Feb. 2. 2015

Planned Budget Concepts for FY2016 Cycle

Listed below are a number of budgeting concepts that are being proposed as part of the FY2016 Budget cycle which are a significant change from prior practices. The FY2016 Budget cycle is a transition from a partial incremental budget model to essentially a zero based budget model. The objective is to structure budgets that will allocate funds for operational costs to budget units that will allow Budget Unit heads to manage the day-to-day operations of their Units by centralizing IT costs, computer replacement, and equipment acquisitions. Additionally, it would implement a funding model for travel, training & development to be managed by Budget Unit Heads.

Here is a summary of the various expense types along with the funding methodology

Method of Funding for Expenses

Expense Type	Core	Non-Core
Regular Positions	Centrally Funded*	Non-core Revenue*
Part-Time Faculty	Centrally Funded	Non-core Revenue
Temporary Labor (No PT Faculty)	Central Allocation	Non-core Revenue
Graduate Assistants	Centrally Funded	Non-core Revenue
Office Expense	Central Allocation	Non-core Revenue
Information Technology	Allocated Charge	Non-core Revenue
Functional Expenses	Central Allocation	Non-core Revenue
Computers	Centrally Funded*	Non-core Revenue*
Equipment	Centrally Funded*	Non-core Revenue*
Student Activities	Central Allocation	Non-core Revenue
Deferred Maintenance	Centrally Funded*	Non-core Revenue*
Renovations and Repairs	Centrally Funded*	Non-core Revenue*
Research	Central Allocation	Non-core Revenue
Lab Expenses	Central Allocation	Non-core Revenue
Lab Equipment	Centrally Funded*	Non-core Revenue*
MURC Positions	Central Allocation	Non-core Revenue
Training and Development	Central Allocation per rate	Non-core Revenue
Scholarships	Centrally Funded	Non-core Revenue
Utilities	Centrally Funded	Non-core Revenue

* Regardless of funding, must be on the approved budget or have an approved budget amendment for needs that arise after the budget is approved.

Details on some of the concepts are listed below and are intended to commence for FY2016 unless otherwise noted.

Balance Forward

- For operating funds 119001, 189001 & 119002, allow any unused allocation to carry forward to next fiscal year to eliminate the environment of "use or lose" which results in spending sprees in the final months of the fiscal year. Commencing FY2015.

Student Fees

- Centralize the collection of most Program, Course, Lab and Miscellaneous fees. Commencing Fall 2015.

Fee Consolidation

- Eliminate most lab, course and miscellaneous fees.
- Move to a model of charging base tuition plus a program fee for those programs that are offered at a higher cost, such as Nursing & Engineering.
- Commencing Fall 2015.

E-Course

- Centralize revenue collection commencing Fall 2015
- Instructional Overload Cost recorded in Academic Units commencing Fall 2015.
- Potential changes to student fee structure and faculty compensation are pending recommendations from the 20/20 Implementation Team.

Part-time Faculty

- E-Course overloads to be included with Colleges part-time faculty costs.
- Initial centrally funded budget for Core Orgs for Fall semester based on actual historical expenditures.
- Review after the fall semester, realign/supplement/recover budgets accordingly to ensure all academic units are funded to adequately cover all courses for Core Orgs.
- Summer model will continue as is.

Travel/Training & Development

- Core Orgs will be allocated funds for travel/training and development based on headcount in 4 classifications:

Category	FY2016 Allocation
Tenured/Tenure Track Faculty	$1,500
Non-Tenure Track Faculty	$700
Professional Staff (Exempt Classified & Non-Classified)	$500
Non-Professional Staff (Non-Exempt Classified)	$250

- Allocation amounts will be reviewed each year.

Graduate Assistants

- Isolate the cost for Core Orgs Graduate Assistants to capture both waiver and stipend costs.
- Establish model for number of Core Assistantship positions based on graduate enrollment.
- Establish criteria for receiving a Graduate Assistantship budget.
- Centrally fund Core Assistantships based on established criteria.

Information Technology Costs

- Eliminate the encumbrance/fund transfers process for Core Orgs.
- Quarterly direct charge to Core Orgs funded centrally based on annual audit. A source budget will be provided equal to the charge.
- Non-Core Units (Autism, Housing, Athletics, Pharmacy, PT, MPH, FYRH, etc.) will continue to be billed directly monthly based on actual usage.
- Information Technology and Libraries will be allocated funding centrally operating as Core Orgs.

Computers & Equipment

- Generate a master listing of computers based on standard replacement cycle and budget accordingly.
- Generate a master equipment list to include replacement schedule, annual operating expenditures and purpose.
- Computer and equipment for Core Orgs will generally be centrally funded, however contributions from departmental balance forwards may be required for purchases.
- All computers and equipment must be on the approved budget or have an approved budget amendment regardless of funding source.
- Items that are not replacing existing computers or equipment will require the submission of a to-be developed request form which would include purpose, cost, annual maintenance costs/requirements, replacement time frame, etc.

One-time Expenditures Requests

- Develop a list of requested one-time expenditures from prioritized requests by budget units which will be updated annually. The requests would also include any balance forwards or Noncore sources the budget unit has available to contribute to the expenditure.
- The list will be reviewed by the Senior Leadership Team with recommendations for each item on whether it is a critical item which is approved and must be funded, an important item that is approved when funds are available, a deferred item which would be considered after all important items, or a denied item which is not approved regardless of available funds.
- Available Core sources, balance forwards and Noncore sources will be reviewed by the CFO to identify sources for the critical items and how much funding would be available for the important items.
- Based on the available funding, the Senior Leadership Team would then determine which important items would be funded each year.

Budget and Expenditure Management

- Central Allocation budgets may be transferred between Orgs and may be used for any of the recurring operating expenses of the Budget Unit (ex. a department might decide to cut back on office expenses to allow additional training and development).
- Centrally Funded budgets may not be utilized for other purposes or transferred between Orgs without approval from the CFO or Budget Director.
- All expenditures greater than $10,000 must be reflected in the approved budget or have an approved budget amendment regardless of funding source.
- Reports and data fields are being developed to allow departments and management to more easily review and manage their budgets and activity. It is expected that departments will review their activity monthly.

Additional Funding

- Develop process for Budget Units to obtain additional funding during the year for unforeseen circumstances and temporary labor needs caused by vacancies.

Indirect Cost Recovery

- Recent changes of budget structure will allow for the capture of realistic data to determine rates to charge auxiliaries and others units that use our central services to calculate recovery rates to recapture costs.
- A review of practices from other institutions has been done and will be explored and discussed in the near future.