Follow Up Budget Questions

1. Will the president, university budget committee, etc. clarify what will occur with budget savings at the end of each fiscal year? Will the savings be maintained (i.e., rollover to the following fiscal year) at the level of the college? Level of the division? Level of the program (e.g., IRB), etc. The presentation today suggested that this would be the case, but it was also mentioned that annual "sweeps of surplus funding" would be determined by the president.

    At year end all budget carry-forwards (both positive and negative) shall be rolled up at the College/Division level. If carry-forwards are positive, Colleges/Divisions may request reinstatement of all or part of the carry-forward in the next fiscal year. Final decisions on these matters will reside with the President and Vice President for Finance and Administration

2. The president specified that "salary increases would be centrally located", so pending any CBA salary negotiations, division budgets would be increased to reflect expected costs of salary/OPE increases. Will the same process be followed with respect to CBA negotiated TT and NTT individually designed course compensation? Will divisional budgets be adjusted annually to continue to support this high impact practice?

    Salary increases and associated OPE increases for all employees are provided at the beginning of each fiscal year. That is the individual budgets fully account for the compensation package.

    Additionally, should mid-year budget changes be required departments will be notified at the earliest possible date. Mid-year changes shall be limited to salary adjustments resulting from collective bargaining agreements that are agreed to after the initial budget has been loaded, mid-year additions/reductions due to unexpected enrollment or other revenue fluctuations, etc.

3. When will Jay have completed his next projection? I had heard that it is likely to be quite a bit higher than the 3.9 Million.

    E&G budget projections to year-end shall be done monthly and shared with the UBC. The projection as of April 30, 2018 actually showed a decline in year ending surplus from $4.3M to $2.8M due to declining revenues and increasing expenses and transfers out.

4. The PERS allocation of ~29%. Does this come directly out of the WOU budget? Why is WOU one of the highest percentages?

    PERS charges are charged to institutional budgets based on employee type, with Tier 1 employees having the highest costs. WOU has the highest rate of any university due to its mix of employee types. Apparently WOU has, as a proportion of the total, more Tier 1 PERS employees than do other institutions.

PERS expenses are part of OPE and must be covered by the budget, so yes they need to be included in the total compensation or personnel expense line. WOU is higher due to the profile of its workforce—we have a higher share of Tier one employees than other universities.

5. WOU has a decline in resident students but an increase in non-resident. How does this trade-off measure out in dollars?

Actually, most of the increase from the prior year occurred in on-line tuition, though WUE revenues did increase as well. See the following for more detail:

	Budget	Projected	Diff.
WUE	$7,049,735	$7,367,286	$317,551
Res. UG	$20,485,572	$20,247,055	($238,517)
NR UG	$5,175,657	$5,008,429	($167,228)
On-Line (UG+Grad)	$6,802,721	$8,519,563	$1,716,842
Res. Grad	$1,655,690	$1,265,641	($390,049)
NR Grad	$749,641	$699,850	($49,791)
Fac/Staff	$297,000	$292,905	($4,095)
Total	$42,216,017	$43,400,729	$1,184,712

In the longer run, over reliance on non-resident enrollment increases tuition revenue but reduces the operating dollars from the state. The HECC higher funding model provides support for Oregon residents and does not provide funding for non-residents. Put differently, if WOU only enrolled non-residents, tuition revenue would be the sole source of revenue as WOU would not receive state funding tied to degree production.

6. I am confused by Jay's wording of $$$ is managed by the department, and then also saying $$$ is managed by the Dean. What is the defined structure for decision making?

The Deans may choose to manage their budgets differently. For example, one Dean may decide to allow salary and OPE savings to accrue to the department, whereas another Dean may choose to sweep these savings into a Dean’s reserve. Per the newly adopted budget policy:

- Savings from mid-year position vacancies will be retained by the College/Division/Department, however, the unit will be expected to cover any vacation payoffs for departing employees, search expenditures for new employees and moving or other applicable costs to get new employees on-boarded. Savings from sabbatical or other approved leaves shall be retained in the department to be used to provide coverage or other purposes as determined by the appropriate budget manager.

7. It is inevitable that original budget allocations to divisions/departments will be flawed in some manner and need adjustment towards equity. What is the plan for adjusting these allocations, and who is included in the decision?

    The finance/budget officers will meet with the VP/Provost/Dean or Division Chairs/Directors of each major unit to go through the roster of permanent faculty positions (tenured, tenure track, NTT/fixed term, and adjunct funding), and administrative and classified staff positions to verify the roster and indicate the projected cost of such for the year. This conversation will also include a discussion of the proposed inflationary adjustments (if any) to unclassified/classified pay, student wage, OPE, service and supply and capital outlay budget lines.

    For 2018-19 we have made a decision to increase student pay budget per the increases in the State's minimum wage laws and have decided to increase Graduate Assistant salaries to $15 per hour starting July 1 to recognize their contributions and the fact that these folks already have bachelor's degrees.

    At this point, we have had extensive discussions with the unit managers as we are building the budget for FY2018-19. If we discover errors we will correct these as we build the budget for 2019-20.

8. Is there any way other than the base budgeting (that presumably will happen once per year or biennium) to incentivize growth in student FTE or growth in programs? As a faculty member, if I grow my classes, (perhaps by recruiting locally or at community colleges, or creating great new classes that students want to take) pretty much my only incentive is to have a class that runs and a healthy program. If it grows to 50 students then I've just created scaling, grading and a multitude of other problems for myself, i.e. more work. How can we incentivize and reward faculty for growing classes and programs?

    Relatedly, if a program increases its total SCH, does it receive any of that money?

    Some universities also include enrollment targets for academic units. WOU has not developed this type of approach, but as we gain experience with our decentralized approach we may decide to evaluate such a model. Moving in this direction has advantages and disadvantages that will need to be vetted with campus before any decision is finalized. In sum, all tuition revenue is pooled and used in the budgeting process to balance overall expenses and revenues.

9. We want to learn the specific information and accounting as to when and how the money was hidden, to which accounts and how much.

    The transfers were made public in BOT meetings. The most recent example for 2017-18 can be located on page 35 of the July 2017 BOT meeting located here. In this case, the transfers included $400,000 to support the remodel of the Natural Science building and $2,050,000 for the new student health and counseling building.

Other examples include the following: excess budgets in University shared services line items = $250K plus another $450K freed up when we migrated to the Banner cloud; amounts budgeted in Human Resources to keep the NSF flag from tripping = $85K; excessive budgets in UCS, Business Services and Facilities = $400K; excess budgets in bad debt expenses = $1.1M, other budgeted reserves that were not utilized = $500K, etc . These were recurring budgets that were in excess of what was needed to fully fund these operations.

APA / OFFICE MANAGER / STAFF WORKLOAD

10. Is the new budgeting process is going to take into account potential APA workload?
11. NSM, with our laboratory needs and our very large size, has an incredibly complex budget and the purchasing rules for equipment and supplies can be pretty complicated. What is to be expected of Cinda with distributed budgeting is potentially a much heavier workload than might be expected from APAs in other divisions.
12. Ditto #1 for the Math Office manager. Sharon's budget processing workload has just shot up.
13. We are concerned about all APAs and how their workloads have increased.

    Additional training has begun and we do not believe that this new way of managing our budgets will result in increased workload for APA's as we have made many concomitant changes to reduce the workload in travel authorizations and paperwork, airfare arrangements, no longer requiring PO's, allowing greater use of procurement cards, turning off NSF checking, etc. which used to cause more work and delays in processing transactions, etc.