

We are aware that many units in CALS distribute Hatch funding to their faculty on a regular basis but in our unit, faculty do not receive these funds. Our unit head has told us that Hatch monies are spent in salaries only. but we know that some of these funds are equally distributed in other units and are used to support attendance to Multistate Projects meetings, research or in other faculty expenses. Furthermore, we have no idea what our teaching budget for our unit is. Our unit head does not offer funding for teaching either. We feel there is no transparency in our unit's finances. We have never seen a budget report. Yet, we are aware other HODs disclose the unit's annual budget. It would be great if CALS could standardize these procedures, making sure HODs provide an annual summary of the unit's budget and allocate funding for teaching and Hatch that is available to faculty in an equitable manner.

Answer:

There is much confusion among faculty and staff about how federal capacity funds are used to support CALS and our research programs. This is understandable given both how convoluted this has become from the federal government down and how few (perhaps no) land grant universities communicate this well; regardless this is one of the reasons this question is so important.

The direct answer to this question is that Hatch funds are not distributed to faculty in any unit on a regular basis. USDA-NIFA capacity grant funding (colloquially referred to as Hatch funding) is provided to CALS due to our 1862 Land Grant institution affiliation. There are four research and four Extension programs, with approximately \$2.5M allocated to research and \$1.7M to Extension. These funds can only be distributed through approved federal capacity research projects, which is why we ask all CALS faculty to be part of a project.

For the \$2.5M allocated to research, projects are developed in consultation with Unit Heads and submitted to the Office of the Associate Dean for Research, where they are finalized and submitted electronically to USDA NIFA. Alma Enciso in the CALS Research Office oversees all federal capacity research projects, with overall supervision by Sangita Pawar. Because large numbers of projects increase paperwork and time investment by everyone, with no extra benefit of return, over the past two years the CALS Research Office has worked with unit heads to reduce the total number of projects from 185 to approximately 80 today. Our ultimate goal is to have no more than 45 projects across CALS by 2019. This will reduce the work load by at least four-fold and save us on administrative costs so we can keep more money working in the academic units.

Using federal capacity funds is challenging because they must be matched with an equal amount of state funds. Faculty salary is the most effective and efficient way to meet the match. Faculty salary freed up through this offset reverts to the College budget where it is used to strategically fund faculty hires and startup costs. A small percentage (less than 5%) of the federal capacity funds are used for capital, operational, and faculty travel expenses if 1) approved by the Associate Dean for Research, 2) allowed under the different rules for one of the four research and four Extension program grants, and 3) an expense match is possible.

Additionally, ~\$0.5M of the Federal Capacity funds received annually for research is retained by the Associate Dean for Research for strategic investment in faculty via startup packages, bridge funding, and equipment supporting our research mission.

So, not only are CALS units heads not distributing Hatch funds to their faculty on a regular basis, doing so is not actually possible because for the most part federal capacity funds are centrally

controlled and distributed. There is one exception: the Animal Health program Hatch funds, provided currently to the School of Animal and Comparative Biomedical Sciences to cover costs related to the additional costs of maintaining production research animals.

The perception that federal capacity funds are distributed to faculty may have arisen because historically the School of Plant Sciences director chose to allocate \$2,000 to every faculty member who was named on a federal capacity project. It is important to emphasize that School funds, and not the federal capacity (Hatch) funds, are distributed. To ensure full transparency, Plant Sciences will create a written policy and document it on their website. It's possible that a similar voluntary distribution is happening in other units. Please ask your unit head what is happening in your unit.

The \$1.7M of Federal Capacity Funds allocated to Extension is distributed as follows:

- Most fed funds for Extension are used to pay segments of faculty salaries.
- In the past, Extension funds were distributed as some operational funds, which was a mix of state and fed monies, among academic units in a general formula fashion of \$X/FTE.
- The units had the discretion of how those funds were distributed and the funds were not always transferred directly to the faculty member.
- Units had variable transfer “formulas” or mechanisms.
- Most academic units in CALS returned a lot of this funding to the college through the process of budget reductions that were occurring every year from 2002-2012, with major cuts taking place ~ 2008-2012.
- Specific questions regarding the management of funds within academic units should be addressed to the unit heads.

Fundamentally this question is, of course, related to the principle of unit budget transparency, which is the Dean's expectation college-wide. Unit heads must share full financial information regularly and routinely.

Since the spring of 2013, units have been required to prepare all fund budgets on a quarterly basis. These budgets are posted to the CALS Business Services website. The college “red-green” budget is shared twice annually at the state of the college presentations.

Accessing quarterly reports:

1. From this [website](#), click the link Historical All Funds.
2. Select Departmental Quarterly All Funds. Then select Continue.
3. You will be prompted to enter your UA NetID and password.
4. Select the fiscal year, quarter, and unit you want to look at.