



TEXAS A&M UNIVERSITY

College of Liberal Arts
Office of the Dean

December 19, 2005

MEMORANDUM

TO: Executive Council
Liberal Arts Council

FROM: Charles A. Johnson, Dean

A handwritten signature in black ink, appearing to be "CAJ", written over the name "Charles A. Johnson, Dean".

RE: Budget Policy

I have discussed a shift in the budgeting policy of the College of Liberal Arts during two Executive Council meetings and one meeting of the Liberal Arts Council. I also mentioned the need for such a shift in my meetings with faculty in department meetings earlier this fall. In all those meetings, I believe participants understood my view that departments in the College should retain the maximum possible base funding in keeping with the idea of a department-centered college. Few participants argued against this decentralized approach, and many argued in favor of keeping as much funding as possible in departments.

The College will always be looking for ways to increase its base budget, but I cannot predict the availability of discretionary new base funding in the next few years. Absent the commitment of new base allocations from the University, our discussions pointed to the need for a small working fund of base dollars to support departmental requests for partner placements, opportunity hires requiring modest salary upgrades, new program development in the College, and other requests for recurring expenses. Here, too, participants agreed that such funding was necessary and proper.

Discussions of options for creating a pool of base funds at the College level centered on either the retrieval of funds associated with faculty departures or an annual percentage-based retrieval of base funds from all departments. Many participants argued that the annual percentage-based retrieval of funds posed significant hardships on departments with small funding bases, while retrievals from faculty departures would have less of an impact on the day-to-day operations of departments. Consistent with the wishes of heads and others to retain as much control over departmental planning as possible, many participants argued for some type of plan that would allow departments to replace departures with entry level faculty. Since the University administration mandates that all departures of tenured and tenure-track faculty be replaced, any plan would need to allow for one-to-one replacements, even if the rank is different.

There appears to be a general consensus for a retrieval policy based on departures and, thus, avoiding further strains on tight operating budgets. Beginning this year the College will, therefore, retrieve 20 percent of all tenured faculty departures in FY06 – including those faculty on leaves without pay pending receipt of their final resignation. The base retrievals will take effect for the year following the departure (e.g., FY07 for departures in FY06). Additionally, in the year following departures, departments will retain one-half of the remaining 80 percent of the position's 9-month salary. Special requests may be made to the College for upgrades to the position which will be decided on a case-by-case basis in which we consider the department's total budget situation. This policy will apply to all departures of tenured faculty regardless of the reason for their departure.

Departments may shift base funding within with their base budgets to increase the projected salaries for replacement hires so long as this shift does not diminish the teaching power of the department. Heads should outline plans to shift funds for this purpose in their requests to authorize a new faculty search. In addition to upgrades to meet entry-level position salaries, departments may also request an upgrade in funding for a position based on the needs of the department. These latter types of upgrades will be approved based on the department's willingness to share the cost of the upgrade, substantial arguments for the importance of an upgrade for the department's future development, or special opportunity hires that advance priorities of the College. Upgrades funded by the College will be infrequent and will be reported to the Executive Council. Finally, we will revisit this policy annually to determine whether it is providing sufficient funds to cover base budget needs.

The remaining elements of the College's budget policies will remain in place for FY06 and FY07. Namely, as noted above, departments will retain 40 percent of a departed faculty member's salary for the fiscal year immediately following his or her departure. Partner placements will be handled on a case-by-case basis, with the general understanding that a placing department will provide 1/3 of a partner's salary, a receiving department will provide 1/3 of the salary, and the College will provide 1/3 of the salary. The only shift in this policy is that the College's portion will be available only if the lead faculty and the partner are to be hired in the College. Placements involving other collegiate units will involve negotiated sharing arrangements. Departments will retain all salary savings that are generated by faculty leaves or grant buy-outs with the understanding that some of the salary savings must be used to cover instruction that would have otherwise been provided by the faculty member.

I want to thank you for your participation in the discussions about this shift in budget policy. Like you, I believe it best to focus decision making in departments to the greatest extent possible. I believe this policy will allow that to continue.