - | - | Small Amount |
| CERF | 1,345,406 | 945,000 | 473,000 | 1,817,406 |
| Lottery | 403,754 | 305,533 | 275,000 | 434,287 |
| GRC/ER/MT | 31,743 |  |  |  |
| RS (Dean) | 114,186 | $25,000 | 30,556 | 109,281 |
| **Totals** | $2,078,782 | $1,276,184 | $778,556 | $2,360,974 |

NOTES:

A $2.3 million carryforward would be the largest in the college’s recent budget history. We are proposing to spend about half of that amount on restarting RSCA support for faculty and reserving the remainder as a carryforward into 2022-23 because of the uncertainly of the base budget cut being restored.

**2021-22 Budget Projections**

CERF—strong carryforward, income likely stable, and expenses slightly lower

Lottery—continued reduced travel due to Covid and states increasing restrictions to voting laws likely means we can save increase to two awards and still have $400K in reserve.

Operating and Equipment Expenses should begin to return to our normal $350K

**2021-22 Proposals for the CLA Budget Committee**

1. Continue to support RSCA to the level recommended by the Committee – 16 additional awards – this has been regularized 3rd year of supporting all fundable proposals
2. Scholarly Intersections will return to a regular budget (although some travel may still not return)
3. College will support conference presentations at 2 conferences one conference in person and once conference virtual, or three virtual conferences (N. America $1,200 – International $1,800); in addition, 1 conference may be attendance only
4. College will support a one-time “Restarting RSCA” stimulus program in 2021-22
5. College will undertake a study to fund expanded support for Graduate Advisors and Thesis support
6. College will review funding models for Chair support using data from Fall 21 FTES Census data

**Example #5: Donated Funds**

|  |  |
| --- | --- |
| Description: | Gifts from individuals & corporationsFunds carryforward from year-to-year  |
| Restrictions and other notes: | --typically given for a specific use (i.e. Scholarships or program)--Annual fund contributions mostly from alumni for a particular department or program--Most Funds balances are due to years of Carryforward – Expense Yearend 12/30--Program funds my award scholarships too |
|  |  |
| 2020-21 Available Revenue: | $3,554,447 |
| Scholarships K funds or Endow (B or E) |  $510,979 |
| Program funds (N, B, or E) |  $786,338 |
| Annual Funds (Dept N) | $2,257,230 |
|  |  |
| 2020-21 Expenditures |  |
| • Scholarships•Program Course Releases• Hospitality• Student Assistants | Expenses tend to be large percentage of Scholarships, usually Student Assistants or Operating Expenses & Equipment |

NOTE:

These funds are governed by gift agreements and can only be used for the purposes for which the money was donated.

**Example #6: Research Stimulation**

|  |  |
| --- | --- |
| Description: | Indirect returns (IDR) from grants  |
| Restrictions and other notes: | --typically used purchases and support for research, fund release time, or student research assistants--IDR are divided 1/3 to each College, Dept. and Principal Investigator--College has been using these funds to support new faculty startup |
|  |  |
| 2020-21 Available Revenue: | $549,605 |
| College | $144,742 |
| Departments | $ 43,635 |
| Principal Investigators (PI) | $361,228 |
|  |  |
| 2020-21 Expenditures |  $141,297 |
| College |  $30,556 |
| Departments |  $19,799 |
| Principal Investigators (PI) |  $90,942 |
|  |  |
| 2020-21 Revenue |  $92,543 |
| College |  $25,616 |
| Departments |  $32,344 |
| Principal Investigators (PI) |  $66,927 |
|  |  |
| Fund Uses |  |
| • Research Support• New Faculty Start Up |  |
|  |  |
| 2020-21 Carryforward |  $391,841 |
|  College |  $114,186 |
|  Departments |  67,469 |
|  Principal Investigators (PI) |  210,186 |
|  |  |

**Example #7: Instructionally Related Activity**

|  |  |
| --- | --- |
| Description: | Student Fee administered by University Student Fee Committee |
| Restrictions and other notes: | --can only be used for approved program budgets any changes have to justified and approved--CLA has 24 approved programs--These programs enhance student experience-- There are programs that generate revenue in addition to IRA funds |
|  |  |
| 2020-21 Available Revenue: | $655,624 |
| IRA Allocation |  453,618 |
| Carryforward & Program Revenue |  137,885 |
|  Revenue |  199,006 |
|  |  |
| 2020-21 Expenditures | $ 98,543 |
| • Student Assistants• Fieldtrips• Produce journals• Presenters |  |

NOTES:

1. The carryforward is extraordinarily high because of COVID.
2. These funds can only be used on approved IRA expenses and cannot be used for any other purpose.

**Example #8: Course Fee/Miscellaneous Trust/User Fees**

|  |  |
| --- | --- |
| Description: | Revenue collected funding express purpose |
| Restrictions and other notes: | --Course fees expense for specific course (CLA has only 2)--User Fee for Geography plotter & Archaeological Materials Analysis--Conference Registrations for CLA conferences |
|  |  |
| 2020-21 Available Revenue: |  $37,796 |
| Course Fees | $ 1,518 |
| User Fee | $12,223 |
| Miscellaneous Trust | $24,054 |
|  |  |
|  |  |
| 2020-21 Expenditures |  $11,374 |
|  Course Fees |  1,320 |
|  User Fee |  1,394 |
|  Miscellaneous Trust |  8,660 |
|  |  |
| 2020-21 Revenue |  $5,320 |
|  Course Fees |  1,320 |
|  User Fee |  4,000 |
|  Miscellaneous Trust |  0 |
|  |  |
| • Presenters payments• Equipment & Upgrade equipment• Supplies for conferences |  |
|  |  |
| 2020-21 Carryforward |  $31,743 |
| Course Fees |  $ 1,518 |
| User Fee |  $14,830 |
| Miscellaneous Trust |  $15,395 |