

## **Linkages: Connecting the Department's Budget to the Institution**

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As a chair, you are concerned with amassing, dispensing, and managing the fiscal resources that the institution allocates to your department. However, overseeing the budget is not a stand-alone task confined to maintaining a balanced ledger. It is, rather, a complex process that connects goals and resources to achieve the purposes of the department.

In his excellent chapter, "Budgeting" (*College and University Business Administration*, NACUBO, 2000), John R. Curry makes it clear that a budget serves several functions. It is first and foremost a plan of action that expresses intent. It also functions as a means of controlling action. A budget also indicates commitment on the part of those who have designed it. It is a "fiduciary enabler," meaning that it enables trustees to witness the performance of the institution for which they have responsibility. And, finally, budgets are a measure of managerial expertise (Curry, p. 5).

For an academic department, the budget's greatest points of impact are, first, its effects on planning. The department must link curricular planning to the budget. That linkage makes public the department's commitment to its faculty and students.

Responsible expenditure of the budget also becomes a measure of the managerial abilities of the chair. It is not unheard of for departments to end their fiscal year "in the red." If that historically is the case in your department, it is time to review the budget, the patterns of expenditure, and the sources of the overrun. If individual faculty are causing the red ink, the chair needs to address the matter within the department and with the individuals in question. It may be necessary to set internal policies to avoid a recurrence of budget-busting behavior. In the most dire of circumstances, it could be necessary to impose controls. For example, if the overspending is caused by profligate photocopying, the department may have to set a limit on each instructor for each term.

If, on the other hand, the overrun derives from a poor allocation of resources at the institutional level, then a chair may need to take up intense negotiations with the dean. Before entering into such a negotiation, the chair would be well advised to arm him or herself with appropriate data. For example, if your chemistry department is chronically unable to stretch the budget to cover the entire year, it would be well to have some information from colleagues at other institutions about the costs of running various

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chemistry courses. If your allocation is unrealistic, you will need to negotiate at the institutional level. If there is no available slack at that level, you will need to work with the department to find other solutions. Among the possibilities could be reducing the number of laboratory experiments, imposing a lab fee on students, or some combination of the two.

Effective departmental budget management also requires chairs to think beyond the confines of the department. How does your department impact other elements of the institution? For example, as Curry points out, an important variable in an institution's budget is its student persistence rate (Curry, p. 10). Admissions is a costly operation. If 40 percent of students recruited each year do not re-enroll for the next year, a great deal of time, effort, and money is wasted. Because student persistence can be affected by faculty performance, this is a matter with budgetary relevance, which you as chair can bring to your department's attention. While department members may readily focus on attracting or ensuring the persistence of excellent majors to their own field, all faculty need to think beyond that level, to their impact on the institutional persistence rate. Does your department have a course that "flushes" slackers out of the department? Are there ways of working with students who prove ill-suited to a particular discipline, other than failing them? Of those students who do not thrive in your courses, do you know what happens to them? Do they leave the institution or simply enroll in another department? What measures could your department take to encourage institutional persistence?

As chair, it is important to help your colleagues be well grounded in reality. You may all agree that philosophy is a fundamental line of inquiry. However, if student enrollment is weak, do not expect the institution to treat you with favor when it comes to allocating the annual budget. The question is not what argument to apply in order to wheedle scarce resources. The issue is how to change existing reality so that you can go forward with well-grounded requests for resources.

On the other hand, if your department is a very popular one with a large enrollment, you cannot expect the institution to serve only your department. You will want to maximize the resources you receive, but the department also will need to devise a plan for managing with fewer resources than it may think appropriate.

Lastly, chairs today need to be aware of possible additional revenue sources, with which they may be able to supplement the institution's allocation. The subsection on [fund raising](#) is a good place to look for ideas in that regard.