UPdate MSU – Budget Process January 4, 2016

## Final Report

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| Lead | VP Administration & Finance |
| Goal Alignment | Stewardship |

### Charge:

Updating the Budget Model & Process: Design and implement a budget model and a budget development and approval process which links campus funding to our Strategic Plan and campus priorities.

### Scope and Priorities:

The budget model and process will:

1) Provide resources for strategic priorities

2) Provide transparency

3) Provide incentives to reward progress toward MSU’s strategic priorities

4) Be dynamic, flexible and predictable

5) Provide adequate time for campus units to plan for and execute tactical elements

6) Enable effective decision-making at the appropriate organizational levels

Strategic Plan Goal: S.3

Objective S.3: Economic Resources. Increase and effectively allocate resources in support of the MSU Strategic Plan.

### Accomplishments:

1. Solicited and received input from multiple campus groups including:
   1. President’s Executive Council (PEC)
   2. Dean’s Council
   3. Budget Council
   4. Faculty Leadership and Faculty Senate
   5. Planning Council
   6. Provost and Associate Provosts
   7. Campus constituencies via 3 open forums
   8. EAB survey to PEC, Academic Deans, Associate Deans, Budget/Fiscal Directors of Academic Colleges, Superuser group, VPSS Directors
2. Worked with Planning Council to create a budgeting and planning cycle that includes recommendations from Planning Council for strategic plan priorities in the upcoming year prior to the distribution of the proposed budget (see Attachment #1).
3. Analysis and consideration of several different budget model options utilized throughout higher education
4. Creation of a new budget model that utilizes national benchmarks for Facilities Services and Academic Affairs units. The model also includes three additional categories for Institutional Costs, Administrative Support, and Strategic Pools. Please see attachment #2 for a detailed explanation of the pieces of the budget model.

### Implementation Timeline and Additional Tasks:

1. The Budget model will be reviewed by VP Legal in mid-January at which time *PRELIMINARY* Vice-Presidential and Presidential allocations will be awarded. Scheduled for January 15, 2016
2. Discuss budget model processes, including high level business plan requirements with Academic Deans. Goal Date – January 26, 2016
3. Supporting documentation and metrics will be provided to each area in which allocations have taken place to support decision-making as to lower level allocations. These metrics will include the following:
   1. 5-year Student to Unit FTE ratios
   2. 5-year Employee to Unit FTE ratios
   3. Prior Year Actual spending data
   4. For Academic Affairs, the detailed information for unit benchmarks

Goal Date – February 1, 2016

1. Units will submit, to budget office, high level budgets for FY2017 for both personnel and operations. This would include specific uses of any additional allocated funds. See attachment #3 for proposed template. Goal Date for completion and submittal – March 1, 2016
2. Proposal and award process for strategic funds need to be completed and developed. Goal date for completion – April 1, 2016
3. Policy and process development for the recovery of funds from vacated position on both a permanent and one-time-only basis still needs to be developed in consultation with PEC or VP/Legal to determine goals and desired outcomes. Goal date for completion – May 1, 2016
4. In collaboration with non-academic units, develop a unique metric that pertains to their department and can be used as a measure in decision-making for the FY18 budget process. Goal Date – September 30, 2016