



EAST TENNESSEE STATE
UNIVERSITY

Department Chair Workshop

Budget Matters for Chairs: A Discussion of Current and Emerging Questions

Tony Pittarese, Dean, College of Business and Technology

Strategic finance is educational purpose
phrased in fiscal terms.

Matthew Crellin
Program Officer at the Bill & Melinda Gates Foundation



Questions to be Discussed

1. Why do we need a budget? Why is it not enough to just spend less than you have?
2. What is there to budget and budget for anyway? Allocations are set in stone.
3. How can we achieve budgetary efficiency by carrying unspent funds over across fiscal years?
4. What are different models for fairness in budget allocations (e.g., should junior faculty be prioritized over senior faculty in travel allocations? Should publication fees be prioritized over travel expenses?) How do we decide?
5. How much transparency is enough versus too much or too little?



Why do we need a budget? Why is it not enough to just spend less than you have?

Financial Planning and Stability

- A budget provides a roadmap for financial decision-making, setting clear priorities for the year.
- It ensures essential expenses are covered before discretionary spending.

Alignment with Department, College, University Goals

- Budgeting aligns spending with strategic goals, ensuring funds support academic, research, and outreach priorities.

Accountability and Transparency

- A budget sets expectations and promotes accountability within departments.
- It demonstrates responsible financial stewardship to stakeholders, including students, faculty, and donors.
- It informs an ongoing dialog.



What is there to budget and budget for anyway? Allocations are set in stone.

- Nothing is truly set in stone at the department level.
- Although allocations are established, there is flexibility in deciding how funds are used within each department's mission.
- Departments exist within a college and university context where strategic initiatives, unexpected needs, and emergency expenses can be addressed.



How can we achieve budgetary efficiency by carrying unspent funds over across fiscal years?

- Under the proposed new budget model, state funds and fees can be carried forward after a split. Foundation and other restricted funds carried forward in total.
- Avoid the “use-it-or-lose-it” mentality; work to achieve careful, purpose-driven spending and collaboration within and among the college/budget units.
- Consider ways to smooth out lumpy expenses.
- 60% of something is better than 100% of nothing. 40% not retained by the unit *is* mission relevant.



What are different models for fairness in budget allocations (e.g., should junior faculty be prioritized over senior faculty in travel allocations? Should publication fees be prioritized over travel expenses?) How do we decide?

This is why budgeting is an important part of being a chair.

- Equity vs. Equality Models: Equality allocates funds evenly across all members, while equity considers different needs (e.g., junior vs. senior faculty).
- Prioritize needs that align with department, college, and institutional goals, such as faculty success, high-impact research, or increasing faculty retention.
- Engage faculty in deciding allocation criteria to ensure transparency.

Setting **Department-Specific** Policies within the **College Framework**

- Work to set clear, consistent policies for funding allocation, balancing fairness with strategic goals.



How much transparency is enough versus too much or too little?

Benefits of Transparency

- Enhances trust among faculty and administration, helping people understand how budget decisions align with goals.
- Minimizes misunderstandings and fosters a sense of fairness.

Balancing Transparency and Confidentiality

- Share broad budget allocations and rationale but avoid oversharing confidential or sensitive financial details.

Setting Clear Communication Guidelines

- Provide regular budget updates without overwhelming details.
- Establish a consistent communication schedule to inform faculty of spending, allocations, and major changes.



**Questions or further
discussion**

Tony Pittarese
pittarese@etsu.edu

