

Budget Template for FY15

Again this budget cycle, we are looking for a concise annual report that presents your unit's financial plan for the coming fiscal year with a specific emphasis on strategic initiatives. This report will serve as the basis for the budget reviews that will take place in the spring and should also provide a framework for your unit's budget actions for the coming year.

Standard Metrics

Please use the following sets of data and append them to your annual report. These metrics are generally obtained from common data sources, in particular, the *Campus Profile* and the *Budget Summary for Operations*. In some cases, a college may wish to supplement these standard measures to provide a fuller understanding of their activity. In particular, units are encouraged to draw on data such as that provided by Academic Analytics.

The following are metrics that will be provided for inclusion in your report:

Financial Metrics. (Attached.) This table provides five years of data for the following items:

- Budget (state, tuition, and ICR)
- Non-state funds (grants, gifts, self-supporting)
- Carryover balances
- Deficit balances
- Staffing trends

Strategic Plan Metrics. The set of campus strategic plan metrics and data serves as a baseline of information to assess the state of your unit. In addition, it is expected that each unit use its own strategic plan metrics data and targets to describe progress. All of this information is available on the DMI website and can also be accessed through the strategic plan website (www.strategicplan.illinois.edu).

University Administration (UA) Dashboards. (Available mid-late January) At the request of the Board of Trustees, internal academic unit review dashboards have been developed with the goal of producing consistent and reliable information about costs, quality, teaching performance, and research productivity of academic units. These dashboards are scheduled to be available in mid-late January.

Departmental Salary Analysis. (Provided early December) We will use the salary analysis provided by the Division of Management Information (DMI). These data provide a salary comparison with a unit's self-selected peers. Discussion of salary needs should be made in reference to this data.

Review of Status of Unit (generally five to ten pages)

1. Overall State of Unit. Provides a summary of the overall state of your unit.

Resource Alignment and Progress Toward Strategic Plan Goals. Use the strategic plan grid for your unit to complete the table below. This grid can be found on the strategic plan website (<http://strategicplan.illinois.edu>). For each of the initiatives, please describe key actions taken this past year and which actions are planned for the 2015-16 academic year. In the resource column, please indicate which of your existing financial resources you are allocating and/or which financial resources you are requesting to assist with implementing the initiatives in your strategic plan.

Strategic Plan Goal	Initiatives	Actions Taken in 2014-15	Actions Planned for 2015-16	Resources

In addition to the table, please provide a narrative illustrating the progress for each of your strategic plan goals, using your strategic plan metrics data to demonstrate areas of strengths and areas for continued improvement. A unit specific dashboard summarizing your metrics can be found at <http://dmi.illinois.edu/strategicplandashboard/>.

2. Progress Toward Recommendations from Academic Program Reviews. For each of your unit's departments that have completed an Academic Program Review, please provide an update on progress for each of the recommendations. Please also indicate how current or requested resources will be used to implement the recommendations.

Recommendation	Action Steps	Status	Resources

3. University Administration (UA) Dashboards. Attached is a template including a list of the academic units in your college for which dashboards have been developed. Once the UA Dashboard data is available (mid-late January), please complete the template and submit it as a part of your report. Be sure to provide details that will be helpful to the outside reviewer in better understanding the data as it relates to each unique unit. If the timing of your meeting is such that your unit's report must be submitted in advance of the release of the dashboard data, please submit this information separately. Questions regarding the UA dashboards should be directed to Staci Provezis, Assistant Provost for Assessment.

College	Unit Name	Points of Clarification	Areas of Strength	Areas for Improvement	Next Steps

4. Critical items not addressed in the Strategic Plan. Include any items you wish to be part of your unit's budget discussions. A unit may wish to address issues raised by the common set of metrics provided for your report. This section should also include information on significant deficit issues.
5. Diversity Initiatives (if not included in Strategic Plan section). Describe your efforts to improve faculty, staff and student diversity within your unit. What are your goals for these areas? What steps are being taken to ensure achievement of unit goals?
6. Salary Requirements. Using the DMI salary data, discuss significant salary needs. In addition, you may wish to discuss significant start-up and retention issues, if applicable.
7. Unit Fundraising Efforts. As our funding profile changes, it is important that we find new sources of revenue to replace declining state support and stagnant tuition revenue. Success in fundraising is critical for our future. Describe your unit's fundraising efforts. How are priorities set? What success have you had towards raising funds for financial aid? Units with undergraduate students are asked to provide specific targets for increased gift aid.
8. Use of Cash Resources. Most units have seen growth in non-recurring balances in recent years. To the extent that balances remain available after factoring in the impact of potential budget cuts (see 9.a. below), we ask that colleges include these funds in their planning efforts to ensure that they are deployed strategically. Describe your unit's plans for these funds.
9. Financial Planning Parameters For FY16, we are using the following financial planning assumptions:
 - a. State Funds. While the possible reduction in state funds will be partially funded from the "sequestered" funds currently held by the campus, depending on the size of the budget cut, reductions in colleges' budgets may become necessary. Additionally, it is likely that the campus will face an effective reduction of state support through possible assumption of some pension costs plus costs associated with the development of supplemental pension programs. Please address how your college would handle a cut in its state allocation under 5% and 10% reduction scenarios over a 2-year period. Be as specific as possible in terms of the actions that would need to be taken. Deficit spending should not be considered.
 - b. Tuition. The Board of Trustees will discuss tuition at its January meeting. We anticipate tuition increases will approximate current inflation, with a possible freeze on undergraduate resident rates. Given the four-year guarantee for undergraduates, total tuition revenue should still grow between 2% and 4%.
 - c. ICR. Based on current trends, we anticipate change in revenue between -2% and +1%.
 - d. Enrollment. The target for entering freshman is 7,200, a modest increase from Fall 2014.

Plans for addressing common costs. All units, as a part of our campus community, are expected to share in the funding of certain institutional costs. The following are the estimated costs to be shared by units:

- a. Unavoidable cost increases. We are facing certain new costs in FY16: the retention of critical faculty and staff (\$2m), financial aid costs (\$3-6m), restoration of building maintenance funding (\$1m), and other cost increases (\$4m). Tuition increases will provide some of the funds necessary to meet the costs and we are exploring other options to fund these costs. At this time, units should plan for a recurring assessment of approximately 2% of their base.
- b. Funding of salary program. Units will also receive an assessment to fund the FY16 salary program if a program is offered. Units generating undergraduate tuition have historically received an offsetting allocation proportionate to the portion of a unit's budget funded by base rate tuition. Overhead units directly or indirectly supporting undergraduate education may also receive full or partial support for their salary program. Units currently receive virtually all incremental graduate, professional and self-supporting tuition and may assign those funds in support of the salary program.

10. Requests for permanent and non-recurring funding. Requests for non-recurring funding come to the Provost's Office for a variety of reasons. Since they come throughout the year, it is difficult to develop a sense of the relative value of one request versus another. While we know that there will be unexpected needs throughout the year, to the extent possible, present your unit's requests at this time, including a clear linkage to your unit's strategic plan and keeping in mind the impact of possible State budget reductions on the Campus' ability to fund these requests.