

## UDC Process for Budget Decision Making by Academic Units

April 8, 2022

The purpose of this brief statement is to describe the University's process for making budget decisions involving academic units. The short answer is that there is no formal written process which establishes the manner in which academic unit budget decisions are to be made, except with respect to the timing of academic unit input in the District of Columbia's annual budget process.

### The District's Annual Budget Process

The first thing to understand about the District's budget process is that agencies, like the University of the District of Columbia, are typically working on three budget years at once. Let's look at FY 2022. Here we are in April of FY 2022, but just last week the University President testified before the DC Council regarding our FY 2023 Budget, which was approved by the Board in November or December of 2021. In August of 2022, the Mayor will establish a budget MARC (Maximum Allowable Budget Ceiling) for UDC's FY 2024 budget based on which the University must develop its FY 2024 budget, obtain Board approval and submit to the Mayor by December of 2022 or early January of 2023. Obviously, this is a daunting task.

As a part of the Mayor's Budget MARC process, District Agencies are provided with an opportunity to submit a budget enhancement. The enhancement process is one in which the President and other agencies are permitted to ask for additional funding beyond the MARC. However, the request must fall within the Mayor's priorities for the new fiscal year budget. Decisions regarding the enhancement request often are not finalized until the spring of year, after the conclusion of the Council Budget Hearings. Given the fact that the MARC and the enhancement request process occurs early in the fall, how do academic unit budget decisions get made and factor into the development of the annual budget.

Based on the District's annual budget process and timeline, academic unit and administrative unit budget decisions tend to be a rather top down process, primarily because there is no time for substantive inputs. The Mayor sets a total budget number (MARC), the University has two months to develop a detailed

budget based on the MARC, University divisions and departments have only a couple of weeks to make any input into this annual budget. So, from a practical standpoint, there is no time for substantive input. What in effect happens is that the new budget proposal is based on the current year's budget and any increases or reductions stipulated in the Mayor's MARC.

In the past, the Office of the Chief Operating Officer has attempted to develop a multi-year budget process, but this approach has never been finalized. The University will never have an opportunity to have meaningful input from faculty, staff, students and academic administrators until the University develops a multi-year approach to budget development. While the University will still be limited by the District's budget process and timeline, a multi-year plan puts UDC in a better position to be proactive regarding the infusion of University priorities in its budget submission to the District.