

Base Budget Process Overview

August, 2018

What is a “unit”?

Colleges
<ul style="list-style-type: none"> • Deans/CBO • CANR • CAS • LCBE • COE • CEOE • CHS • CEHD

President Units
<ul style="list-style-type: none"> • President Office • General Counsel • Univ. Secretary • Athletics & Rec • Strategic Planning • Communications • Development • Research & Institutes

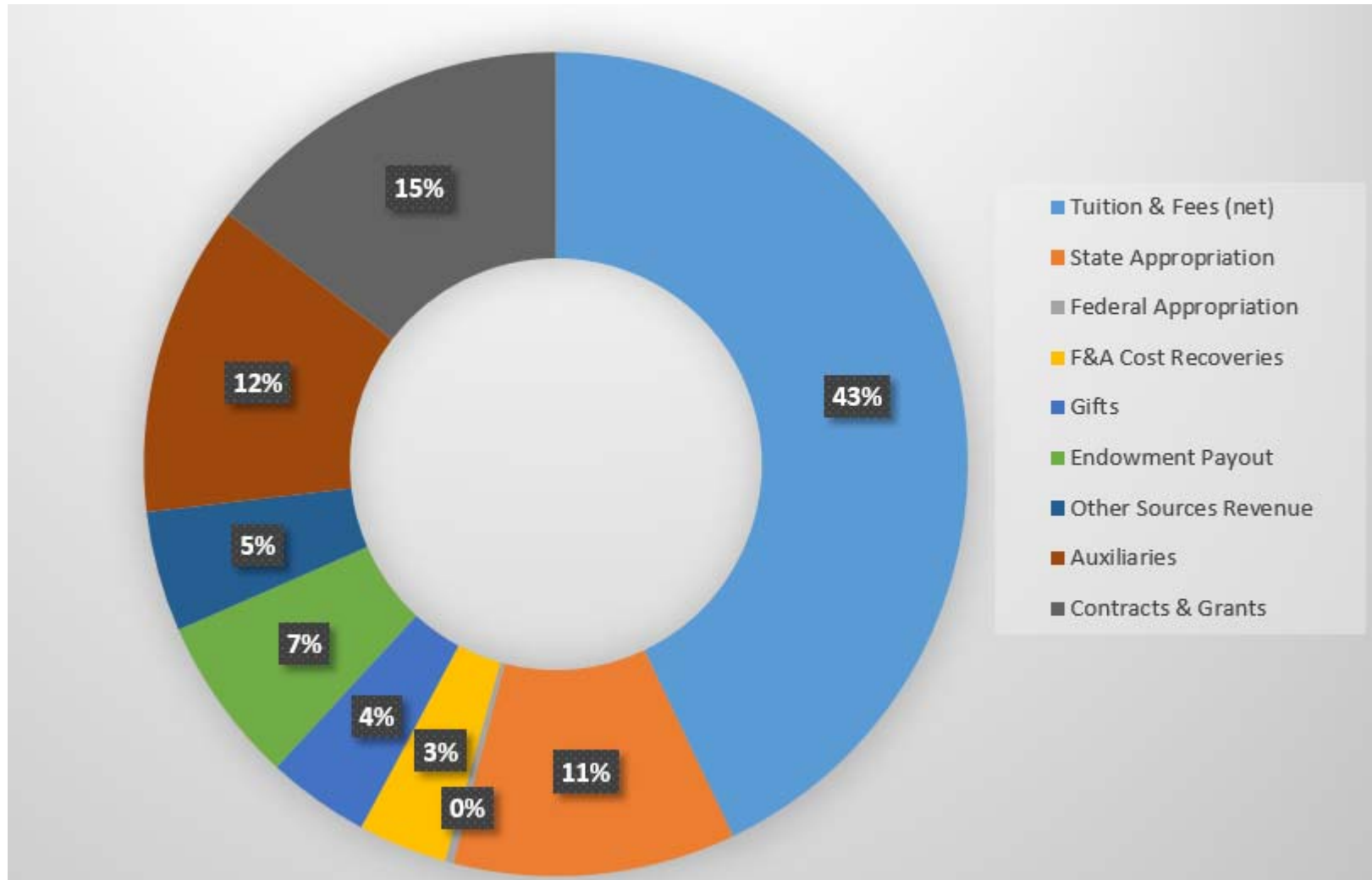
Provost Units
<ul style="list-style-type: none"> • Provost Office • Enrollment Mgmt. • Student Life • Diversity • Grad. & Prof Education • Faculty Affairs • Libraries • Deputy Provost

EVP Units
<ul style="list-style-type: none"> • EVP Office • Budget Office • Campus & Public Safety • UD Police • Human Resources • Info. Technology • Internal Audit • Investments • Finance • Facilities, Real Estate, Auxiliaries

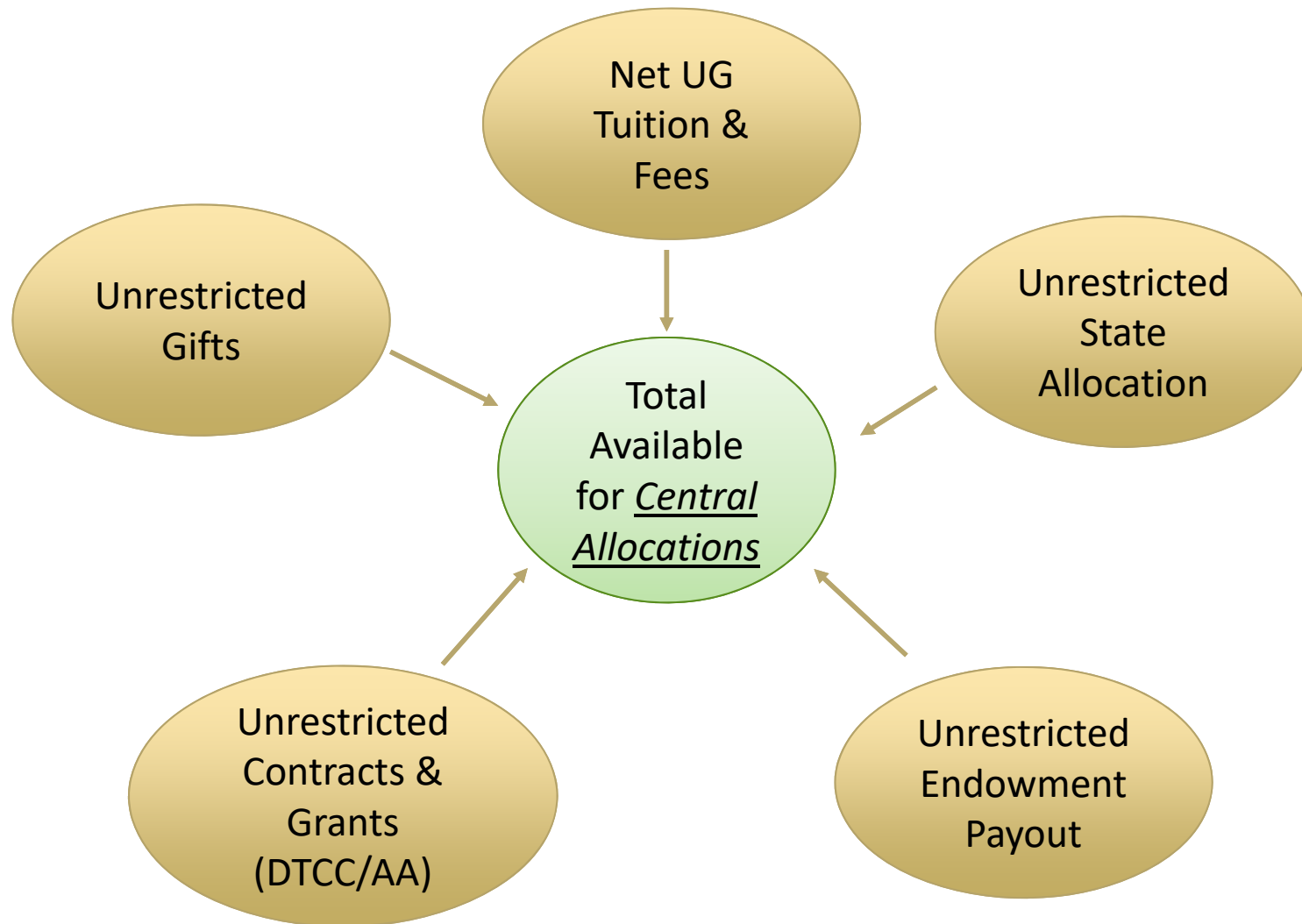
How is the budget communicated to units?

- Colleges:
 - Budget Office and Provost Office communicate college level budget information to Deans and College Business Officers
 - Departments within Colleges:
 - Deans and College Business Officers are responsible for communicating college department level budget information to department chairs and faculty. *Department level budget inquiries should be directed to the Dean or College Business Officer.*
- President Units:
 - Budget Office communicates budget information to VP's and financial analysts for each unit.
- Provost Units:
 - Budget Office and Provost Office communicate budget information to VP's and financial analysts for each unit.
- EVP Units:
 - Budget Office communicates budget information to VP's and financial analysts for each unit.

What are the sources of all funds recurring revenue?



What resources are centrally allocated to the basic budget?



Operational Excellence

Integral to our plan to revise the budget model, but not part of the immediate scope of the budget committees, is the pursuit of *operational excellence*. This is the unofficial 6th theme that cuts across everything we do. We are looking to balance efficiency with quality to optimize service. The scope of this review includes:

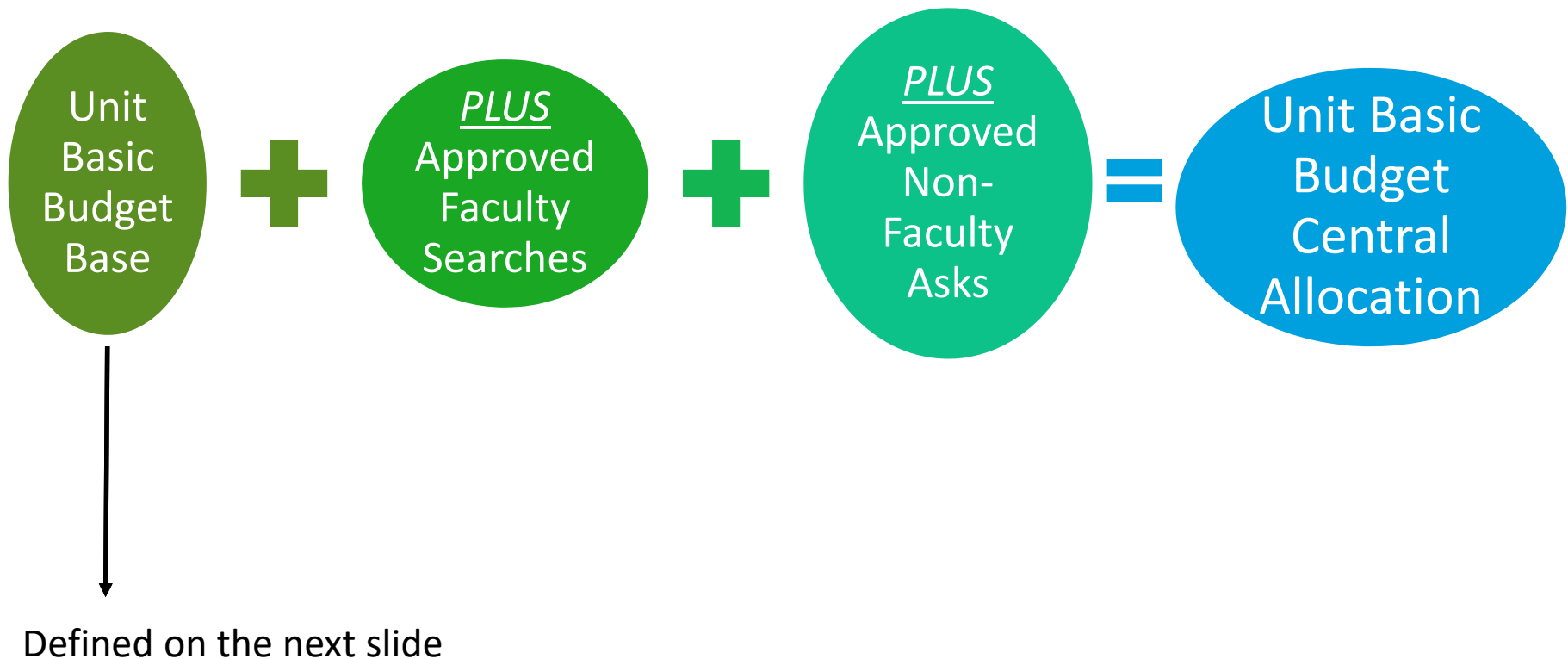
- Administrative Support & Staffing
 - Balance central vs decentralized models of administrative delivery to meet needs, eliminate unnecessary duplication while retaining appropriate redundancies to mitigate risks.
 - All requests for administrative positions are reviewed in detail (by President, Provost and EVP offices) to ensure services are not being duplicated and to restructure reporting where appropriate.
 - Committee is making recommendations to improve academic advising campus-wide.

- Procurement
 - Explore most cost effective block purchasing solutions at the university level
 - Determine optimal balance of external consultants versus internal staffing to maximize efficiency and flexibility to meet strategic plan goals
 - Automate processes through software
 - CONCUR
 - Standardize contracts/processes to enhance productivity and minimize risk.

Operational Excellence

- Instructional
 - Strategic faculty hiring plan, cluster hires
 - All faculty hire requests are being reviewed in detail by the Provost and President
 - Optimize instructional staffing ratios (TT to CT faculty; use of graduate students etc.), class section sizes, to assure quality and minimize cost.
 - Incentivize interdisciplinary collaboration between departments and colleges.
 - Evaluate faculty teaching load vs research activity, offset policies to align with peer institutions, and attain consistency between colleges.
- Space Utilization
 - Create Campus Master Plan, informed by space utilization studies and vision.
 - Use of Living/Learning centers – academic and residential spaces.
 - Reduced average office sizes, eliminate duplicate offices.
 - Increased collaborative vs individual research labs, interdisciplinary spaces, including shared conference rooms.
 - Increased university vs departmental control of classrooms/halls/Audion to optimize campus-wide utilization.

How is the current unit basic budget central allocation calculated?



How is the current basic budget unit base calculated?

Basic Budget Unit Base = Revenue (Base Budget) LESS Expenses (Base Budget)

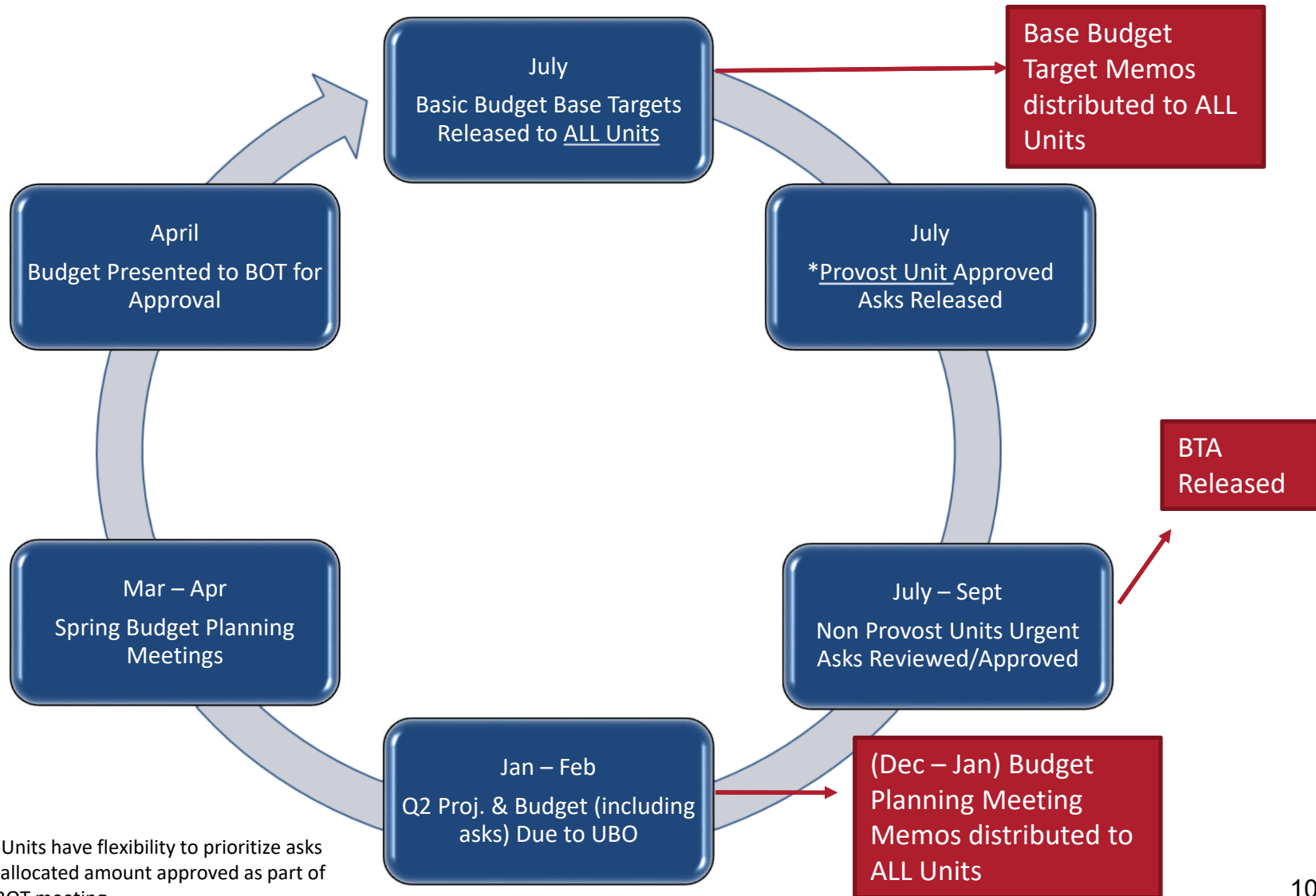
Revenue (Base Budget)

- Net Graduate Tuition & Fees (Prior Year Q2 Projection adjusted for Tuition Rate Increase)
- F&A Cost Recoveries

LESS: Expenses (Base Budget)

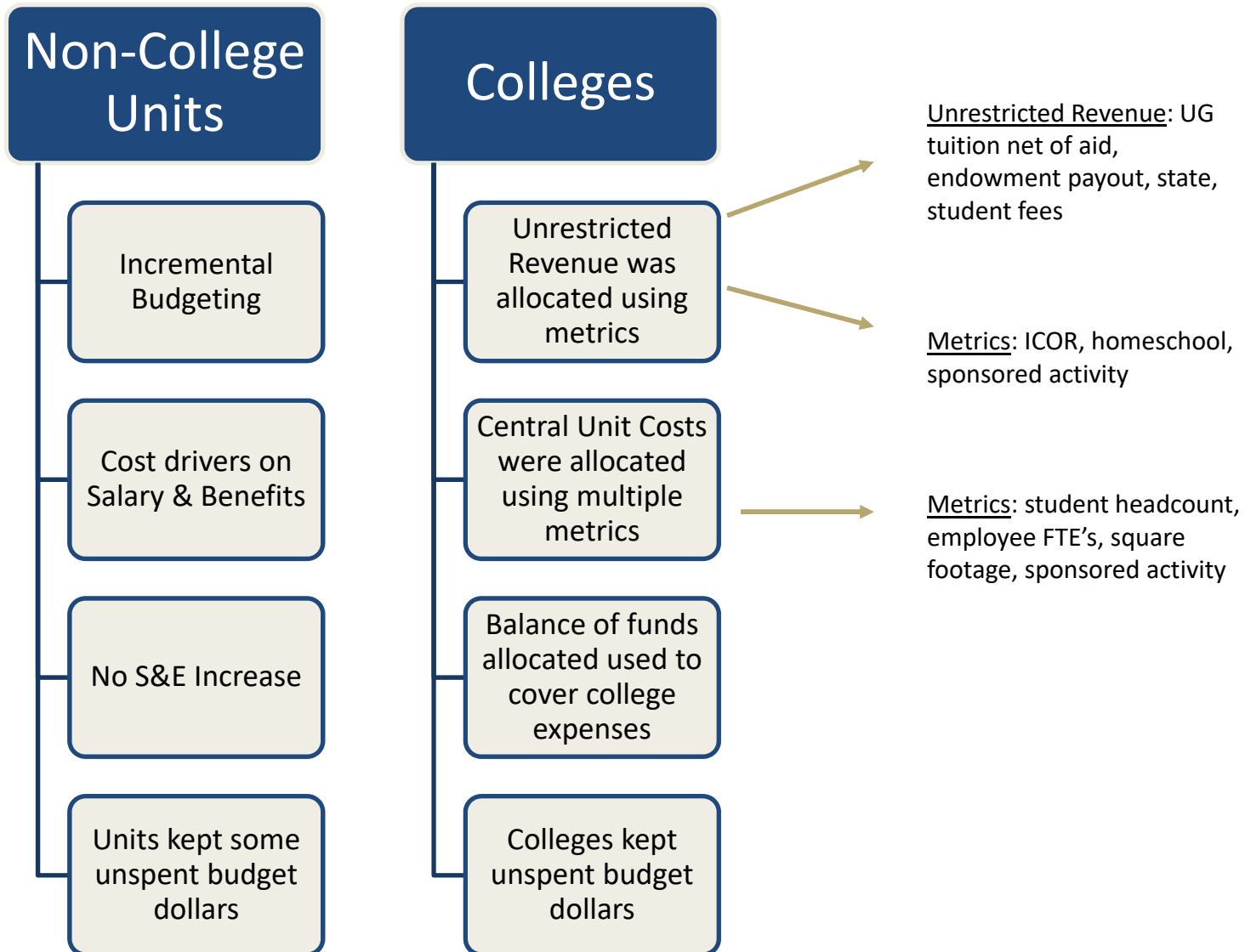
- Compensation – “Existing Employee Salary & Benefits” adjusted for merit and benefit rate changes
- Travel – set equal to prior year Q2 Projection
- Supplies and Expense – set equal to prior year Q2 Projection
- Plant M&O - set equal to prior year Q2 Projection
- Library Books & Capital Equipment -set equal to prior year Q2 Projection

What is the current budget cycle?



* Provost Units have flexibility to prioritize asks within an allocated amount approved as part of the April BOT meeting.

Revenue Based Budgeting (RBB)



Fund Balances

- Allowing units to keep year end surpluses resulted in large fund balances.
- Unrestricted fund balances being utilized to pay for new expenses.
- College, department and faculty unrestricted reserves are being used to fund faculty start-up expenses, one time equipment costs and capital projects.
- University unrestricted reserves are being used to fund faculty start-up expenses, capital projects and deferred maintenance.

Total University Budget Calculation



Reserves are being used to fund new expenses in advance of new revenue from increased enrollments and strategic initiatives.

(1) Capital projects include projects such as:

- *BPI*
- *University Courtyard Purchase*
- *McKinly*
- *STAR Infrastructure*
- *Drake Teaching Lab*
- *STAR Audion*

(2) Other includes University investments such as

- *Biden Institute*
- *NIIMBL match*
- *Delaware Innovation Space, Inc. (DISI)*

Conceptual Future Budget Cycle

