Goal Areas (per Huron report)

• Redesign the annual budget allocation process to encompass all sources of funding
  – Spend a larger percentage of operating funds and endowment distributions, decreasing the rate of balance growth
  – Bring all resources to bear on implementing school and university joint priorities
  – Inform budget development with cost drivers and quality metrics
Goal Areas, continued

• Create budgetary incentives to grow enrollment and improve persistence

• Restatement of Goals: Slow down the growth in current fund balances, to concentrate more resources on implementing strategic priorities.
Risk Assessment

Developing a new budget model represents a significant change for deans and administrative leaders at KU

- Direct involvement of the Provost and senior leadership in the implementation of changes to the budget process will be required to secure buy-in and support of the new process.
Risk Assessment, continued

• Deans are concerned that endowment and carry forward balances will be “swept;” ongoing communication, transparent treatment of funds and consistent implementation will be required to address such concerns and to enable a successful implementation.
Risk Assessment, continued

- Enhancement of the budgeteer role into the budget officer role will provide additional support to enable units and schools to manage budgets on an ongoing basis.
Accomplishments

• Prototype Summary of All Funds revenue and expense provided to Deans and Vice Provosts for budget compacts
  – FY 2011 and FY 2012 YTD (as of 03/31/2012)
  – Will be updating the all funds report to include year end status for FY 2012
Accomplishments, continued

• Modifying the protocol concerning General Use carry forward balances as part of FY 2012 year-end processing.
  – Carry forward balances will be placed in separate, uniquely identifiable costs centers to enable tracking of current year operations within the schools separately from prior year’s activity.
  – Monies will be transferred to units upon request, to fund items in carry forward list.
Accomplishments, continued

• Discussions concerning budgeteer role
  – Consideration of additional training needed
  – Interaction with shared service centers
Next Steps

• Refine all funds budget data (AFB)
  – Develop and distribute final report for FY 2012
  – Improve the process by which report is created
  – Ultimate goal to add AFB to DEMIS reporting capabilities for units to monitor/create in real time.
Next Steps

• Pilot project to implement FMW Web (Financial Manager’s Workbench-Web edition
  – Will enhance unit’s ability to predict available resources
  – Will facilitate forecast of non-salary expenses
  – Will be using IT as first campus unit to deploy
Next Steps, continued

• Continue to evolve Budgeteer role
• Implement more comprehensive Budget Review Process
  – Review Budget cycle proposed by Huron
Central staff review FY 12 results with units

**Full Review of FY 12, PBSG – 9/1/12**
- Overall Surplus/Deficits
- Key variances in revenues and expenses
- State of balance sheets / change in Net assets
- Changes in credit worthiness – Moody’s & S&P
- School specific
  - All funds performance (balance changes)
  - Plans vs. actual
  - Enrollment (quality of class, retention, etc.)
  - Research
  - Quality measures
  - Financial aid
- Administrative unit performance (metrics, quality, budget, etc.)
- Auxiliaries & Foundation performance
- Implications for 2013 budget performance
- 5-year trend analysis

**FY 12 & Q1 FY 13 review meeting with all Budgeteers – 9/28/12**

**Engage units to complete analysis & execute summary of FY 14 Budget proposals**

**Central staff review FY 12 results with units**

**Send FY 14 Proposal Call letter – 10/1/12**
- Assessment of FY 12 & 13
- Likely circumstances affecting development of 2014 budget (include anticipated state appropriations)
- Progress on strategic plans (KU & School levels)
- Expectations of school and admin unit proposals
- Provost’s strategic project areas and funding available

**FY 13 Q1 Performance Assessment – 10/15/12**
- Actual revenues & expenses vs. budget
- Enrollment assessment
- Research performance
- Trends
- Corrective action

**Budget Hearings / Compact Meetings**

- Fiscal services/Budget Director, Director of OIRP and other attendees as necessary (e.g. Chancellor, Chief Business & Financial Planning Officer, VP of Enrollment, Etc.)

**Engage units to complete analysis & exec summary of FY 14 Budget proposals**

**Send FY 14 Budget letter – 4/15/13**
- Dollars allocated
- Priorities served
- Needs met

**Collect updates to 4/15 enrollment estimates – 5/31/13**

**Publish FY 14 Budget**

- Dollars allocated
- Priorities served
- Needs met

**Key**
- Major event or deadline
- Quarterly review with PBSG
- Provost’s Office communications
- Annual review meeting with Budgeteers
- Enrollment check after deposit deadline

**PBSG FY 14 Preliminary Budget review – 3/15/13**

**Send FY 14 Budget letter – 4/15/13**
- Dollars allocated
- Priorities served
- Needs met

**FY 14 Budget proposals due – 12/1/12**

**FY 14 Budget proposals due – 12/1/12**

**FY 13 Q2 Performance Assessment – 1/15/13**
- Enrollment assessment – fall & spring
- Actual revenues & expenses vs. budget
- Research performance
- Trends
- Selective feedback from central
- Corrective action

**Publish FY 14 Budget**

- Dollars allocated
- Priorities served
- Needs met

**Collect updates to 4/15 enrollment estimates – 5/31/13**

**Send FY 14 Budget letter – 4/15/13**
- Dollars allocated
- Priorities served
- Needs met

**FY 13 Q3 Performance Assessment – 4/15/13**
- Year end projections
- Actual revenues & expenses vs. budget
- Enrollment assessment & fall projection
- Research performance
- Trends
- Selective feedback from central
- Corrective action

**Publish FY 14 Budget**

- Dollars allocated
- Priorities served
- Needs met

**Collect updates to 4/15 enrollment estimates – 5/31/13**

**Send FY 14 Budget letter – 4/15/13**
- Dollars allocated
- Priorities served
- Needs met

**FY 13 Q3 Performance Assessment – 4/15/13**
- Year end projections
- Actual revenues & expenses vs. budget
- Enrollment assessment & fall projection
- Research performance
- Trends
- Selective feedback from central
- Corrective action

**Publish FY 14 Budget**

- Dollars allocated
- Priorities served
- Needs met

**Collect updates to 4/15 enrollment estimates – 5/31/13**

**Send FY 14 Budget letter – 4/15/13**
- Dollars allocated
- Priorities served
- Needs met