



USF System Annual Strategic Budget Planning Process

University budget strategy, planning and development should be led by the Provost to assure that the budget reflects USF's strategic priorities...The President and senior leadership team approves of the University budget that is then sent to the Board of Trustees for approval...

“Observations Regarding Business and Finance Functions at USF,” by Weldon Ihrig and James E. Morley, Jr., and Pappas Consulting Group Inc., May 10, 2008

The University of South Florida System's budget is a key component in fulfilling its mission and realizing the System's ambitious vision that includes a premier research university with state, national, and global impact, and positioned for membership in the Association of American Universities. Accordingly, the USF System's Annual Strategic Budget Planning Process must embrace well informed decision-making through providing accurate and timely data on prior performance as well as the revenues and expenses associated with various component units and programs. In recognizing the USF System's commitment to future strategic gains, the process must also provide the flexibility to support identified and emerging academic priorities through new and reallocated resources.

The Purpose:

Consistent with the following essential concepts embedded in the *USF Strategic Plan, 2007-2012*, the purpose of the USF System's Annual Strategic Budget Planning Process is:

- To prepare an annual balanced operating budget and legislative budget request (including a five-year capital improvement plan) through a transparent, engaged process,
- To ensure appropriate and predictable levels of funding to advance the missions of those institutions comprising the USF System,
- To align budget planning with Institutional Strategic Plans and to coordinate such action with the USF System's annual planning process,
- To strengthen the System's commitment to student learning and to support, as high priority, the faculty's research and innovation activities to serve regional, state, national and global constituents,
- To accommodate budget enhancements, reallocations and reductions in support of the USF System's growth,

- To leverage all-source budgeting for the purpose of enhancing academic quality, teaching and student learning, research and scholarly productivity, and global community engagement, with the necessary administrative infrastructure to advance the USF System,
- To eliminate unnecessary duplication and to ensure system-wide efficiencies through equitable contributions in support of the USF System,
- To establish and maintain operating budgets for newly-established units within the USF System (e.g. Information Technology, Communications and Marketing, and USF World),
- To work closely with the USF System Budget and Finance Councils along with the USF Board of Trustees' Finance and Audit Workgroup,
- To develop a clear and broad understanding of operating versus capital budgets, restricted and unrestricted funds, recurring and non-recurring funds, and centralized versus unit-centered budgeting,
- To secure the financial integrity of the USF System, and
- To maintain the public trust through developing a clear understanding of revenue and expenditure patterns across the USF System, with regard to costs associated with direct instruction, research, engagement, academic support, administration and other operations.

Principles:

USF has a vibrant strategic vision. Achieving that vision requires the commitment and talent of all USF [System] faculty and staff. Vital components for success include:

- *Openness and transparency throughout the University [System];*
- *Mutual trust and respect among faculty and staff;*
- *Customer service commitment which invites the users' involvement in developing business process solutions;*
- *Training to assist people in working effectively; and*
- *Treating information as a resource whose value is enhanced through sharing with others who need it to be successful.*

“Observations Regarding Business and Finance Functions at USF”, by Weldon Ihrig and James E. Morley, Jr., Pappas Consulting Group Inc., May 10, 2008.

The University of South Florida System values:

- Shared governance structures that empower all USF [System] stakeholders, [institutions], campuses and entities to reach their full potential,
- An environment of collegiality based on the principles of academic freedom, respect, integrity, civility, the freedom to engage in debate, the exchange of ideas and intellectual discovery, and professional responsibility,
- An entrepreneurial spirit and innovation with a focus on defining, informing and generating “next best practices”,
- The utility of proven and emerging technologies to enhance instruction, learning, research and engagement, and to improve service quality and efficiencies in institutional business practices,
- Focus and discipline in aligning the budget and fiscal resources with institutional priorities and action, and
- Transparent accountability along with timely and effective communication.

Extracted from *Transforming Higher Education for Global Innovation, USF Strategic Plan, 2007-2012*.

Accordingly, principles embodied by the USF System Annual Strategic Budget Planning Process include:

- A disciplined focus on:
 - academic quality,
 - centrality to institutional strategic plans,
 - addressing demand (by students, faculty, staff and the broader community), and
 - future academic and research viability,
- An emphasis on cost containment, and fiscal integrity,
- Review and adoption of unified, all-source budget planning where appropriate,
- The allocation of resources guided by strategic priorities including the encouragement of integrated interdisciplinary inquiry through joint programs and initiatives,
- Budget allocations that provide incentives for initiatives that generate new revenues and/or reduce university operating costs and/or provide enhanced services to the broader University System community,
- Identifying and growing new sources of revenue,

- An understanding that system-wide support services must be funded equitably by constituent units,
- The provision of oversight and accountability for budget and financial management by the Office of the Senior System Vice President for Business and Finance, the USF System Budget and Finance Councils, and the Board of Trustees' Finance and Audit Workgroup, and
- Assurance that all stakeholders will be provided meaningful input through an engaged and transparent budget planning process built on mutual trust.

The Budget Planning Groups:

The USF System Executive Budget Planning Advisory Council

Charge:

The USF System Executive Budget Planning Advisory Council will establish guidelines for the USF System's Annual Strategic Budget Planning Process. In consultation with the USF System Budget Planning Advisory Committee, the USF System Executive Budget Planning Advisory Council will recommend an annual, balanced operating budget for the USF System, along with a legislative budget request (including five-year enrollment plan and five-year capital improvement plan) to the President and Board of Trustees.

Members (4):

Provost and Senior System Vice President for Academic Affairs (Chair)

Senior System Vice President for Health

Senior System Vice President for Business and Finance

System Vice President for Research and Innovation

Staff:

Provided by the Offices of the Provost and Senior Vice President for Business and Finance.

The USF System Budget Planning Advisory Committee

Charge:

The USF System Budget Planning Advisory Committee will review all-source and all-unit, USF System operating budgets and advise the USF System Executive Budget Planning Advisory Council in developing an annual, balanced operating budget for the USF System.

Members (17):

Provost and Senior System Vice President for Academic Affairs (Chair), or designee

Senior System Vice President for Health, or designee

Senior System Vice President for Business and Finance, or designee
System Vice President for Research and Innovation, or designee
System Vice President for Student Affairs
System Vice President for Information Technology
System Vice President for Advancement
System Vice President for Communications and Marketing
Regional Chancellor, USF St. Petersburg
Vice President, USF Sarasota-Manatee
Vice President, USF Polytechnic
Director, Intercollegiate Athletics
President, USF Faculty Senate
President, USF St. Petersburg Faculty Senate
President, USF Student Government
President, USF Staff Senate
President, USF A&P Council

Ex Officio:

General Counsel
Associate Vice President, Diversity and Equal Opportunity
Associate Vice President, Government Relations
Director, Office of University Audit and Compliance

Staff:

Provided by the Offices of the Provost and Senior Vice President for Business and Finance.

The Process:

Guided by the USF System Executive Budget Planning Advisory Council, the USF System Annual Strategic Budget Planning Process will include the following:

1. Review all budgets (annually):
 - USF System
 - USF Tampa
 - Academic Affairs
 - Advancement
 - Business and Finance
 - Communication and Marketing
 - Executive Services
 - Information Technology
 - Research and Innovation
 - Student Affairs
 - USF Health
 - USF St. Petersburg
 - USF Sarasota-Manatee

- USF Polytechnic

Including detailed analyses of expenditures by source and unit.

2. Review all-source budgets (annually):

- E&G recurring (General Revenue and Lottery)
- E&G non-recurring (General Revenue and Lottery)
 - Including designated state funds
- E&G reserve
- E&G carry forward
- Tuition
 - Differential
 - Resident/Non-resident
 - Undergraduate/Graduate/First Professional
- Student fees
 - Technology fees
 - Equipment fees
 - Facility fees
 - Supply/Materials fees
 - Health fees
 - Athletic fees
 - A&S fees
 - Parking/transportation fees
- Financial Aid
- Public Education Capital Outlay (PECO)
- Capital Improvement Trust Fund (CITF)
- Contracts and Grants – Direct costs
- Facilities and Administration – Indirect costs
- Designated federal funds
- USF Foundation
 - Endowment
 - Capital
 - Operating
- Alumni Association
- Auxiliaries
- Trademark and other University licensing fees
- Concessions
- Gift-in-Kind (ARAMARK)
- Direct Support Organizations (DSOs)
 - Research Foundation
 - Patent and intellectual property licensing revenues
- Bond capacity and indebtedness

Including detailed analyses of expenditures by source and unit.

The Timeline:

It is expected that the USF System Budget Planning Advisory Committee will meet no less than monthly (from August through April) and more often as necessary.

March-August

Develop the USF System Legislative Budget Request (LBR), including a Five-Year System Enrollment Plan and a Five-Year System Capital Improvement Plan (CIP) for consideration by the USF System Executive Budget Planning Advisory Council, the President, BOT Finance and Audit Workgroup, and the Board of Trustees

August-September

Conduct initial consultation with USF System constituencies on operating budget planning guidelines

October-November

The USF System Executive Budget Planning Advisory Council develops an operating budget strategy (and guidelines), along with a legislative agenda based upon:

- Revenue and expenditure projections
- Strategic priorities and needs
- Other budget planning assumptions

December

The USF System Executive Budget Planning Advisory Council extends an initial call for proposed operating budgets.

January-February

Vice presidents prepare and submit base operating budget requests to the USF System Executive Budget Planning Advisory Council.

March

The USF System Executive Budget Planning Advisory Council conducts operating budget review meetings with each vice president.

April

Preliminary operating budget proposals considered by the USF System Budget Planning Advisory Committee.

May

Proposed USF System operating budget presented to the President by the USF System Executive Budget Planning Advisory Council.

Proposed institutional (for USF St. Petersburg) and regional campus (for USF Sarasota-Manatee and USF Polytechnic operating budgets presented to Regional Campus Boards.

June

President presents proposed USF System operating budget to the BOT Finance and Audit Workgroup with a recommendation for adoption by the Board of Trustees.

Tentative meeting dates (for 2009):

The USF System Executive Budget Planning Advisory Council

Wednesday January 21, 2009, 8:00-10:00, President’s Conference Room
Wednesday February 18, 2009, 8:30-10:00, President’s Conference Room
Wednesday March 18, 2009, 8:30-10:00, President’s Conference Room
Wednesday April 15, 2009, 8:30-10:00, President’s Conference Room
Wednesday May 15, 2009, 8:30-10:00, President’s Conference Room
Wednesday June 17, 2009, 8:30-10:00, President’s Conference Room
Wednesday July 15, 2009, 8:30-10:00, President’s Conference Room
Wednesday August 19, 2009, 8:30-10:00, President’s Conference Room
Wednesday September 16, 2009, 8:30-10:00, President’s Conference Room
Wednesday October 21, 2009, 8:30-10:00, President’s Conference Room
Wednesday November 18, 2009, 8:30-10:00, President’s Conference Room
Wednesday December 16, 2009, 8:30-10:00, President’s Conference Room

The USF System Budget Planning Advisory Committee

Wednesday January 21, 2009, 10:30-12:00, President’s Conference Room
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