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Dear Colleagues,

I would like to provide everyone an update on what we currently know about three things: I) our fiscal year (FY) 2018 teaching and research budget, II) FY18 teaching and research funding priorities, and III) UA-mandated personnel compensation adjustment. Some of you will want and/or need more detail than others and this is written with more detail in mind.

I. Fiscal Year 2018 teaching and research budget.

We all must accommodate unknowns in our planning and decision-making. We must make our decisions with incomplete and imperfect information, and we must live with calculated risk. Like all previous CALS budgets, our FY18 budget must have inbuilt flexibility and accommodate changing assumptions, shared priorities and changed direction from central UA administration (we will have a new UA president for FY18). Compounding our risk this year is my need to plan around greater uncertainty with the state budget for FY18 because of a potential [~\\$500M deficit](#) for the State of Arizona if the current congressional health care plan becomes law.

The current UA Responsibility Centered Management (RCM) projected changes for each college's FY18 budget, relative to their FY17 budgets, are below (note: final amounts will not be released until July). These are calculated by CALS Business Services using central UA data [Fall 2016 student SCH plus enrollment plus Spring 2017 projected enrollment plus projected research modified total direct costs (MTDC) plus indirect cost return] and the UA RCM modeling spreadsheet.

CALS has a 3.5% relative increase which is a result of: 5.2% more student credit hours taught, despite a net decrease of 1% in the number of CALS majors, as well as 2.7% and 5.8% increases in resident and non-resident undergraduate tuition, respectively. Each CALS unit contribution is [here](#) under the *Budget & Performance Guides* link.

Since UA RCM began in FY15, CALS' budget has increased because of three factors: 1) our focused efforts to grow our teaching and research mission delivery, 2) the overall growth in the

UA student body, and 3) increase in tuition revenues. We control the first and influence the second, but have no influence on the third. UA and college budget increases are not foregone conclusions: they result only from everyone's hard work. Several colleges have had budget reductions under RCM. You should be proud of your contribution to this achievement.

I do need to mention at this point that at any time the provost may increase or decrease a Responsibility Centered Unit's subvention or alter the UA RCM modeling spreadsheet based on the UA's strategic priorities. Note that CALS Cooperative Extension (CES) is not shown in the table below. This is not because I have overlooked the CES or don't care about the CES, but because it is a separate state budget line.

Responsibility Centered Unit	RCM Allocation
COLLEGE OF OPTICAL SCIENCES	-\$717,219
COLLEGE OF ARCHITECTURE & LANDSCAPE ARCHITECTURE	\$309,083
ELLER COLLEGE OF MANAGEMENT	\$3,392,590
COLLEGE OF EDUCATION	\$1,269,859
JAMES E ROGERS COLLEGE OF LAW	\$1,203,596
COLLEGE OF ENGINEERING	\$638,628
COLLEGE OF AGRICULTURE AND LIFE SCIENCES	\$1,423,188
COLLEGE OF FINE ARTS	\$659,456
COLLEGE OF HUMANITIES	\$1,497,397
COLLEGE OF SCIENCE	\$748,792
COLLEGE OF SOCIAL & BEHAVIORAL SCIENCES	\$1,187,223
UNIVERSITY OF ARIZONA SOUTH	-\$351,258
AHS Subtotal	\$5,474,527
AZ HEALTH SCIENCES CENTERS /DIVISIONS	\$4,103,317
COLLEGE OF MEDICINE (TUCSON)	-\$126,587
COLLEGE OF MEDICINE (PHOENIX)	-\$103,810
COLLEGE OF NURSING	\$1,308,110
COLLEGE OF PHARMACY	\$43,622
MEL AND ENID ZUCKERMAN COLLEGE OF PUBLIC HEALTH	\$249,875

II. FY18 funding priorities.

I believe that all money should be working, never sitting on the sidelines. Mission delivery is more important than cash reserves. I also believe that those closest to the action should make tactical decisions about how they can best contribute to achieving our shared goals. Moreover, I believe that our mission-area deans should be as empowered as they are accountable for the college's mission delivery as a whole.

In the end, our annual budget is simply our shared priorities expressed in dollars.

For FY18 we have at least the following 13 competing priorities for funding college-wide (NOT RANKED):

- Faculty hiring;
- Year two of the UA-mandated personnel compensation adjustment;
- CALS' own merit increase process for faculty;
- Graduate Research Assistant funding;
- Optimized academic advising;
- Start-up packages for new faculty hires;
- Physical plant investments above what we pay to the university through the RCM space tax;
- Appointed professional and staff hiring priorities for units;
- Financing Teaching Assistants or teaching assistance;
- Centralizing start-up funding;
- Target amount and mechanism to increase the amount of funding available to the a) associate dean for research, b) associate dean for Career and Academic Services, and c) CES director for venture investments for faculty success.

Final funding for competing priorities always depends on how much money is in the college overall, including in units' delegated budgets. At the college centrally, all funding comes from the same "pot." You can see what is in this pot at any time [here](#) (click on *Historical All Funds* link), which is updated monthly. One of my guiding principles is to prioritize improved conditions for existing CALS personnel.

To meet our budget deadlines, we must finalize our funding priorities, and the amounts to be allocated, at the **CALS budget retreat on May 9.**

Your representatives at this budget retreat are: your academic unit head and business manager; the chairs of the Faculty, AP, and Staff Councils, DRAC co-chairs, and Cardon Fellow chair. **THESE PEOPLE ARE YOUR REPRESENTATIVES; PLEASE ENSURE THAT THEY HEAR YOUR VOICE ABOUT OUR PRIORITIES PRIOR TO THIS MEETING.**

III. UA-mandated personnel compensation adjustment.

To date we are budgeting 2% of each of our T&R and CES operational base budgets as directed by central administration. However, with the arrival of a new president, central administration is requesting recommendations from colleges on year two of the salary increase process begun last year. I do not have a deadline for when our recommendation is due to the provost but what we will recommend will be added to our May 9 budget priority discussion. Again, please make your opinion known to your representatives.

Best regards,



Shane C. Burgess