

# Instructional Budget Review

Department Chairs and Managers

October 2023



COLLEGE OF  
ARTS AND SCIENCES

# Agenda



- Path to a new IB model
- New Instructional Budget Basics
  - Graduate Teaching funding
  - Temporary Teaching funding
  - SAD Contingency funding
- Timing
- Takeaways

# Path to a new IB model



The old IB Model was not sustainable:

- The College was overspending available resources and **building up deficits**.
  - Some departments were amassing large positive balances, while others were falling further underwater.
  - Many items unrelated to IB were being charged there.
  - Departments relied on **hard to predict buyouts and unpaid leaves to fund the core of their graduate teaching**. Salary savings or carried over balances did not sufficiently control for the variability.
- Departments' permanent **IB reallocations were not released until August** and could vary up or down, long after teaching and graduate commitments had been made.
- There was not sufficient ability to adjust budgets to support growth or make up for faculty losses.
  - Department budgets were essentially in **competition with each other**. Growth in one department necessitated cuts elsewhere to fund that increased need.

# Path to a new IB model



## FY 20-21

Created the **TAP pool** (C1304) to separate out funding for multi-year teaching faculty. Used to be split across main state (10000) and IB pools (C1302). This change **guaranteed available funding for long term contracts** and treated these faculty in a consistent way.

## FY 21-22

**Phased Retirement** funding moved off the IB and onto its own funding pool (C1303).

## FY 22-23

New higher level of permanent IB allocations to fully fund Graduate Teaching. Based on four-year median FTE and current stipends.

Separated **department contributions for retentions and spouses** (C1305) from IB. This keeps IB only for instruction and clarifies amounts to be cleared through department ARP or trust resources.

## FY 23-24

Implement the final **Temporary Teaching** allocation. This piece is variable and reacts to changes in student credit hours and faculty instructional resources. Departments still receive a **minimum of 50% of their prior year** temp teach allocation as a bridge.

# Instructional Budget Basics



IB is now only for:

- Instructional personnel costs (TFs, TAs, IAs, ULAs, Adjuncts, Lecturers, overloads, etc.)
- Fall or Spring semester expenses

Core changes to IB financial management:

- Salary savings are collected by Dean's Office to fund the larger IB model allocations
- Negative balances at year-end will need be covered by the department from non-State resources

Three core IB funding components:

1. **Student Teaching** – About 85% of IB funding overall.
2. **Temporary Teaching** – A much smaller, more variable portion of IB.
3. **SAD Contingency** – Provided only if required for special circumstances.

# Graduate Teaching



## (Funded FTE x Funded Stipend) + ULA funding

**Funded FTE:** PhD and Masters FTE based on a four-year median from FY19-FY22. *This was a one-time calculation and will not be repeated.* In FY23-24, cleanup was implemented to round numbers and correct mis-categorizations between student types. FTE will stay at this same level going forward.

**Funded Stipends:** PhD and Masters Stipends were initially set at the FY21 average IB stipend per FTE or at new minimums implemented in FY22-23. The Dean's office will continue to advocate for regular increases in graduate stipends for all students.

**ULA funding:** Departments with significant ULA usage received a lump sum allocation, based on the four-year average spending (FY18-22). Other departments may use their other IB allocations to pay ULAs, but there will not be additional set asides.

7/7/2023	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Student Teaching</b>									\$ 329,081	\$ 340,000
PHD FTE				13.7	14.1	12.7	12.4	13.6	13.7	17.0
Prof FTE				0.6	0.3	1.0	0.6	0.5	0.0	0.0
PHD Stipend				\$ 17,581	\$ 17,627	\$ 17,660	\$ 18,240	\$ 18,422	\$ 19,120	\$ 20,000
Master FTE				0.0	1.5	5.0	4.5	2.0	3.3	0.0
Master Stipend				\$ -	\$ 17,957	\$ 17,927	\$ 19,246	\$ 19,032	\$ 19,246	\$ 16,000
ULA Funding				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## Graduate Teaching Budget is permanent and predictable.

Formula FTE and stipend increases require SAD approval. Requests should be made by email to the SAD and AD for Finance in the summer/fall of the prior fiscal year and should demonstrate 1) additional graduate teaching demand and/or 2) a market need to increase stipends (e.g., comparable peer public programs data, changes in applications/yields).

Increased permanent IB investments generally would reduce the College's ability to hire/replace permanent T/TT and TAP faculty.

# Temporary Teaching



Smaller part of overall IB funding. Intended to be variable and sensitive to changes in SCH and Faculty FTE.

- FY22-23: funding based on a department's 2-year average IB spending for Temporary Faculty (FY21, FY22).
- FY23-24 and beyond: Formula used to estimate teaching need based:

**Temporary Teaching Allocation** = FTE Needed \* Funded Department TAP salary

**FTE Needed** = SCH Needed for Temp Teaching / Target Dept teaching per TAP FTE

**SCH Needed for Temporary Teaching** = Overall SCH Prior Year - 4-year average Graduate TF taught SCH  
- (T/TT Faculty FTE + hires - separations - T/TT funded releases/buyouts) \* Target Dept SCH per T/TT FTE)  
- (TAP Faculty FTE + hires - separations - TAP funded releases/buyouts) \* Target Dept SCH per TAP FTE)

*Data is sourced from SCH and FTE information available on [collegedata.unc.edu](https://collegedata.unc.edu), course release data available in IWL, and admin release/hiring/separation data known to the Dean's Office via commitments and appointments. See appendix for further detail.*

- For transition in FY23-24, if the formula allocation is less than 50% of the prior year Temporary Teaching budget, a department is subsidized back to a 50% level. This subsidy will not continue in future budget years.
- Inputs to the formula may not reflect all complexities or late-breaking changes that a department must adapt to. The purpose of these is not to be exact, but rather to use transparent and consistent data across units.





# SAD Contingency



- Allocated IB budgets already include estimates for normal levels of leaves/releases/buyouts.
  - Departments must employ internal strategies to stay within budget as much as possible before requesting additional funds.
- The SAD IB Contingency funds exist to address unforeseen and excessive needs such as:
  - Unexpected graduate cohort increases.
  - Sudden and often multiple faculty departures not generally accounted for in the model.
  - An unusually high level of buyouts/leaves not generally accounted for in the model.
  - The need to cover extra required courses that cannot be covered by existing faculty.
- IB Contingency funds are modest and are not intended to cover full FTE or several students.
- Requests should be submitted to the SAD, AD for Finance and BA as early as possible and include:
  - Planned usage of the allocated IB budget.
  - Demonstration of the cause of the extra need.
  - Discussion of mitigating options that have been explored to reduce costs.
  - Assignments for the TAs/Temporary hires for which additional funds are requested.



- February: *Graduate teaching budget* will be the same year over year, unless there is a negotiated change to your FTE or the stipend levels. Departments can see their budget in College financial reports and predict effects of change requests.
- March: *Temporary teaching budgets* rely on inputs such as current year student credit hours, faculty hires/resignations, IWL leaves data, and administrative appointments. We typically have solid information for these inputs by late February.
- Anytime (after formula budgets): *SAD contingency* funds can be allocated anytime throughout the fiscal year. Funding should be asked for ahead of spending and not presumed.

# Takeaways



- Permanent faculty hires are still the core of instruction. IB is only part of the instructional enterprise of each department and the College.
- The IB formula is a tool to transparently allocate funds using measurable inputs:
  - Graduate Teaching is the bulk and creates a stable base to support students.
  - Temporary Teaching is intended to be variable and responsive.
- Departments have full flexibility within their budgets to manage teaching assignments, graduate cohorts, stipends, course sizes, etc.
- Faculty salary savings and unused balances revert to the Dean's office at year-end.
  - Aligns our process with campus expiration for State funding.
  - Helps support larger permanent IB allocations.
  - Departments may need to absorb excess costs on their own funding sources.
- Departments can plan their budget ahead and are no longer in competition for IB resources or pressured to get buyouts to fund their core operations.



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# Appendix



The following definitions *only impact the Temporary Teaching* portion of the IB Model:

- Student Credit Hours: These are assigned to a unit based on the course department. Hours taught under IDST, GLBL, PWAD, HNRS, STAM or outside of the College are assigned to the home department of the primary instructor of record. In cases such as Triple I with multiple PIs, total credit hours are split evenly amongst the PI home departments.
- Target SCH Taught for T/TT and TAP faculty: Determined individually for each department by the SAD. They may consider information such as the 10-year average/third quartile teaching of the department or of the division for each type of instructor. In some cases, department targets are set in reference to the performance of similar departments in terms of pedagogy and faculty structure.
- Buyouts: This averages the grant, ECL, and ICL buyouts of T/TT faculty for the past three years in IWL. That average is divided by the T/TT standard teaching load to yield an FTE reduction to available T/TT faculty.
- Course Releases: These are manual entries by department for both T/TT and TAP faculty which include prospective appointments that will reduce the teaching loads of certain faculty. Those releases are divided by the T/TT standard teaching load to yield an FTE reduction to available T/TT faculty.
- Hires/Separations: Prospective hires/separations by department known by the Dean's Office at the time of the model.