



# AUBURN UNIVERSITY BUDGETING & GOVERNANCE

KELLI SHOMAKER SENIOR VICE PRESIDENT FOR BUSINESS AND  
ADMINISTRATION & CHIEF FINANCIAL OFFICER

VINI NATHAN PROVOST & SENIOR VICE PRESIDENT FOR ACADEMIC AFFAIRS

OCTOBER 22, 2024





[The University Senate] “request[s] that Provost Nathan, President Roberts, and Kelli Shomaker make a presentation as soon as possible regarding the upcoming budget and budget priorities. This presentation should include how faculty input and needs are included in the decision-making process of the budget.”

University Senate Motion approved June 11, 2024



# AGENDA



INSTITUTIONAL  
BUDGET OVERVIEW

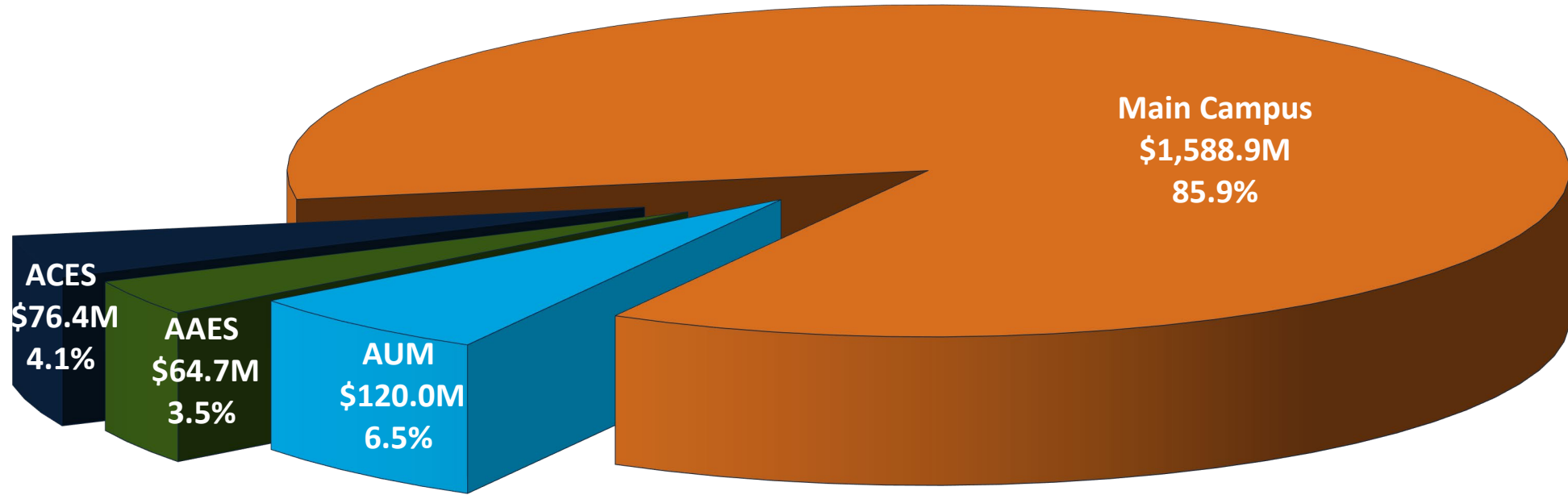


SHARED GOVERNANCE

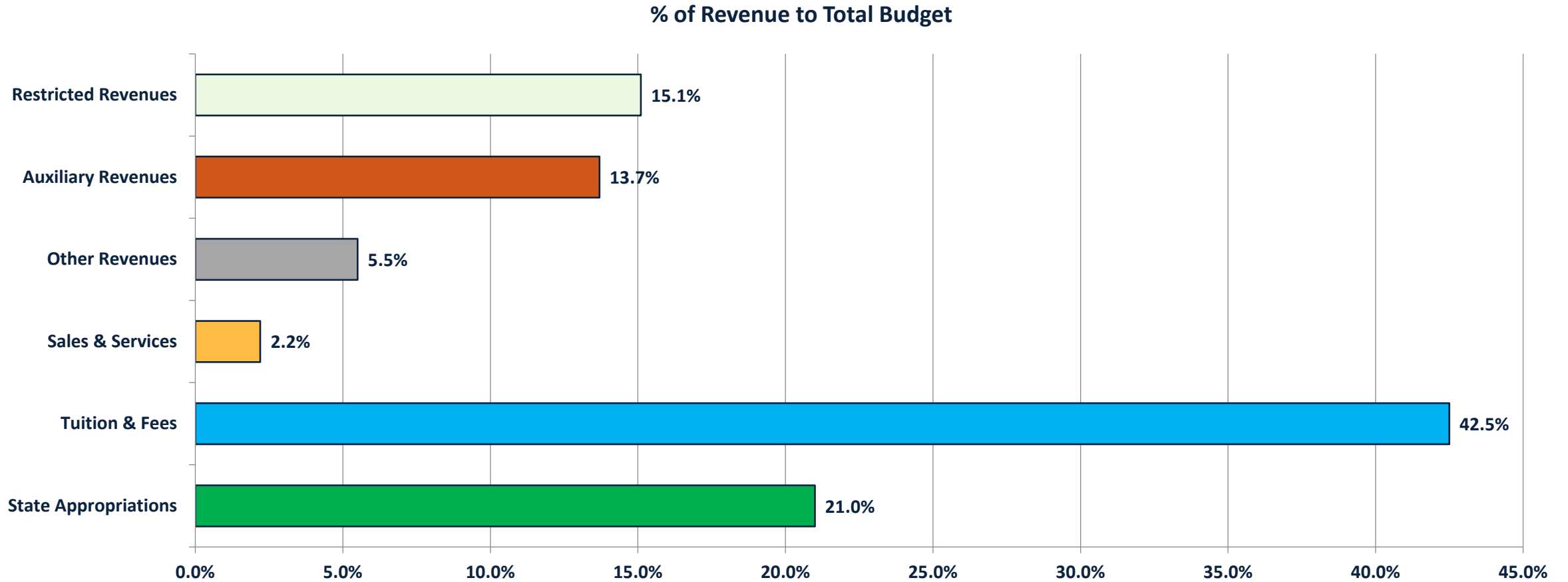


ACADEMIC BUDGET  
STRATEGIES

# FY25 BUDGET \$1.85B – BY DIVISION

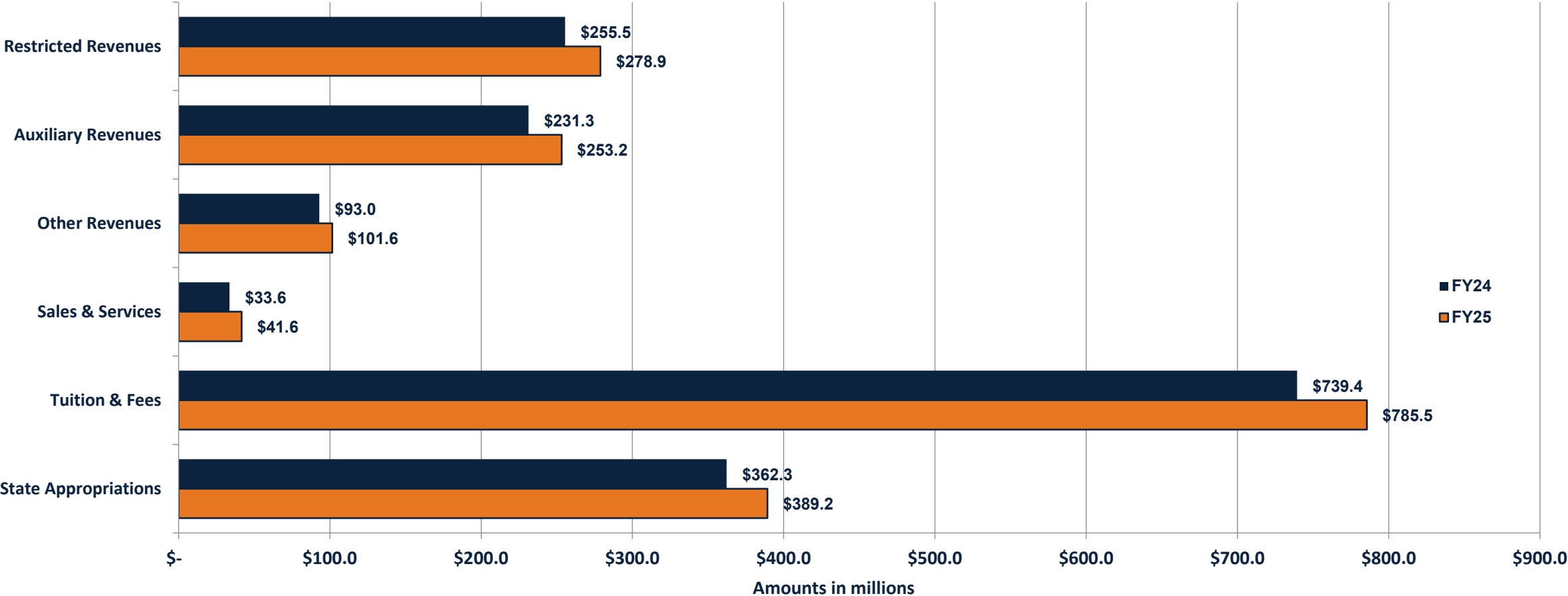


# FY25 BUDGET \$1.85B – SOURCE OF REVENUE

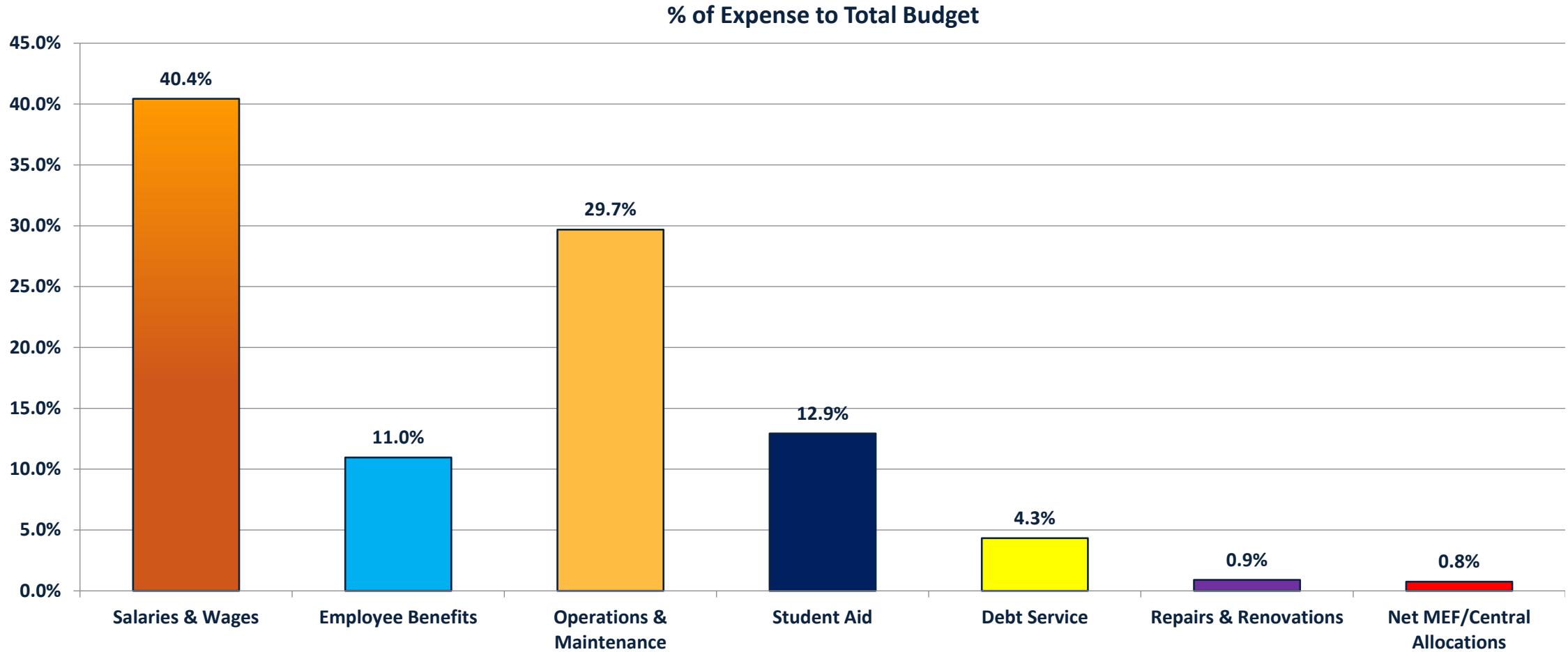


# FY25 BUDGET \$1.85B – SOURCE OF REVENUE

Comparison of Revenues to PY

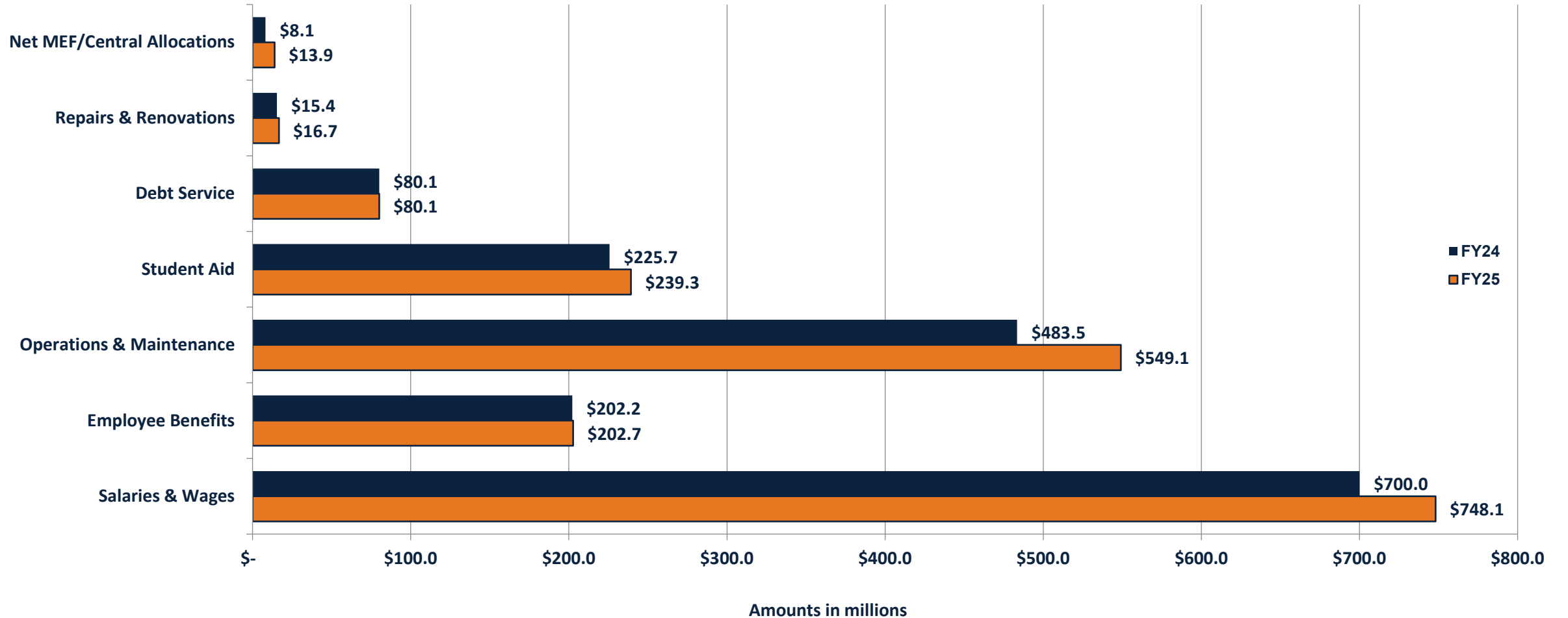


# FY25 BUDGET \$1.85B – EXPENSES BY OBJECT



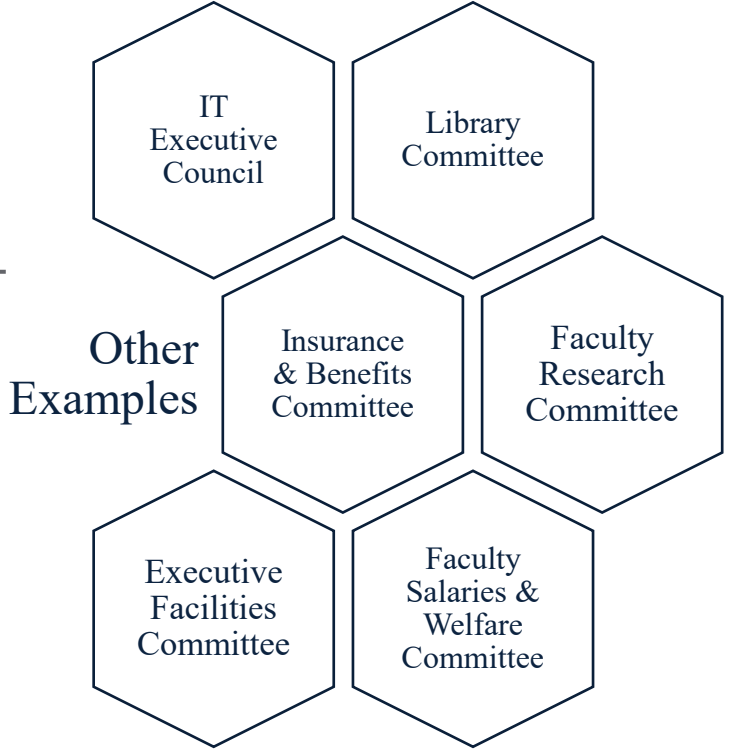
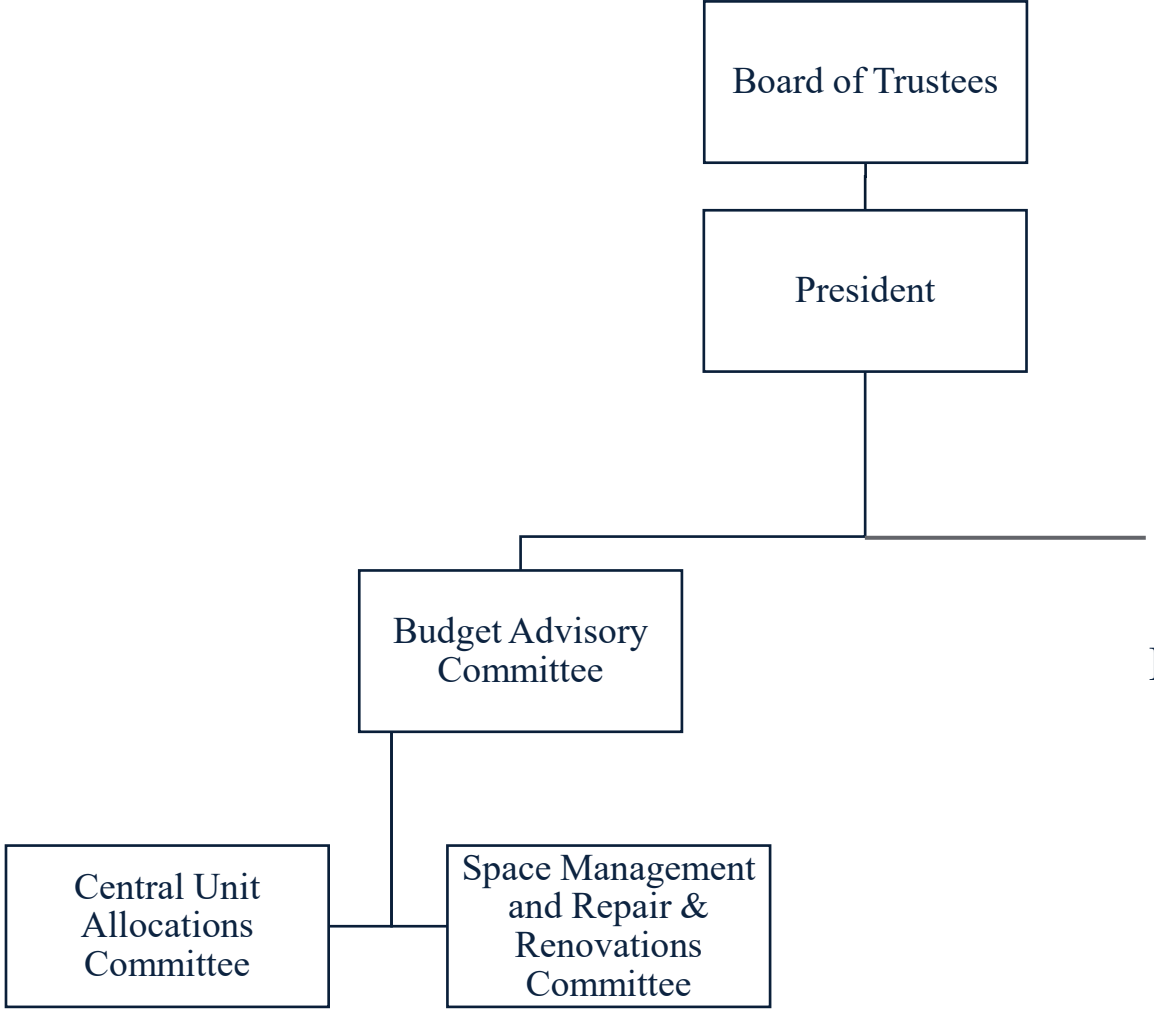
# FY25 BUDGET \$1.85B – EXPENSES BY OBJECT

Comparison of Expenses to PY

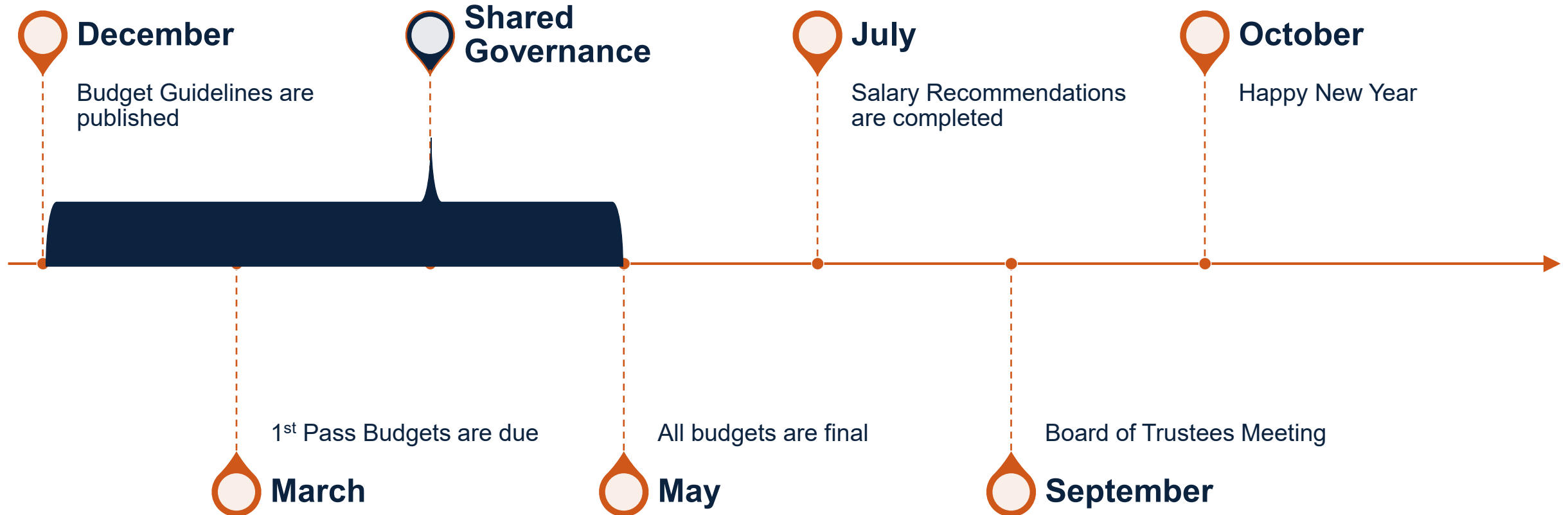




# SHARED GOVERNANCE



# ANNUAL BUDGET DEVELOPMENT *(TENTATIVE AND SUBJECT TO CHANGE)*



# ANNUAL BUDGET DEVELOPMENT

## ■ Budget Development Guidelines

- Key Priorities
- Instructions
- Salary Enhancements
  - Faculty Promotions
  - Market Study Programs
  - AU Fixed Fringe Benefit Rates
- Governance
- Timeline

Budget Development Timeline

All dates are tentative and subject to change.

Job Family Promotional Increases

### Budget Development Guidelines

#### Fiscal Year 2023-24

##### Overview

Auburn University will begin budget development activities for the 2023-2024 fiscal year (FY24) on or around February 1, 2023. Budget development guidelines have been developed with a unified goal of year-round planning and analysis, alignment with the University's strategic priorities, and efficient stewardship of resources and operations. Initial FY24 budgets will be due on February 28, 2023, for Central Units and March 31, 2023, for Academic and Auxiliary Units. After the initial submission, units will have an opportunity to refine the proposed budget based on committee review and/or administrator feedback with final budgets completed by June 30, 2023.

The Board of Trustees has approved a 3% tuition increase effective for the fall of 2023, and while state appropriation revenues are projected to grow over the FY23 budgeted amounts, it is expected that new net revenues alone will be insufficient to cover necessary investments in strategic objectives. As a result, both personnel and operating budgets will need to be flexible and may be right sized in some cases. The reason for this fluidity in both categories is to provide centralized resources that can be reallocated to cover mandatory cost increases and support current strategic initiatives that may include, but are not limited to: 1) a pool for merit raises for FY24, 2) the second phase of the market compensation implementation for staff and A&P employees, 3) market adjustments for faculty, 4) fringe benefit changes (specifically health insurance), and 5) an investment in institutional aid to recruit and retain the best and brightest students.

##### Revenue Budget Development

Under the University's strategic budgeting initiative, all revenues are budgeted. Budget & Planning Services will provide allocated undergraduate and graduate tuition, student aid and waivers, main campus state appropriation, and other fees for FY24 according to the applicable allocation formulas. At least five years of your unit's actual revenues are available in Anaplan, Auburn's budget and planning solution, and should be used as a starting point for historic analysis. Revenue budgets should be supported by planned activities to generate direct revenue. This would include differential tuition and course fees, distance learning fees, contract and grant revenues, indirect cost recovery revenue, gifts and investment income, sales and service revenue, and other revenue. State appropriations specifically identified in the Education Trust Fund budget and Alabama Agricultural Experiment Station (AAES) and Alabama Cooperative Extension System (ACES) appropriations that support college faculty and programs are direct revenues to the unit.

##### Personnel Budget Development

In February 2023, Anaplan will be updated to reflect all positions funded by your unit. If permanent and/or one-time position enhancements are available, Budget and Planning Services will provide your unit's position enhancement pool calculated as a percentage of the annual salary of all single incumbent, filled positions. The personnel budget for FY24 should include the following:

- Current annual salary of single incumbent, filled positions
- Estimated annual salary for positions that have been vacant for less than 3 months.
- Positions currently posted for applications (posting number required)
- Projected multi-filled position spending based on needs and plans of the unit.
- Positions vacant for greater than three months and are not currently posted must be removed.
- Anticipated Job Family or Faculty promotions. Human Resources recommends unit process job family promotions as reclasses under the new pay structure.
- Position Reclasses if approved by HR
- Unit's position enhancement pool (if available)

Permanent salary enhancements for employees who receive a job family (University Staff and Administrative Professional employees), or faculty promotion are not included in the unit's position enhancement pool. Units should evaluate the likelihood of each employee receiving a promotion and determine whether to include the promotion amount in the FY24 personnel budget. It is recommended that job family promotions be processed as a position reclass under the new pay structure. If a Job Family promotion is necessary, units may only budget and award job family and faculty promotions at the rates below:

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# UNIT-LEVEL BUDGET STRATEGIES

## Incremental Budgeting

- Initial Basis for Budget is historical
- Changes are +/- annually

## Zero-Based Budgeting

- Initial Basis for Budget is \$0
- All revenues and expenses are justified based on history, trends, and planned activities

## Activity-Based Budgeting

- Initial Basis for Budget is costs associated with activities
- Funds are directed to activities based on the actual cost of delivering the service and includes an allocation of overhead

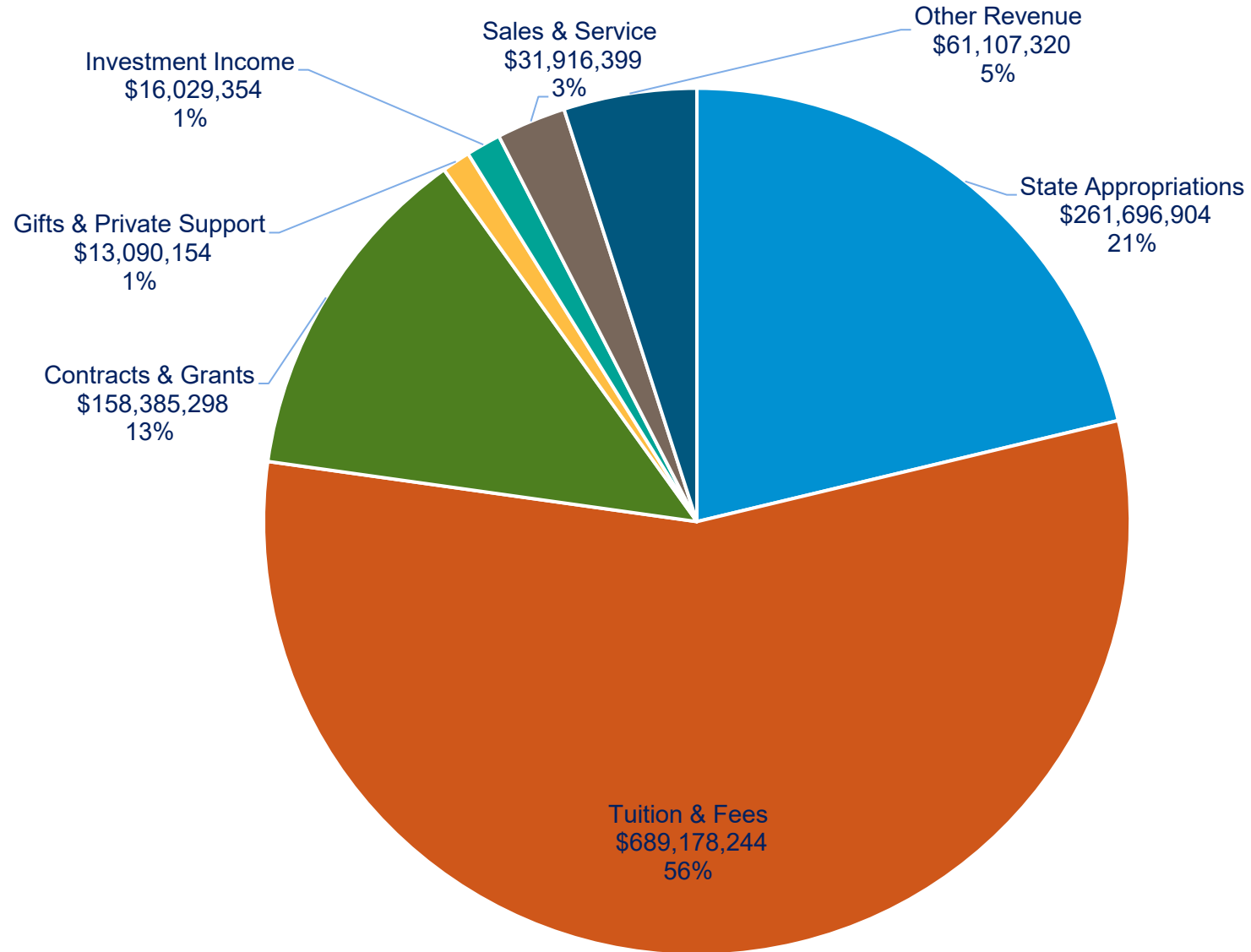
## Performance-Based Budgeting

- Initial Basis for Budget may be \$0 or Historical
- Funds are provided to units who meet certain outcomes

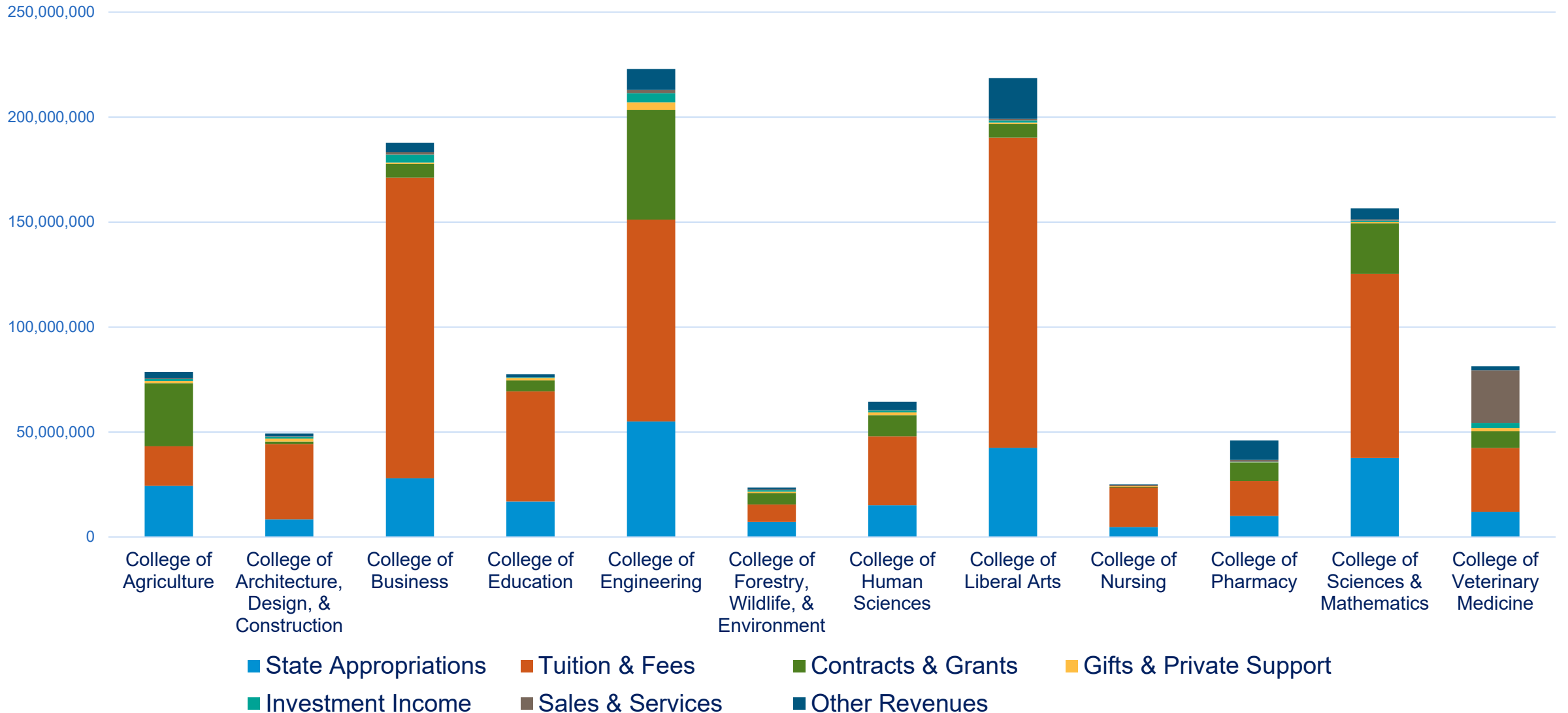
## Responsibility Centered Management

- Initial Basis for Budget may be \$0 or Historical
- Units manage their own revenue generation at a level sufficient to pay all of their expenses, direct and indirect

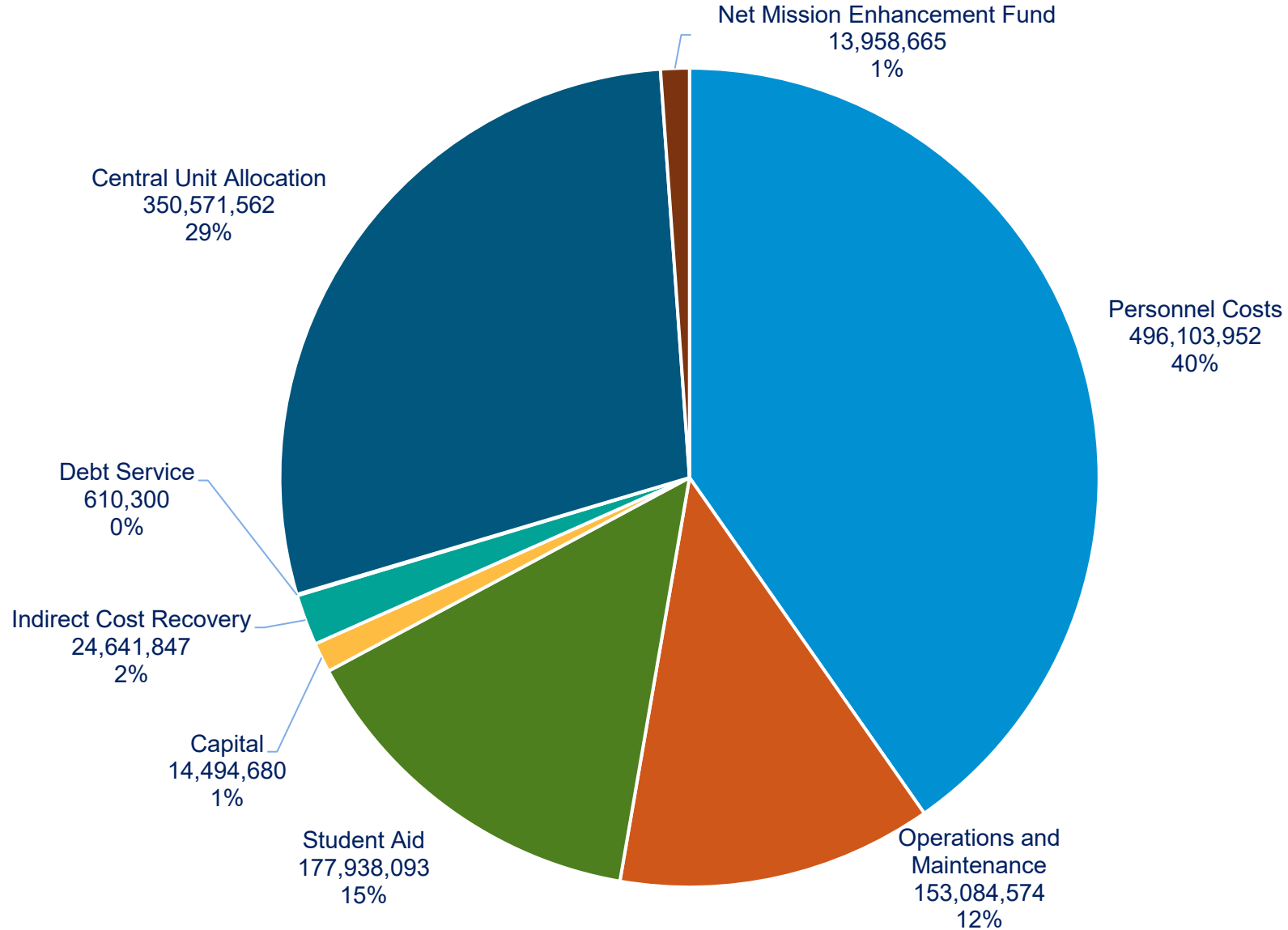
# AUBURN UNIVERSITY ACADEMIC UNIT REVENUES – FY2025 \$1,231,403,673



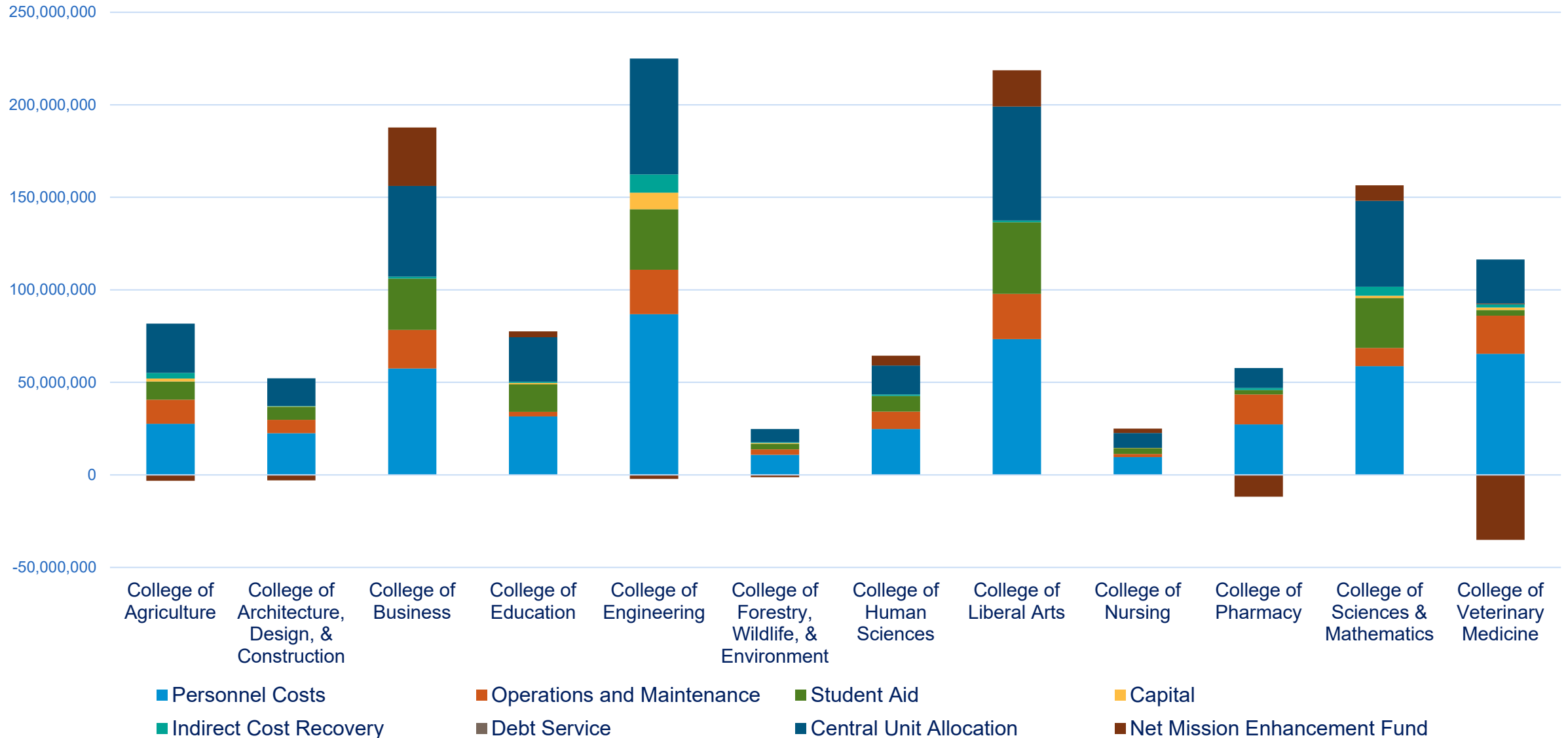
# REVENUES BY ACADEMIC UNIT – FY2025



# AUBURN UNIVERSITY ACADEMIC UNIT EXPENSES – FY2025 \$1,231,403,673



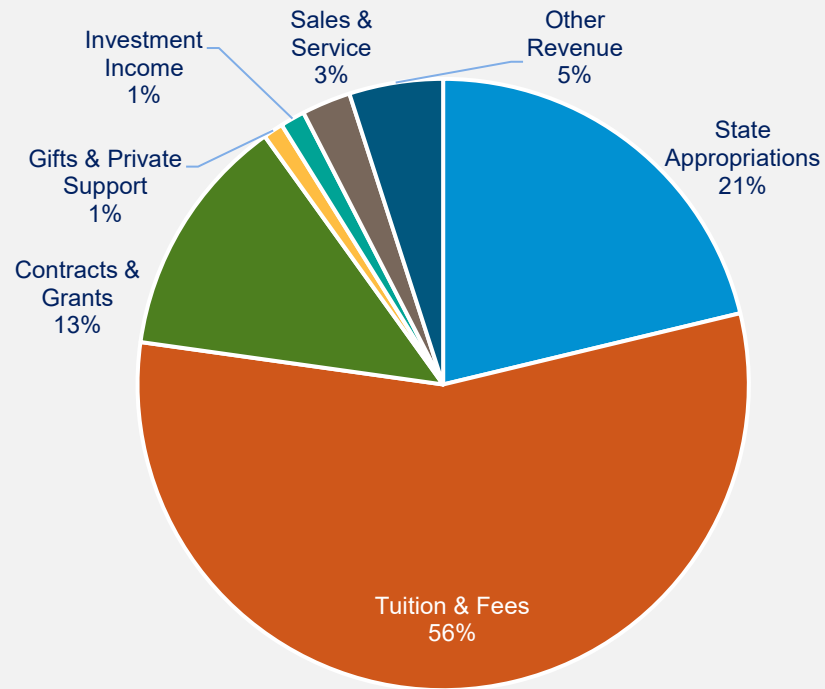
# EXPENSES BY ACADEMIC UNIT – FY2025



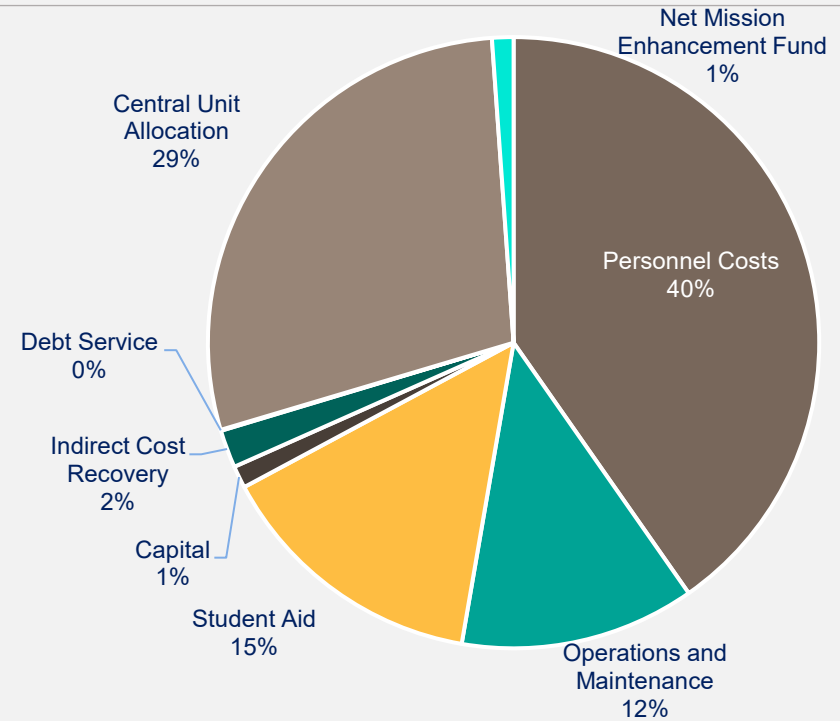


# AUBURN UNIVERSITY ACADEMIC UNITS – FY2025 \$1,231,403,673

## SOURCES OF FUNDS (AU-MAIN CAMPUS ONLY)



## USES OF FUNDS (AU-MAIN CAMPUS ONLY)



# MISSION ENHANCEMENT FUND (MEF)

## TIMELINE (TENTATIVE & SUBJECT TO CHANGE)



## REVIEW PANEL

- Co-Chairs of Budget Advisory Committee
- Academic Department Heads
- Chairs or Immediate Past Chairs of the University Senate, A&P Assembly, and Staff Council

## PROPOSALS AND AWARDS

	FY2021	FY2022	FY2023	FY2024	FY2025
Total Proposals Submitted	26	28	45	36	33
Total Budget Requested (in Millions)	\$17.0	\$14.5	\$29.8	\$15.8	\$14.7
Number of Awards	4	8	23	20	
Total Amount of Awards (in Millions)	\$2.8	\$6.7	\$7.1	\$4.3	

### Strategic Investment from the Mission Enhancement Fund Call for Proposals

The Office of the Provost announces the call for proposals for strategic investment from the university's Mission Enhancement Fund. Proposals are due by 4:45 p.m. on August 31, 2024 with funding available as soon as October 1, 2024.

For assistance with proposal preparation or questions about the review process, please contact Amanda Malone at (334) 844-0280 or MALONAD@auburn.edu.

#### Key Dates:

July 1, 2024	Call For Proposals announced
August 31, 2024	Proposals due to Amanda Malone by 4:45
September 2024	Proposals reviewed by a panel appointed by the co-Chairs of the University's Budget Advisory Committee
October 2024	Award Notifications sent to proposal teams

#### Purpose of Mission Enhancement Fund

The Mission Enhancement Fund (MEF) is a feature of the university's Strategic Budgeting Initiative that includes ongoing funds to focus on the university's mission and priorities across the full range of academic colleges, student services and programs, and business operations. Strategic funding from the MEF will support programs, faculty, and equipment that will contribute directly and significantly to the tri partite mission of Auburn University. Funding from the MEF is not intended to be an ongoing source of funding for any unit or project.

All colleges and vice-presidential units are eligible to submit proposals. There is no limit to the number of proposals that a college or unit submits, however, if more than one proposal is submitted, proposals should be priority-ordered.

Preference will be given to proposals requesting more than \$100,000. Proposals should clearly indicate alignment with the university's mission of instruction, research and creative scholarship, outreach, and/or extension.

#### Proposal Criteria

The following elements are required for all proposals:

- Specific description of activities to be performed. Examples include detailed description of faculty to be hired and/or equipment to be repaired or purchased;
- Clear alignment with the Auburn University and/or college or unit's Strategic Plan;
- Initiative timeline--limited to three years--and associated MEF budget request, by year;
- Measurable benchmarks, milestones, and key performance indicators to track the progress toward intended goals and outcomes;
- If the proposed activities are intended to be continuing beyond the maximum three years of funding from MEF, a detailed plan for the how the unit's budget will be reallocated to cover these expenses in the long-term.

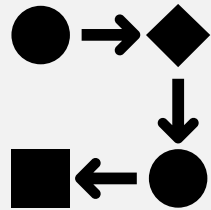


# ONLINE RESOURCES



BUDGET & PLANNING SERVICES

AUBURN UNIVERSITY ANNUAL OPERATING BUDGET



STRATEGIC BUDGETING INITIATIVE

