Budget Planning Part II

Connecting Financial Planning & Academic/Programmatic Planning For Future Success

Budget & Fiscal Affairs Workshop

November 5, 2013

Aimee Heeter
AVP, Budget Planning & Development
aheeter@indiana.edu
812-855-0117
Bryan Hall 114
What is Budgeting?

Making *Decisions*

That Allocate *Resources*

To Enable *Action*

Budget Planning is Strategic Planning

Having a strategic plan when budgeting can help facilitate the discussion on the 3 “Whos”.

- Who we were
- Who we are now
- Who do we want to be

When does Planning End?........
RCM Refresher

• RCM is NOT “Every Tub on its Bottom”

• Utilizes all forms of budgeting

• Allows for the integration of academic and fiscal planning at the RC level

• Support & UA units are supported through assessment charge to academic units
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</thead>
<tbody>
<tr>
<td><strong>State Appropriation</strong></td>
<td>26.7%</td>
<td>25.6%</td>
<td>23.6%</td>
<td>21.4%</td>
<td>19.6%</td>
<td>19.0%</td>
<td>18.9%</td>
</tr>
<tr>
<td><strong>Student Fee Income</strong></td>
<td>65.7%</td>
<td>67.4%</td>
<td>69.7%</td>
<td>71.9%</td>
<td>75.1%</td>
<td>76.4%</td>
<td>76.5%</td>
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**Source:** Fiscal Year July 1 General Fund Base Budget

**State Appropriation and Student Fee Income as PCT of IUB Operating Budget FY 2008- FY 2014**
November: Fall enrollment study, assessment driver details
December: Identify base transfers, request non-instructional fee rates, energy & utility requests

August-Oct: Enrollment planning, fiscal analysis, financial aid planning, review projection models, build future projection models, etc.

July: Year end closing, fund balance, carry forward decisions, allocation changes

MAY & June: Trustee approval of operating budget, union negotiations complete, salary loads

JANUARY: Finalize non-instructional fee rates, Inc-Inc
FEBRUARY: Credit hour enrollment estimates, org changes, freeze base, spring fiscal analysis, benefit rates, insurance rates, enrollment projections

MARCH & April: Review credit hour enrollments, estimate assessment increases, university tax, BUDGET CONSTRUCTION, salary policy, allocation sheets, Proforma, budget pulled up to campus level.

JULY: Year end closing, fund balance, carry forward decisions, allocation changes
Strategic Budget Planning Process

Communication
At the Unit, RC, and Campus Level

Budget
Planning

Transparency
Linking Planning and Budgeting

- If there is not a plan— the BUDGET is the plan.

- If a plan exists and not closely linked to the budget—the BUDGET is still the plan.

- For planning to work— there must be a strong linkage between the plan and the budget.
How to prepare

• Review the Past
• Set realistic budgets
• Data, Data, Data
  • http://www.indiana.edu/~obap/
  • KFS
  • IUIE
  • Let us know your needs!
It’s a Team Effort

- Enrollment Planning
  - David Johnson & OEM
  - UIRR Fall Enrollment Study
  - Campus UG projections
  - Academic RC’s – Graduate, Professional, Distance
  - University Budget Office – fee income projections

- State Appropriations
  - Government Relations
  - University Budget Office
  - Capital Planning & Facilities
RC Level Responsibilities - Academic

- **Income**
  - Graduate fee rates & enrollment projections
  - Mandatory & non-instructional fee rates
  - Other income projections

- **Expense**
  - Financial aid (graduate & non-campus based UG scholarship funding)
  - Salary Increases (when applicable)
  - S&E
  - Travel
  - Reserves & Transfers
RC Level Responsibilities - Support

• **Income**
  - Other income options
  - Assessment income provided by Campus through assessment charge to Academic RC’s

• **Expense**
  - Salary Setting (campus provides total)
  - S&E
  - Travel
  - Reserves & Transfers
## Credit Hours

Undergraduate & Graduate Credit Hours

<table>
<thead>
<tr>
<th>Year</th>
<th>Total (CH)</th>
<th>Cost per CH</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>68,889,945</td>
<td>60.17</td>
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</tbody>
</table>

## Tenure Faculty

Census Report October 2012

<table>
<thead>
<tr>
<th>Metric</th>
<th>Total (FTE)</th>
<th>Cost per TT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenure/Track Appointments</td>
<td>12,333,929</td>
<td>9,097.49</td>
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</tbody>
</table>

## Other Employees

Census Report October 2012

<table>
<thead>
<tr>
<th>Category</th>
<th>Total (FTE)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Funds FTE</td>
<td></td>
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<tr>
<td>Other Instruction faculty (clinical, lecturer, etc)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Library (non tenure/track)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Academic Professionals (research associates, etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly Employees (Professional staff)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biweekly (support staff, service, maintenance, etc)</td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
<td>21,062,691</td>
<td>9,002.81</td>
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## Facilities

### Academic Space:

Each Academic Unit is assessed for their Academic Space

- Assignable Sq Footage
- RCM Space Report Fall
  - Total: 81,171,408 (all space)
  - Cost per Sq F: 17.61

### Non-Academic Space:

- 50% allocated on pct of assign. Sq ft occupied by the academic RC (RCM Fall 2012 space report)
- 25% allocated on basis of pct of FTE faculty & staff (Census 2012)
- 25% allocated on basis of total credit hours for AY 2011-12
  - Cost per Sq F: 17.61

## University Tax

3-Yr Rolling Average - All Funds

- Excludes Auxillary Accounts
- FY14 Total: 60,421,705

Note: UITS transitioned to UA for FY14 budget

*Figures based on July 1 Base*
Keys to linking planning & budgeting

• Keep it *Simple*

• Be *Data* Driven

• Be *Transparent*
Questions?

• What are your concerns?
• What difficulties are you finding in budgeting?
• What can be provided to help the process in your area?

Advice?

• Enrollment Growth or Struggles?
• Handling financial challenges?
• Transforming your unit?