

## C. Finances

### 1. Sources and reliability of operating income

Funding for the Music Department is adequate for the size and scope of the department. There have been significant budget cuts in past years but the state funding has stabilized over the past two years with no indication of further reductions in the foreseeable future.

Funding for each of the degree programs, including the masters degrees, has allowed us to continue to offer high quality academic and artistic programs including scholarship funding for outstanding students.

The allocations are stable, some are growing slowly (student fees, fundraising money) and offer a good foundation on which to plan/implement our degree programs over the long haul.

Financial documents in the Management Document Portfolio clearly indicate that we are in a reasonable financial situation that can/will be sustained for many years.

The building of a strong endowment program is vitally important for the future of the department. We have established several endowed scholarship programs; we have a new organ endowment that will allow us to expand that program; we long range plans involving significant donors who can help with the needs of the department.

University tuition and fee information can be found at

<http://www.usu.edu/admissions/tuition-costs/>

<http://usu.edu/budget/Documents/TuitionFees/2012-13usutuition-feeschedule.pdf>

### Music Department Funding Sources

- State Education & General (E&G) Funding
  - Music Faculty and Staff
    - Full time \$1,967,214
    - Part time instructional \$ 24,000
    - Staff \$ 57,000
  - Instructional/Operational/performance \$ 567,500
  - Equipment and Building \$ 46,500
  - Marching Band Operation \$ 10,000
  - Marching Band Scholarship \$ 30,000
- Student Fees \$ 126,000  
fees paid by every student who enrolls for classes
- Fundraising – designated specifically for the Music Department/Programs
  - Endowment income \$ 21,619
  - Annual/public gifts \$ 52,000
  - Foundation/Corporation support \$ 94,500
  - Public grants \$ 30,000
  - Fundraising \$ 13,000
- Ticket sales/rentals, etc. \$ 13,500

Total Income from all sources      **\$3,052,833**

Funding for the department has stabilized with no cuts anticipated.

**Finance/Funding documents are at the MDP I Finance tab.**

**HEADS reports are in Appendix I**

## **2. Balance of revenue to expenses**

The university Office of Budget and Planning, <http://www.usu.edu/budget/> , "provides the primary support to University leadership in identifying, obtaining, and allocating the resources needed to achieve the University's mission and the goals and objectives of the University Strategic Plan through sound budget and management practices, extensive financial planning that supports management decision making, and the development of innovative solutions to challenging problems."

We carefully manage our financial resources so that we maintain a very solid financial status. We receive quarterly (or more often if requested) financial statements to help us manage our funds.

Utah State University's audited Annual Financial report may be found at <http://www.usu.edu/controller/forms/2012FinancialReport.pdf> .

## **3. The extent to which regular budget allocations for personnel, space, equipment, and materials are appropriate and sufficient to sustain the programs of the music unit from year to year**

With the current level of funding, we could sustain the degree offerings, provide space for classes, rehearsals, and performances and function at a reasonable level.

### **Personnel**

We have adequate funding for faculty and staff...but the salaries are midrange to very low...especially for staff. We attract well qualified faculty and staff but are not able to offer higher salaries they might receive working somewhere else.

### **Space**

We have good working spaces including:

- Chase Fine Arts Center <http://www.usu.edu/finearts/>
- 2,168 seat Kent Concert Hall <http://www.usu.edu/finearts/KCH.html>
- 670 seat Morgan Theater <http://www.usu.edu/finearts/MT.html>
- 410 seat Performance Hall <http://www.usu.edu/finearts/PH.html>

These facilities well are maintained by University Facilities Management.

We could use two more standard classrooms and about 20 more practice rooms but can manage with those we have.

Faculty offices are adequate. Some are located in the University Reserve building that is not ADA compliant. The department office is adequate.

With few exceptions (practice rooms; another class room or two), our spaces are adequate to the needs of the department.

The marching band was just given permanent use of a very good athletic field (Tower Field) so we can move them out of a slanting parking lot by the stadium. The new field is within walking distance from the Fine Arts complex which makes it easier for students to get to and is a much more desirable space to rehearse.

Storage space is a big problem. We rent storage lockers down town to hand the overflow. Most of the items stored off campus are from the opera program.

## **Equipment**

Generally, funding for equipment is adequate to meet the needs of our programs. We have relatively good equipment for the ensembles and individual student use. We recently had an audit of our equipment that costs more than \$5,000 with 100% of the equipment accounted for. We keep good records and track all of our equipment very carefully.

We need to purchase a new harp, 5 octave marimba, 4 flugel horns, 3 practice organs, replace 2 oboes, 2 bassoons, and two bass clarinets. We are managing our funding to get these instruments within the next two years.

Major funding projects to update/replace sound and lighting systems in the Kent Concert Hall and Morgan Theater will cost approximately \$250,000. That is the biggest challenge for us in the equipment funding area. We don't have a solution for this yet.

**The equipment inventory is the MDP I Facilities/Equipment tab.**

Because of a nearly \$1million donation, we are now a Steinway School.

We received a \$150,000 donation to upgrade and rebuild our Holtkamp pipe organ in the Kent Concert Hall. The instrument is in better than new condition now.

#### **4. Procedures for developing the budget for the music unit**

At this time, there is no formal request for departments to submit an annual budget. Funding comes from the Central Administration to the Dean of the College of the Arts. Funds are allocated to the departments by the Dean based on historical need rather than a structured budget request from the departments. The system is working well for Music.

Within the music unit, the Department Head consults with the two Associate Department Heads to determine funding priorities and levels. Faculty are given an allocation based on many factors including demonstrated need, program success, projects proposed, etc. We combine several funding sources (E&G, donations, sponsorships, etc.) to provide as much funding as possible to the greatest number of programs/faculty/projects.

Final decisions about budget allocations fall to the Department Head.

The system is working well even with somewhat limited funding. By being open, honest, transparent about all budget issues and decisions, we eliminate most of the complaints about funding.

We have been very successful in obtaining external funding. We need to continue to expand these efforts in addition to pushing for increased student fees.

#### **5. Development methods including fundraising procedures and results**

In November, 2012, the University celebrated the completion of its first Capitol Campaign in the history of the school. With an initial goal of \$200,000,000, which was quickly reached, the final amount of the campaign was more than \$512,000,000.

The Music Department is active in obtaining funding from donors, foundations and corporations. Significant successes in our fundraising efforts include:

- \$980,000 grant from the Sorenson Legacy Foundation to become a Steinway School
- \$200,000 donation from the Campbell family to rebuild our Holtkamp pipe organ and begin an organ training program in the region
- \$10,000 matching grant from an individual who works for Apple Computers...total grant is \$20,000
- Annual gifts from donors (ranging from \$25 to \$1,000) of more than \$52,000
- Fundraising events/concerts that have netted more than \$13,000
- More than \$94,000 corporation/foundation support

#### **6. Long-range financial planning, including results**

The Music Department has not developed a formal long range financial plan. This work will be done in the 2013-14 academic year. However, we are working to increase the number of our endowment accounts for scholarships. We are focusing on projects will into 2014 (International Choral Festival). And we are looking ahead to future faculty hires if funding were to materialize.

#### **RECOMMENDED IMPROVEMENT**

The biggest need we have from State funding would be for additional tenure track faculty. We have identified the two most important new faculty positions being in music theory and choral director. The cost of these positions would be about \$54,000 +

benefits \$24,300 (at 45%) = \$78,300 for each position. We do not see this funding coming from the state within the next three years.

We will continue our fundraising effort as aggressively as possible.

Our August faculty retreat will focus on developing an effective long range financial plan for the department.