



# Central Connecticut State University Integrated Budget Model

Pilot Department Overview and Training Session

# Welcome and Introductions

- CCSU Budget Current “As Is” Process
- Zero-Based Budgeting in Practice
- Key Assumptions
- Guiding Principles
- Strategic Goals and Objectives
- Introduction of the Integrated Budget Model
- Completing the Budget Workbook
- Next Steps





# Current "As Is" Process



# Current “As Is” Process

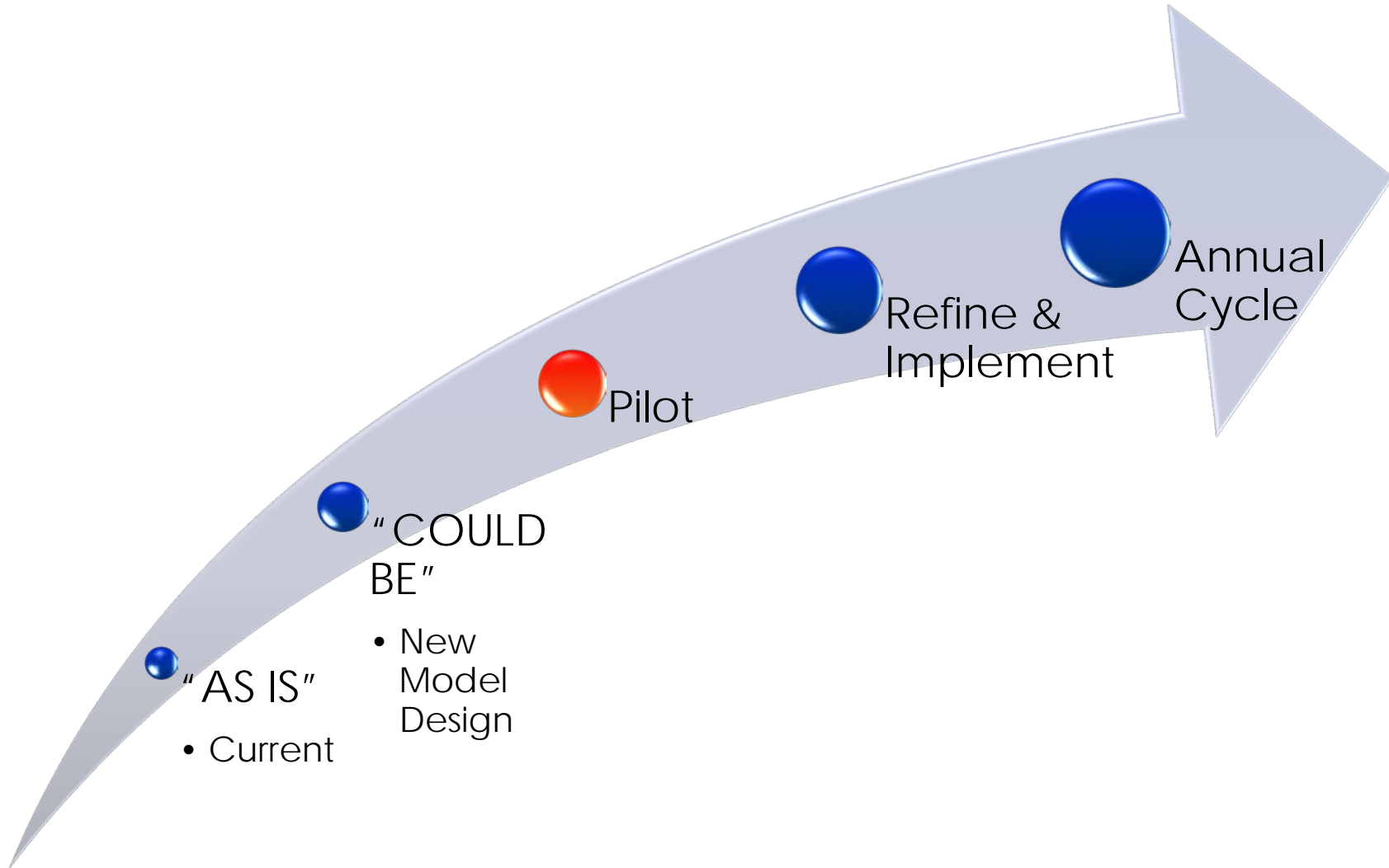
- Incremental
- State subsidy and tuition and fee revenues primary drivers of revenue.
- Division allocations made based on historical allocation.
- Budget reductions strategically targeted in FY17, previously prorata.
- Does not include key performance indicators to assess equity, effectiveness, and alignment to strategic priorities.
- Divisions retain salary savings from vacant positions.
- New positions and reallocation of positions part of UPBC process.
- No multi-year budget model.
- Less time consuming process.





# Integrated Budget Model





# Zero-Based Budgeting in Higher Ed

- Literal definition: Developing budgets from zero; ground up
- Decision making process
- Recognizes some expenditures are fixed
- Ensure strategic and best use of finite resources
- Understand what factors drive expenditures
- Challenge assumptions
- Alignment of expenditures with core mission and strategic priorities
- Foster meaningful and open dialog among key stakeholders
- Encourages collaboration and innovation
- Any expenditure reductions are strategic (rather than prorata)
- Change in culture



# Process and Steps

## Establish Strategic Priorities/Initiatives

- Affirm or Identify Strategic Priorities and Objectives
- Determine available resources and allocations
- Determine Planning Assumptions (e.g. enrollment growth, hiring freeze)

## Departments/Units Develop Budget Workbook

- What are the key activities and resources
- Base Budget Analysis/Resource Needs/Alternatives
- Identify New Initiatives or Increased Resource Needs
- Identify Linkage to Strategic Priorities/ Metrics

## Division Budget Package

- School Review Processes / Division Review Process
- Review each sub-divisions budget in light of strategic priorities and FY initiatives
- Confirm linkages and metrics

## University Planning & Budget Committee

- Review Division Packages
- Allocation decisions and prioritization / recommendations







# Key Assumptions, Strategic Priorities and Budget Principles



# Key Assumptions

- Tie strategic investment to strategic objectives
- When fully implemented, will follow an annual cycle
- Budgets will be built from bottom up and identify minimum needs, opportunities for strategic investment, or reduction
- Common measures across academic departments
- National benchmarks will be used when available
- Foster cross-divisional collaborations
- Existing and New F/T positions will be part of the model
- Use natural index and account codes
- Reassigned time is a budgeted resource
- Capital Equipment Process included in budget submission



# Guiding Principles

The following principles will guide the University's process:

1. Effective stewardship of resources in the pursuit of academic excellence and student success.
2. Budget will be aligned with the mission, vision and strategic priorities (Academic Excellence, Community Engagement, Increased Enrollment and Increased Revenue) of the institution.
3. Transparency – visibility of budget decisions and expenditures.
4. Inclusive process that engages the campus community.
5. Fair and equitable distribution of resources.
6. Integrated with all other university planning initiatives.
7. Budget increases, reallocations, and reductions will be based on the strategic plan and analysis of related data.
8. A standard budget template will be used to facilitate review.
9. Divisions are responsible and accountable for management & assessment of fiscal resources within the limits of their specified allocations.
10. Nimble to day--to--day management needs.
11. Leverage institutional resources to promote and incentivize collaboration and innovation.



# Strategic Priorities & Objectives

## Increased Enrollment

- Improve first time full time retention and persistence
- Course scheduling to facilitate progress
- Increase financial aid

## Academic Excellence

- Improve first time full time 6-year graduation rate
- Improve transfer graduation rate
- Increase average entry-level SAT score and class percentile for new first time full time students
- Increase resources to support scholarship and creative activity

## Community Engagement

- Promote and support increased community engagement by faculty, staff, and students

## Increased Revenue

- Increase external funding through grants and contracts
- Increase the number and amount of annual gifts
- Increase the value of the endowment



# Pilot Departments

- Administrative Departments
  - Athletics
  - Information Technology
- Academic Departments
  - Biology
  - Design
  - Educational Leadership, Policy, and Instructional Technology
  - Finance





# Budget Workbook



# Components of the Budget Workbook

- Overview of Key Activities and Department Narrative
- Measures and Data
- Historical and Current Year Information
- Budget Scenarios
- Impacts – what would be reduced/what would be enhanced
- Linkages to strategic priorities and objectives
- Capital equipment process



# Information to Assist in Developing Budget

- 3-years of historical expenditures by account code
- Current FY DPS&OE and Adjunct Budget
- Funded positions
- Metrics





# Budget Scenarios

- Baseline Operations
- Strategic Activities, Initiatives, and Programs
- Reduction



# Impacts

- Baseline Operations / Alternative and Collaborations Explored
- Strategic Activities, Initiatives, and Programs
- Reductions





# Completing the Workbook



# Instructions



## CCSU Integrated Budget Model

The University has adopted a set of guiding principles, available at:

<http://www.ccsu.edu/fiscalaffairs/ibm.html>

These instructions are for use in preparing the budget submission. The Integrated Budget Model is a variation of Zero-Based Budgeting. Zero-Based Budgeting assumes that each year department budgets begin at zero, and budget is allocated based on identified needs to meet service levels.

Where reallocation or new allocations occur, they will align with the strategic priorities of the

► **Instructions** | Narrative | Academic Data and Benchmarks | Budget Worksheet -SAM001 | FT Salaries | Impact | Capital Equipment Template



# Next Steps

- Intermediate Checkpoint – Week of November 27
- Pilots complete workbook by December 15
- Present to Integrated Budget Model Workgroup

