Budget Planning and Development Workshop

Presented By:
Administration and Finance
Student Life
Information Technology Services
Workshop Agenda

Resource Allocation Overview

All Funds Budget Model

Budget Guidelines, Forms, and Submission Timeline

Performance Assessment Metrics

RAP 1 - Annual Planning Report (NEW)

RAP 6 - Accountability Reporting (NEW)

Q&A
Resource Allocation Overview
Budget Allocation Process

State of California Budget
- Governor
- Legislature

CSU Budget
- Chancellor
- Board of Trustees

Cal State LA Budget
- University President
- Resource Allocation Advisory Committee

Division Budget
- Vice Presidents

College and Department Budgets
- Deans
- Resource Officers
# Budget Process

<table>
<thead>
<tr>
<th>Month</th>
<th>Budget Cycle Activity</th>
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<tbody>
<tr>
<td>June</td>
<td>CSU Constituent Consultations</td>
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<tr>
<td>July*</td>
<td>Executive Council Policy Retreat</td>
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<tr>
<td>July – September*</td>
<td>Review campus enrollment targets</td>
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<td>Budget consultation with presidents</td>
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<td>SBAC discussion of budget proposals</td>
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<td>Budget briefing for the Board of Trustees</td>
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<td>October – November*</td>
<td>CSU Constituent Consultations</td>
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<td>Trustees adopt Support Budget request</td>
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<tr>
<td>December – January*</td>
<td>Review CSU enrollment targets and revenue assumptions</td>
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<tr>
<td>~ January*</td>
<td>Governor’s Budget submitted to legislature</td>
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<td>February*</td>
<td>Legislative Analyst’s analysis of the budget</td>
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<td>March – May*</td>
<td>CSU Constituent Briefings</td>
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<td>Legislative budget hearings</td>
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<td>Governor’s May revision of January budget</td>
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<td>June*</td>
<td>State Budget adopted</td>
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* System Budget Advisory Committee
Establishes the University’s Resource Allocation Process

**Roles and Responsibilities**

- Resource Allocation Advisory Committee
- College Resource Allocation Advisory Committee
- Executive Officers and Senior Administrators
- College Deans
- Budget Administration
- Operating Units

**Subject:** UNIVERSITY RESOURCE ALLOCATION PLAN

1.0. **PURPOSE:**
   To establish the policy and procedures for allocating the fiscal resources of the University.

2.0. **ORGANIZATIONS AFFECTED:**
   2.1. All organizational units of the University as defined in the University Resource Allocation Plan.
   2.2. The Resource Allocation Advisory Committee.

3.0. **REFERENCES:**
   3.2. Clarification of the Respective Roles of the Academic Senate and the University Administration (endorsed by the Academic Senate on February 19, 1985, and the President on February 26, 1985).

4.0. **POLICY:**
   It is the policy of the University to conduct and maintain a resource allocation process which requires each division to adjust its annual operating budget in accordance with funding received from the Chancellor’s Office.

   The University Resource Allocation Advisory Committee will include faculty administration, and student representation. It will advise the President on budget policy, planning, and resource allocation matters.

5.0. **DEFINITIONS:**
   5.1. Adjusted Base Allocation - The previous fiscal year base allocation adjusted for increases and/or decreases in funding.
Campus Operating Fund
Lottery Fund
Instructionally Related Activities (IRA)
Student Success Fee (SSF)
Health Services Fee
Housing Fund
Other Self-Support Operations
Parking Funds
University Budgeted Funds

Campus Budgets
Fiscal Year 2016-17

- Campus Operating Fund: $264,114,712
- Self-Support Operations: $41,674,895
- Student Success Fee: $7,371,398
- Lottery: $1,802,000
- IRA: $1,559,442

Notes:
Self Support = PaGE, Housing, Health Center, Parking, GEPF, EdD, and Cal State TEACH.
All Funds Budget Model
Budget Model Redesign

Alignment with Strategic Priorities
Enhance Transparency
Accountability and Performance Assessment
Three-Year Implementation Timeline
Conception to Implementation

www.calstatela.edu/admfin/resource-allocation-model-review

Start
Sept. 2013
Presidential/Campus Initiative
• Budget Model Redesign

Dec. 2013
Planning, Research, and Evaluation of Requirements for Budget Model/White Paper

Jan. 2014
Formed Budget Allocation Task Force

Assessment of Base Expenditure Need
• Develop the ZBB Template
• Training Sessions on ZBB
• Analysis of ZBB Submissions

Jul. 2014
ZBB Meetings with University Divisions VP, College Deans, and Fiscal Managers

Nov. 2014
Budget Allocation Task Force Convened

Jan. 2015
Budget Allocation Task Force Reconvened

Design Framework of New Budget Model
• Development of Key Performance Data Analytics
• Update Campus Administrative Procedures

Oct. – Nov. 2015
Communication of New Budget Model
• University-wide Budget Townhall

Aug. 2015
Vetting and Feedback from Campus Constituents
• University-wide Email Communication

Nov. 2014
Budget Allocation Task Force Convened

Total Model Transition: 36 Months

Finish
Fall 2016
Implementation

Fine Tuning
Post Implementation Review

Planning
11 Months

Development
16 Months

Implementation
9 Months
All Funds Budget Model

- Student Success
- Academic Excellence
- Welcoming Campus
- Engagement, Service, and the Public Good
# Budget Model Comparison

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Previous Budget Model</th>
<th>New Budget Model</th>
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<tbody>
<tr>
<td>Guiding Principles:</td>
<td>Annual guidelines</td>
<td>Embraces guiding principles of accountability, transparency, equity, adaptability, and mission-sensitivity</td>
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<tr>
<td>Budget Model:</td>
<td>Incremental</td>
<td>Blends the strong elements of Incremental, RCM, and Performance-Based budget models</td>
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<tr>
<td>Scope:</td>
<td>Campus Operating Fund</td>
<td>All Funds</td>
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<tr>
<td>Governance:</td>
<td></td>
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<tr>
<td>- Resource Allocation</td>
<td>Base Funding/Perceived Entitlement/Status Quo</td>
<td>Proposal driven/competitive/strategic mission driven</td>
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<tr>
<td>- Engagement</td>
<td>Limited</td>
<td>Campus-wide townhall, division presentations, dedicated webpage, etc.</td>
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<td>- Performance Assessment</td>
<td>Informal</td>
<td>Required annual reporting and review</td>
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<tr>
<td>- Fine Tuning</td>
<td>Static</td>
<td>Continuous reviews and updates</td>
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**Note:**
The new “All Funds Budget Model” became effective FY 2016-17.
Budget Cycle Calendar
Budget Administration

- If the date falls on weekends or holidays, due date will be the first working day of the week.
- General Fund/Campus Operating Fund’s Resource Allocation Plan is based on approved State budget, Chancellor’s Office Allocation Letter, and Resource Allocation Advisory Committee (RAAC) budget recommended to the President as outlined in Administrative Procedure 212.
- RAAC announces and hold open meetings to review campus budget allocation once funding changes from the CO Allocation Letter have been reviewed and identified by Budget Administration.
- Budget Administration will inform departments should dates change.
Oracle Hyperion
Planning and Budgeting
Cloud System
Integrates Enterprise-Wide Planning and Budgeting Processes
Moves Away From Stand-Alone Spreadsheets

Modeling and Predictive Analytics
All Funds Budget Scenario Planning

Reporting and Cloud Based Interface Report Development and Dashboards
Integrates with MS Office, i.e. Word, Excel, PPT Anywhere/Anytime 24x7 Access
Budget Guidelines, Forms, and Submission Deadlines
2017-18
Budget Development

 IRA Committee
 Convened

 Budget Proposals
 Submitted

 RAAC Convened
 1. Recommended SSF
    Proposals for President’s
    Approval
 2. Recommended budget
    priorities for President’s
    Approval
 3. Reviewed Preliminary CO
    Budget Allocation

 Jan  Mar  Apr  Apr  May  Jun  Jul

 Budget Proposal
 Call Letter

 RAAC Convened
 1. Reviewed
    SSF Proposals
 2. Discussed
    Budget
    Priorities

 Adm. And
 Finance
 Recommended
 Self-Support
 Budget President
 Approval

 President Approved
 Self Support Budgets/
 Posted To Ledger
Resource Allocation Plan (RAP) Submission Guidelines

New Components

RAP-1 Annual Planning Report
RAP-2 Annual Budget Request
RAP-5 Multi Fund Summary
RAP-6 Accountability Report
Annual Planning Report

Outlines strategic goals, objectives, action plans, and proposed assessment methods.

Due First Week in March
Annual Budget Request Form

RAP 2A

Budget Request for Essential Operations and Mission Critical funding.

Due First Week in March
Multi-Fund Summary

Summary of approved budgeted funds.
(AF will prepare)

<table>
<thead>
<tr>
<th>Expenditure Category</th>
<th>Operating Fund</th>
<th>Lottery Fund</th>
<th>Self Support Fund</th>
<th>IRA Fund</th>
<th>RRF Fund</th>
<th>Trust Funds Beginning Fund Balance</th>
<th>Auxiliary Fund Beginning Fund Balance</th>
<th>Totals</th>
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<td>Salaries &amp; Wages</td>
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Total: $0.00 $0.00 $0.00 $0.00 $0.00 $0.00 $0.00
Accountability Report

Evidence-based assessment of the goals and objectives outlined in the planning report.

Due October 1
Performance Assessment Metrics
Key Performance Indicators
Performance Assessment Metrics

Performance Metrics should enable you to improve your business and operations...

- **Key Performance Indicators (KPIs)**
  Should monitor, evaluate and improve the operational performance across the department, division and organization.

- **Process Metrics**
  Analyze your key processes that assess the status of a specific business process.
  - **Capacity**
  - **Efficiency**
  - **Effectiveness**
  - **Productivity**
  - **Quality**
KPI Best Practices

- Aligned – with the strategic goals of the organization
  - Student Success, Welcoming Campus, etc.
- Attainable – should have data that can be easily attained
  - Graduation Rates, Retention Rates, Student Engagement
- Acute – should keep everyone on the same page and moving in the same direction
  - Response Time, Resolving Issues Efficiently, Graduation Initiative 2025
- Accurate – data supporting KPI should be reliable and accurate
  - Clean data with monitored redundancy checks/balances
- Actionable – should give insight into the business and overall mission
  - Identify success and issues that can be improved
- Alive – your department is always growing and changing, so the KPI should evolve as well
  - Need for additional capacity
  - Need for streamlining
  - Technology integration
Examples to consider when defining your Performance Metrics

Processes that define success for your department, division and University

- Time To Respond To Incidents
- Number Of Incidents Per Year
- Retention Of First Generation Students
- Student Transfers
- Admission Scores
- Student Engagement
- Faculty/Staff Engagement
- Financial Aid/Student Debt at Graduation
- Equipment Condition Index
- Customer Service Evaluations
- Issues Resolved Rate
- Wait-Time For Services
Annual Planning Report

Student Life

Information Technology Services
Student Life

Annual Planning Report
The RAP-1 Annual Planning Report

Roadmap for the year
• Explains what your department/division does
• Includes what your department(s) plans to do

Chance to tell your story
• Purpose
• Challenges
• Successes
• Future plans
The Approach

Stay Calm and Carry On – or Delegate (if you can)
• What do I need?
• Who has the data?

Divisional approach
• Required directors to complete the RAP-1
  • Deadline of 8-10 days prior to due date

• Role as editor with approval by VP
  • Consolidated reports
  • Highlighted significant information
  • Contributed unifying details
  • Connected to Strategic Initiatives
First Section - Goal

• Reflected the overall Divisional mission/vision/goals
• Captured the essence of what each department does and why
• Referred to key elements of Strategic Initiatives that exemplified objectives and role
#1 Operational Overview – Describe the Services Provided

- Two options for approach
  - Use Strategic Initiatives as thematic guide
  - Discuss each department and how they encompass Strategic Initiatives
- Chose second options
  - To showcase diversity of programs and services
  - Best way to represent and capture uniqueness of each department
- Overall theme/pattern emerged
  - Complementary aspects of each department
  - Chronology of services student might utilize
  - Became a story, from first tour to specialized services
#2 Measurable Outcomes – How is Success Defined?

- Tied to Assessment Methods (#4)
- Need specifics and quantifiable data – tease out significant points
- Key words: increase/decrease/reduction/rate
- Strategic Initiatives language
- Use of bullet points
  - Convey main points
  - Easy to read format (consider the reader’s needs)
#3 Sustainability Plan – How will you continue to sustain operational success?

- Substantiates department goals and services

- Metrics highlight:
  - Successes
  - Demand for services
  - Growth
  - Increased efficiencies
  - Validation of program goals, staffing, technology procurement/use

- Consider challenges and solutions
#4 Assessment Methods – How will outcomes identified in #2 be specifically measured?

• Departments used similar assessment methods – summarized common methods

• Provided examples from departments

• Included information that was unique to departments
Challenges

- **Time**
  - Deciding best way to present material
  - Initial report requires most time
  - Additional time for editing
  - Build in time for review and approvals

- **Writing and Editing**
  - Bad news: writing required
  - Good news: bullet points or numbering reduces expository writing
  - Best news: once completed, foundation for future reports
Challenges

• Intent
  • Keep in mind intent - objectives of report
    • Substantiate use of funding
    • Purpose - why we do what we do
    • Responsibility to the Strategic Pillars
We Survived!
Information Technology Services

Annual Planning Report
ITS Planning Process

• The ITS Annual Planning Report first prepared at the department level
  • Annual Budget Request Form (RAP 2A)
  • Annual Planning Report (RAP1)

• Each department director completed the first draft
  • Essential Operations & Strategic Initiatives – services provided, operational impacts, how they can further the objectives and success of the University
  • Measurable Outcomes
  • Sustainability Plan
ITS Planning Process

• Provided deadlines to ensure there was enough time to review and revise reports

• Measurable Outcomes
  • ITS Core Performance Metrics
  • ITS Semester Report – ITS internally currently collects data in various IT areas
    • Wi-Fi Access and Usage
    • GETmobile
    • Open Access Labs usage
    • ITS Help Desk
    • IT Security and Compliance
    • And other metrics
ITS Planning Process

- Departments submitted reports
  - Reviewed and edited
  - Confirmed that the questions on report are answered
  - Rolled department reports into ITS division

- Final ITS division report
  - ITS management team review and sign off
Things to Consider

• Provide plenty of time to complete reports
  • ITS reports were prepared in 3 – 4 weeks

• Make sure questions on Annual Planning Report are answered

• Provide measurable outcomes with supporting data as outlined in the Accountability Report in October

• Review and validate information to sync up with data provided in the Resource Allocation Plan
Accountability Reporting
What is an Accountability Report?

• Provides greater awareness of division/departments’ efforts, operations, and impacts.
• Articulates strategies used to achieve goals and the process of assessing performance.
• Highlights successes and illustrate results that are supported by evidence.
Effective Accountability Reporting

- Clear and focused.
- Cohesive, meaningful and memorable – make the message “stick”.
- Transparent and linguistically accessible to a broad campus constituents.
- Professionally formatted (review text for readability and clarity).
Budget Administration supports the University’s mission by providing strategic financial planning, budgetary development, and budget financial assessment to the University’s academic, administrative, operational, and auxiliary units.

Our office provides advisory and strategic planning support to the Resource Advisory Allocation Committee (RAAC), vice presidents, deans, resource managers, and the campus community. We are responsible for all aspects of the University’s budget planning, development, administration, and reporting in accordance with University Administrative Procedure 212.

Budget Administration also oversees the University’s student aid accounting and financial reporting, cash management, campus pooled investment, and banking services management.
Questions
Contact Us

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