



Integrated Planning & Budgeting

Why percentage share of revenue budget model?

- negative FY 2003 fiscal year-end unrestricted cash balance (-\$521,153)
- University reserve was \$0
- strategically tie budget planning to revenue availability
- hired University Planning & Budget Officer reporting directly to the President
- appointed 19-member University Planning & Budget Committee



Revenue availability

- first step in budget planning process
- sources
 - state appropriation
 - tuition revenue
 - other revenue (administrative and miscellaneous fees assessed)

Expenditure projection

- project general university expenditures (*see next slide*)

Revenue to be allocated

- subtract general university expenditures from revenue available
- remaining revenue allocated to University divisions as a budget target

General university expenditure projection

- two types
 - non-discretionary
 - fuel & utilities
 - contractual settlements
 - early retirement & severance payments
 - worker's compensation & unemployment payments
 - debt redemption
 - MnSCU required reserve contribution
 - discretionary
 - equipment
 - R&R (repair & renovation)
 - scholarship support
 - work plan initiatives
 - University reserve contribution



Division budget targets

- calculate each division's percentage share of the whole
- apply percentage share to the amount of revenue to be allocated

Division budget planning

- within the budget target, divisions fund
 - employee salary & fringe (including health insurance)
 - student payroll
 - operating budgets

Base budget adjustments

- considered in calculating the next fiscal year's percentage share
 - contractual settlements
 - career steps, promotions, & reallocations
 - health insurance cost increases
 - base-funded work plan initiatives

Carryforward

- unspent funds can be carried forward to the next fiscal year
 - must be requested
 - specific, one-time purposes only
 - approved by President
 - same funds cannot be carried forward again
- allows allocation of significant funds to specific projects

Integrated planning and budgeting

Master work plans (multi-year plan)

vice presidents lead the development of divisional master work plans in alignment with

- MSU Moorhead & MnSCU strategic plans
- University campus-wide strategic plans
 - technology
 - facilities
 - racial and ethnic diversity

posted on university web site for campus community comment during spring semester

presented to University Planning & Budget Committee

include prioritized requests for work plan initiative funding

Work plan initiative funding

funding requests can be base, seed, or one-time

University Planning and Budget Committee (UPBC)

- discuss requests in context of university mission & system priorities
- recommend requests to be funded within established budget target
- President has final approval

Annual work plans

vice presidents prepare an annual work plan and goals

incorporate the funded work plan initiatives

report to University Planning and Budget Committee (UPBC)

- mid-term progress update (6 months)
- final report (after fiscal year end)

Institutional effectiveness

President evaluates administrative team

- progress updates
- final report
- other documented performance indicators

Vice presidents evaluate their direct reports

Master work plans prepared for next fiscal year

- evaluations
- emerging needs
- new university & system priorities
- budget projections



Questions?

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<http://www.mnstate.edu/president/StrategicPlanning/StrategicPlanning.htm>