



MEMORANDUM

To: College of Arts and Sciences Department Heads

From: W. Andrew Marcus, Interim Dean, CAS

Gordon H. Taylor, Associate Dean for Finance and
Administration, CAS

Subject: Annual Budget System Effective for FY 15

Date: March 18, 2014

At the April 9th meeting for heads, directors, and department managers, CAS will be laying out a new annual budget system, effective for FY 15. This new system is necessary to address annual operating deficits across the college, while also providing a guarantee to departments that they will receive the recurring funds necessary to meet their instructional and operational needs. We have developed this new budgeting system after months of conversations with the Wise Heads, the CAS Managers Advisory Group, an ad hoc committee of heads and department managers from Biology, English and Math, meetings with all of the department managers and several individual department heads, as well as consultation with central administration. We are sending out this note prior to our April 9 meeting at the request of the department managers, who would like time prior to that meeting to assess and work with the model. Department heads will not need to work with the new annual budget system until after the meeting on April 9th.

Under this new system, CAS will provide each department with sufficient funds to pay for the personnel related expenses necessary to meet the instructional and operational needs. This will include TTF, NTTF, Adjuncts and GTFs –and all OA and classified staff. CAS will also provide each department with an amount of discretionary funds for its own use to further its faculty's research and other programmatic enhancements, and CAS will assume the start-up obligations that used to be shared with the department. CAS's revised annual budget system does not alter

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the manner in which summer session classes and the associated income to departments are budgeted this year, which will provide another source of discretionary funds to departments in FY15.

The amount of funding that CAS will provide for compensation and benefits will be determined for TTF, career NTTF, OA and classified individually by name and for Adjuncts and GTFs by number of terms of expected employment for the forthcoming academic year. The amount of funding that CAS will provide for discretionary spending will be determined through a review of each department's non-compensation expenses for the last three academic years, plus a percentage to accommodate year-over-year cost increases. To accommodate inevitable changes in faculty composition, staffing and other spending that are necessary during the course of any academic year, these departmental budgets will be jointly reviewed and adjusted as needed every quarter.

In return for receiving guaranteed funding from CAS, departments will no longer keep leave savings or other general fund carry forward balances, with the exception of summer session dividends and other restricted carry forward balances (e.g. ASA, endowment earnings, etc.). Instead, these resources will become part of a larger, CAS-wide resource reserve that will be used to address funding needs across the College over time, consistent with CAS's objectives and the academic and other objectives of the UO.

As the first step in this new annual budget system, attached are: a) a file listing the names of all currently (as of Winter Term) employed individuals within your departments (as listed on the "time sheet org," a form generated in Banner), b) a document outlining the purpose/instructions for completing this file, and c) a sample of a completed file. This sample document is similar to the one that was presented and reviewed during the CAS managers' meeting this past Wednesday and was generated automatically using codes in Banner.

As mentioned above, because changes to budgets are inevitable, we will have conversations with departments this quarter and – beginning in the fall - on a quarterly basis that will allow necessary adjustments to this new model. It is our belief, which is shared by the majority who have reviewed the new model, that this system will simplify the budgeting process for CAS, provide greater stability to department budgets, and reduce work loads for heads and managers. Putting together this first iteration will require assessments by managers in consultation with heads, but the process has been set up in a way that is intended to minimize work load for department heads.

As also mentioned above, the purpose of this memo is to make department heads aware of the new budget process that department managers are beginning to work with; heads, however, will not need to act on the new budget process until after the April 9 meeting.