

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:

Job Family Promotional Increases

- Five percent (5%) increase to base salary for each increase in pay grade.

Faculty Promotional Increases

- Ten percent (10%) increase to base salary for promotion to:
 - Senior Lecturer
 - Associate Professor
 - Associate Clinical Professor
 - Associate Research Professor
- Twelve percent (12%) increase to base salary for promotion to:
 - Professor
 - Clinical Professor
 - Research Professor

Pending approval by the Department of Health and Human Services, fringe benefit rates will be updated in the system and applied to the budget in April 2023.

Operating Expense Budget Development

Each unit should budget its operating costs based on its plan for the coming year. At least five years of your unit's actual expenses are available in Anaplan for your analysis of non-mandatory variable costs, but historical data should not be the sole factor in determining the appropriate level of a particular expense line item. Certain variable costs that are tied to the amount of personnel in the unit (e.g., office supplies, travel, and internal OIT charges) should be budgeted as a cost per FTE based on a planned course of action to meet your unit's strategic goals and objectives. Budget and Planning Services has analyzed each unit's historical average spending over the last five years and applied a compound annual growth rate (CAGR) to identify areas where projected spending is less than the FY23 budget. Budget and Planning Services will collaborate with each unit to determine if changes are needed to bring the total O & M budget in line with projections. For all non-recurring expenses (items like equipment for research and professional services), units should budget the items in the appropriate expense line but should plan to cover the cost through unit reserves and use the budget reserve line (7800) to show a negative expense for all items that meet these criteria.

Central Unit Allocations & Mission Enhancement (Academic Units only)

Central Unit Allocations will be applied to the budget according to applicable formulas. The unit's participation rate into the Mission Enhancement Fund is calculated at 20% of all allocated revenues (undergraduate and graduate tuition, student aid and waivers, main campus state appropriation, and other fees). Academic units may receive support from the Mission Enhancement Fund correlated to changes in a unit's enrollment, student-to-faculty ratio, credit hour production, research productivity, and other long-term performance trends.

Governance

All units will prepare budgets that meet the above guidelines and should document numbers of budgeted FTE's including students and TES employees and reconcile personnel changes from the prior year. For all major categories (revenues, salaries, wages, and operating expense), units should provide explanations for all variances that are 2% over the prior year budget. Units should also explain how increases or decreases are tied to strategic initiatives within the University's strategic plan, pointing specifically to certain goals or action items in the plan. Central units will have their budgets reviewed by the Central Unit Allocation Committee (CUAC) while academic unit budget proposals will be reviewed by the Provost's Office. After initial reviews, further information may be requested.

Budget Development Timeline

All dates are tentative and subject to change.

2022

November 15	<ul style="list-style-type: none"> • Begin working on Long Range plan in FACET
December 7	<ul style="list-style-type: none"> • Budget Guidelines Distributed

2023

January 25	<ul style="list-style-type: none"> • Budget/Anaplan Refresher Class
January 31	<ul style="list-style-type: none"> • Target date for completion of Long-Term Projections FACET/Anaplan for both College and Central Units
February 1	<ul style="list-style-type: none"> • Updated position details available in Anaplan • Anaplan open for 1st pass (detailed, same tuition, state appropriations, financial aid from FY23)- This could be changed to include FY24 projections if available.
February 28	<ul style="list-style-type: none"> • Central unit budgets for FY24 due in Anaplan • Central unit analysis of FY24 budget vs FY23 budget due in Anaplan
March 31	<ul style="list-style-type: none"> • Academic unit budgets for FY24 due in Anaplan • Academic analysis of FY24 budget vs FY23 budget due in Anaplan
April	<ul style="list-style-type: none"> • Allocated revenues and fringe rates updated in Anaplan if available
April 3-April 21	<ul style="list-style-type: none"> • Budget meetings with Academic units and Provost
April 3-April 28	<ul style="list-style-type: none"> • Central Unit Committees meet to review central unit budgets
May 15	<ul style="list-style-type: none"> • Anaplan open for final pass
May 31	<ul style="list-style-type: none"> • Budget without merit submitted in Anaplan
June 1	<ul style="list-style-type: none"> • Faculty Annual Reviews due to Provost's Office
June 9	<ul style="list-style-type: none"> • Board of Trustees meet • Budget update and merit guidelines submitted for review to Board • Merit pools, if approved, are loaded in Anaplan
June 9-June23	<ul style="list-style-type: none"> • Academic and Central units adjust merit as needed if approved.
June 26-June 30	<ul style="list-style-type: none"> • Central Unit allocations applied to budgets based on applicable formulas • Provost allocates any subvention needs for units
June 30	<ul style="list-style-type: none"> • Budget completed and locked in Anaplan • This includes AUM, AAES and ACES
July	<ul style="list-style-type: none"> • Performance evaluations for University Staff and Administrative Professional employees due to Human Resources
July 3	<ul style="list-style-type: none"> • Merit recommendations open in Anaplan, if approved
July 31	<ul style="list-style-type: none"> • Merit recommendations due in Anaplan, if approved