College of Humanities and Social Sciences
State Funds Budget Allocation Methodology

(Revised March 2025)

INTRODUCTION

The College of Humanities and Social Sciences uses a state fund budgeting process known as *Base Plus*. Each year's base budget, plus recurring adjustments (positive or negative), equals the next year's base budget. Each unit within the college has a budget managed by the administrative leader of the unit, and units are expected to operate within their budgetary constraints. Every fiscal year, state budgets should be strategically used and fully exhausted to further the mission of the unit. There are no routine calls by the college for budget requests from the units, as most of the recurring funds in the college remain in the units, not in college reserves.

REQUESTING FINANCIAL SUPPORT

Faculty and staff interested in requesting financial support for an event, travel, or a purchase should work with their unit financial liaison. Executive Leadership Team (ELT) members interested in requesting significant additional financial support from the college should submit a request form.

ALLOCATIONS BY AND BETWEEN UNITS

Centers, departments, and academic programs provide administrative and course buyouts for faculty who are teaching courses or serving in secondary administrative roles in other units. The funds used for these purposes will come directly from the unit requesting the service. To transfer funds, the liaison associated with the unit providing the funding should submit a Budget Transfer Request form.

COLLEGE ALLOCATIONS & RETRACTIONS

In an effort to stabilize the number of and state funding for Tenure/Tenure-Track lines within our college, the college developed and implemented a new resource allocation model for state funds in 2022. There are specific circumstances in which state funds are redistributed from academic departments to the college, or vice versa. These situations are described within this document.

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TERMS AND DEFINITIONS:

Base Budget	The cumulative total of all recurring allocations to a specific project or group of projects.
Difference in Salary	The difference between the current salary of the separating T/TT faculty member and 105% of the minimum salary for an Assistant Professor in the discipline of the separating faculty member.
Fiscal Year	The accounting period of one cyclical year beginning July 1st of one year and ending June 30th of the following year; i.e. July 1, 2018 – June 30, 2019.
One-Time Funds	Funds which temporarily increase or decrease a unit’s budget, usually for the current fiscal year only. Multi-year commitments of one-time funding support will need to be submitted each year of the commitment period.
Recurring Funds	Funds which permanently increase or decrease a unit’s budget. Recurring funds are also referred to as permanent or continuing funds.
State Funds	Financial resources allocated from state revenue receipts to support the mission of NC State University and subject to state-mandated spending guidelines. State funds are distributed to units using projects numbered 201xxx-249xxx. Other resources considered state funds include appropriated receipts (projects numbered 301xxx-349xxx), ETF funds (projects numbered 361xxx), and Summer Session funds (projects numbered 202xxx).

Tenure/Tenure-Track (T/TT) Separations:

The purpose of academic tenure is to promote and protect the academic freedom of the faculty. It also assists the university in attracting and retaining faculty members of high quality. Permanent tenure ("appointment with tenure" or "tenured appointment") is academic tenure conferred upon faculty with appointments that are continuous until retirement, resignation, or death.

- When T/TT faculty separate from the college,[1] the department will retain 105% of the minimum salary for an Assistant Professor in the discipline of the separating faculty member.
- For separations at the end of the academic or fiscal year, the college will retract the *Difference in Salary* (the difference between the current salary of the separating faculty member and 105% of the minimum salary for an Assistant Professor) at the beginning of the next fiscal year.
- For separations that occur during the fiscal year, the department will retain all salary funds through the end of the fiscal year. The retraction for the *Difference in Salary* will occur at the beginning of the next fiscal year.
- The minimum salary used to calculate the *Difference in Salary* will be based on the last published university faculty salary range for the discipline and rank at the time the retraction occurs. It will not be adjusted if/when a new range becomes available during the fiscal year.
- Departments are expected to use the retained funds (105% of the minimum salary for an Assistant Professor) to recruit new T/TT faculty, unless other purposes are approved in consultation with the Dean.
- If a separating T/TT position is shared across departments, or with Interdisciplinary Affairs and Partnerships (IAP), each unit will retain their percentage of the *Difference in Salary*. These funds can be used to collectively recruit for a new T/TT hire, or the units involved can collectively or individually make a proposal to the Dean to use their percentage of funds for other purposes.
- If a separating T/TT position was not previously shared with IAP, but the department and IAP choose to partner for a hire, the department will retain 105% of the minimum salary due to the separation even though IAP will be paying a portion of the new hire salary. The funds freed up in the department as a result of the new collaboration can be used to hire at a higher salary or rank, or in other ways that the department deems appropriate.
- If deciding to recruit at a higher rank or to pay a higher salary, departments will cover the additional costs; however, this decision does not change future retraction amounts.

[1] The college does not retract recurring funds upon the separation of professional-track faculty, EHRA non faculty, post docs, SHRA employees, graduate assistantships, etc. but rather only the Difference in Salary when T/TT faculty separate.

Phased Retirement

The NC State Phased Retirement Program (PRP) provides the opportunity for eligible full-time tenured faculty members, who meet certain age and service conditions, to retire and ***change from full-time to half-time employment at the university for three (3) fiscal years***. Upon entering the PRP, a faculty member relinquishes their permanent tenure in exchange for a three (3) year fixed-term contract.

- When T/TT faculty enter phased retirement, the department will retain 105% of the minimum salary for an Assistant Professor in the discipline of the separating faculty member.
- The retraction of the *Difference in Salary* will occur at the beginning of the fiscal year the individual enters phased retirement, in the same manner as with T/TT separations.
- During the phased retirement period, departments should use the portion of funds retained to cover the .5 FTE salary and the reduced faculty teaching load.
- At the end of the phased retirement, departments are expected to use the funds retained to recruit new T/TT faculty unless other purposes are approved in consultation with the Dean.
- If a department has more than one position on phased retirement, they can elect to combine funds to create a new position and recruit prior to the end of phased retirement.
- When a college or department administrator goes on phased retirement directly from the administrative position, the home department will be provided one-time funds to cover the phased retirement salary at .5 FTE for up to three years. Departments will not keep the faculty line (or funds) created for phased retirement upon separation.

Administrative Positions

College (SAAO positions) and department (EHRA non-faculty positions) administrators are in primarily administrative positions, **not faculty lines**. Some college and department administrators (specifically the Dean, Associate Deans, Heads and the Executive Director of SPIA), hold tenure in a department and have retreat rights.

- When a current T/TT faculty member in the college is the successful candidate for a college or departmental administrator position as defined above, the faculty line they vacate will remain in the department at 105% of the minimum salary for an Assistant Professor. Departments are expected to use the funds to recruit new T/TT faculty unless other purposes are approved in consultation with the Dean.
- Administrator engagement in faculty activities in their home departments are defined in the Responsibilities of College Administrators Standards of Practice.
- When a college or departmental administrator separates from the college, the funds for that administrative position are retracted from the unit and will be used to hire the new administrator.
- When a college or department administrator retreats to faculty, the funds required to cover the 9-month base salary will be deducted from the *Difference in Salary* pool for allocation to the department receiving the administrator. If the retreated administrator separates (including retiring or entering phased retirement) within two years of retreat, the 9-month base will be returned to the *Difference in Salary* pool.
- When a college or department administrator goes on phased retirement directly from the administrative position, the home department will be provided one-time funds to cover the phased retirement salary at .5 FTE for up to three years. Departments will not keep the faculty line (or funds) created for phased retirement upon separation.

Difference in Salary Pool

- The Difference in Salary funds, recurring teaching salary funds, retracted from the departments will be used in the following priority order:
  - To increase college reserves (20%) to support opportunity and spousal hires
  - To cover the 9-month base for a college administrator or Head retreat to faculty,
  - To cover a State budget reduction,[2] and
  - Assign remaining balance to academic departments for discretionary increases[3]

[2] If the reduction exceeds the amount available, the remaining reduction will be proportionately split across all departments and units in accordance with their percentage of recurring funds.

[3] Potential allocation amounts will be calculated for departments/units based on their proportional percentage of salary on state funds for SAAO-2, EHRA and SHRA positions at .75 FTE or greater. For positions that are funded across departments (split funded), funds will be provided proportionately and departments will need to agree upon salary increase percentages. **The college will only allocate the amount approved for use**.

Discretionary Increases

The *Discretionary Increase Process* occurs when the University provides an opportunity to facilitate self-funded salary increases, not associated with the state-funded Legislative Increase (LI) process, within specific parameters and during a defined time period.

- For years in which **there is** a university *Discretionary Increase Process*, the funds remaining in the *Difference in Salary* pool will be allocated to academic departments for discretionary increases to be applied in accordance with the guidelines defined in the university process. To ensure these funds are used to address critical salary issues, rather than across-the-board increases, the college may implement additional guidelines such as minimum increase amounts. Discretionary increases may also be considered for positions on non-state funds in accordance with the same university and college guidelines, but departments will have to provide the non-state funding.
- For years in which **there is not** a university *Discretionary Increase Process*, the funds allocated for discretionary increases from the *Difference in Salary* pool will still be used to address critical salary issues, and departments will need to provide all of the documentation and justification that is normally required outside of a university *Discretionary Increase Process*. The proposed increases will be subject to Human Resource (HR) approvals and the time needed for approval at all relevant levels.
- Funds not used to address critical salary issues will remain in the *Difference in Salary* pool for allocation across units in the following year unless other purposes are approved in consultation with the Dean.

Retention

- Critical salary issues should be addressed proactively to the extent possible in the LI and the *Discretionary Increase Process*. Since the majority of funds in the college remain in the departments and units, there is not an additional source to address critical salary issues outside of these processes; however, there are scenarios that may necessitate retention consideration at other times.
- If a department receives Dean and HR approval to offer a retention outside of the *Discretionary Increase Process*, the department can seek the Dean's approval to defray the costs by diverting a portion of their next discretionary increase allocation toward that cost.
- The Dean **may** seek a Provost match for a critical retention increase of $10,000 or more for an Associate Professor or Professor being actively recruited. The Provost's retention support must be returned when the position is vacated; this retraction occurs prior to *Difference in Salary* calculations.

Spousal Hires

Many academics are married to or partnered with other academics, so the hiring of one may create an opportunity to hire two. A spousal hire occurs when a faculty member being recruited in one department or unit triggers an unanticipated hire in another department/unit for his/her spouse or partner (occasionally, both are hired into the same department/unit). During the course of a faculty hire or retention effort, there may be requests for spousal hires, either within the college or beyond the college.

- For spousal hire proposals **within the college**, the department seeking the primary hire should provide funds for ⅓ of the salary for three years and request college support for ⅓ of the salary for three years, with the secondary department covering the final ⅓ of the salary. The college may solicit Provost financial support to replace the college's portion of this funding strategy. At the end of the three years, the secondary department would cover all ongoing costs.
- For spousal hire proposals **involving other colleges within NC State**, the college seeking the primary hire should provide funds for ⅓ of the salary for three years and the Dean would request Provost funding for ⅓ of the salary for three years, with the secondary college covering the final ⅓ of the salary. The ⅓ CHASS portion would be shared by the college and department. At the end of the three years, the secondary college would cover all ongoing costs.
- For spousal hire proposals **involving other colleges external to NC State**:
    - If CHASS is being asked to accommodate a spousal hire, the other university should provide funds for ⅔ of the salary and CHASS would provide funds for ⅓ of the salary. The ⅓ CHASS portion would be split by the department and college, in competition with other resources for three years. At the end of the three years, the department would cover all ongoing costs.
    - If CHASS is asking another university to accommodate a spousal hire, NC State should provide ⅔ of the salary and the external college would provide funds for ⅓ of the salary. To satisfy the NC State commitment, the Dean would request Provost funding for ⅓ of the salary for three years and CHASS would provide funds for ⅓ of the salary for three years. The ⅓ CHASS portion would be split by the college and department. At the end of the three years, the external college would cover all ongoing costs.
- All Provost and college spousal financial support will be provided using one-time funds.

Opportunity Hires

An opportunity hire occurs when specific candidates present themselves as a strong potential hire, and is such a good fit as to make an exception to the hiring process, being offered a position that either did not exist or was not slated when he/she first applied or made contact with the college.

- Opportunity hires should be limited to when an opportunity comes available for which there are not already funds that remained in the department for the hire, the hire is in an area that strongly aligns with college and departmental strategic plans.
- The Dean may seek financial support from the Provost for half of the salary for opportunity hires identified in alignment with university strategic priorities. Funds provided by the Provost to support opportunity hires must be returned to the Provost when the position is vacated; this retraction occurs prior to *Difference in Salary* calculations.
- The Dean will consider providing a quarter of the cost, regardless of the Provost contribution, but in competition with other strategic priorities and considering the limited strategic funds available. Funds provided by the Dean to support opportunity hires must be returned to the college when the position is vacated; this retraction occurs prior to *Difference in Salary* calculations.

University Faculty Scholars (UFS)

The University Faculty Scholars Program provides faculty a permanent increase to their base salary to support their academic endeavors. The program recognizes and rewards emerging academic leaders who demonstrate significant achievement. Faculty members selected as University Faculty Scholars carry the title for the duration of their faculty appointment at NCSU.

The Provost and college provide funding for UFS salary increases; 50% each. Funds provided to support UFS must be returned when the position is vacated; this retraction occurs prior to Difference in Salary calculations.

Distinguished Professorships

A Distinguished professorship honors tenured professors considered the best scholars in their discipline, providing additional support funds, for a five-year term.

- The college will provide one-time funds as full salary support to the home department for the 5-year term.
- If the honoree vacates their position prior to the end of the term, the college retracts any unused salary funds and recruits a new candidate;
- At the end of the term, the home department fully funds the position and the college recruits a new candidate.

Strategic Funds

- Since departments will receive 90% of recurring enrollment growth funds and will retain T/TT lines for new hires with the reallocation of *Difference in Salary* funds, the source of the Dean's strategic funds will be limited.
- There will not be routine calls for budget requests as most of the recurring funds in the college will remain in the units, not in college reserves.

Enrollment Change Process

The Provost Office manages the *Enrollment Change Process*, which includes the allocation or recovery of funds for the change in enrollments. In years in which there is a university *Enrollment Change Process,* the college will distribute enrollment change funding.

- The college will allocate to departments 90% of recurring enrollment change funds from the Provost Office. The college will allocate to departments 100% of one-time enrollment change funds from the Provost Office.
- Allocations or retractions will follow the same formula used in the allocation to the college, with each department receiving or returning funds based on their increase or decrease in enrollment. The timing of this process, within the college, will be based on the timing of the university process (e.g., based on calendar or academic year, looking back one year, etc.).
- Departments can use enrollment change allocations for the strategic purposes deemed most appropriate by the department (e.g., new T/TT positions, to increase starting salary for T/TT hires[4], other salaries, operating). Departments are advised to provide or reduce funding, to the extent possible, to the program where enrollment change occurred for the sake of sustainability.

Management and Fiscal Year Closure of State Funds

- Departments and units are expected to demonstrate good stewardship of all funds, expending in a planned and strategic manner, using the developed spending plans for this purpose. Unit financial liaisons should assist with establishing plans for the fiscal year, reconcile expenditures at the end of each month, and modify the shared spending plan throughout the fiscal year.
- Department Heads and other Unit leaders are responsible for ensuring State, Appropriated receipts, Summer Session receipts, and ETF funds are expended in accordance with fiscal year closeout dates, with the exception of approved pre-collected receipts. The college expectation is that units close within .1% of their State budget. For instance, a department with $5 million in State funds, as indicated on the summary page of their spending plan, would be expected to close within $5,000 (+ or -) of zero.

[4] If funds are used for a new T/TT line, this decision does not change future pull back amounts.

- On the rare occasion that a department projects being unable to expend state funds by closeout deadlines, the department should return the funds as early in the fiscal year as possible, but no later than April 1.
- Resolving unit deficits will be covered by other department resources in the following order: 1) non-restricted F&A, 2) non-restricted 7-accounts, and 3) non-restricted 6-accounts. If these sources are not sufficient to cover a deficit, then college resources are jeopardized. Any use of college resources would be exceptional and would require a pre-approved budget stabilization plan.