



University Planning Phase 1

Organizational and Process Enhancements

October 31, 2008

Today's Agenda

- Background, Vision, Goals
- Guiding Principles
- University Planning
 - Proposed Organizational Structure
 - Operating Model for University Planning Process
 - Roles & Responsibilities
 - Key Assumptions
 - Areas and Committees
- Critical Success Factors
- Timeline

Background on the Legacy Budget Advisory Council (BAC)

- During the life of the Budget Advisory Council, a functional link was never forged between the Council and the Strategic Planning Committee, which made true strategic planning and budgeting a challenge. This was particularly true when the Strategic Planning Committee was also involved in making strategic budget recommendations, a practice suspended in 2007-2008.
- Given the above situation, a strong desire exists to establish a clear direction regarding the purpose, goals and objectives, membership, organizational structure and operating model for a reconstituted Advisory Council.

Vision

- To create an organization and formal planning process which make financial and policy recommendations to the President that align with the strategic direction and operational needs of the University

Goals

- Establish a new organizational structure and operating model for University planning
- Redefine the charter, purpose, roles and responsibilities and key activities for each group of stakeholders in the annual planning process
- Clearly illustrate through concrete examples how the new organizational structure and operating model would work in support of the annual operating plan activities
- Demonstrate a framework for creating the detailed process work steps needed for implementation
- Communicate critical success factors

Guiding Principles



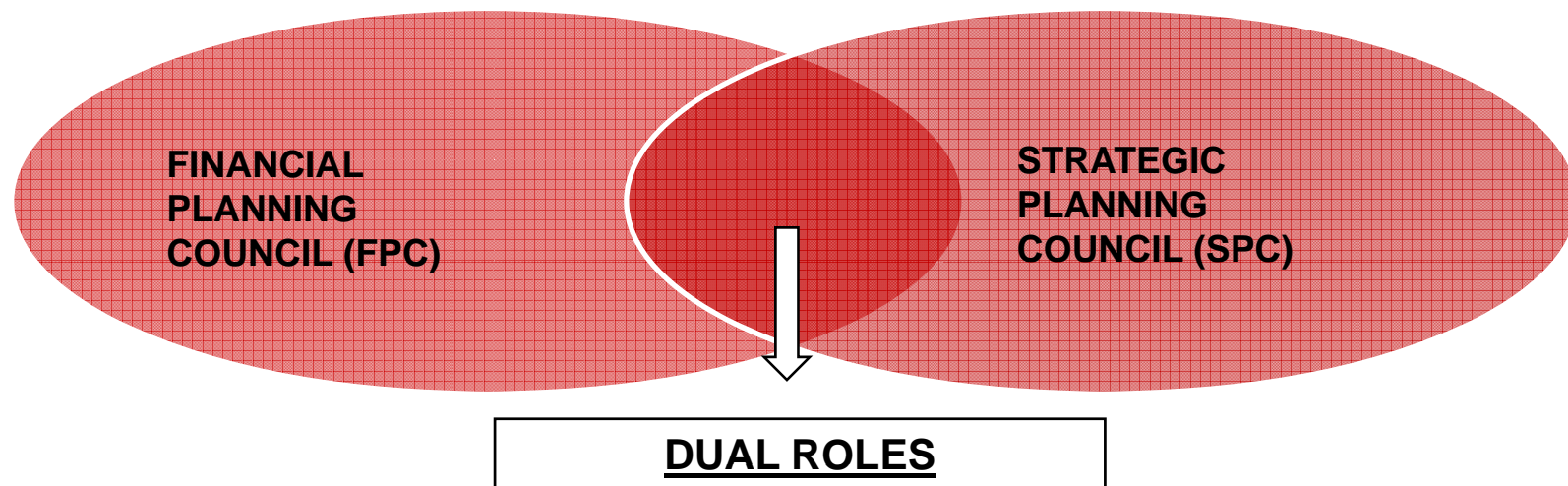
Today

Tomorrow

Inadequate accountability, inconsistent	Accountability	Formalized, clearly defined
Inadequate visibility and understanding to decision making processes	Transparency	Empowering
Often informal and unstructured, bypasses the intended hierarchy	Decision Making	Formalized, structured, data driven
Unclear, limited linking of strategic objectives to operating plan	Linkage of Strategic Plan (SP) & Annual Operating Plan (AOP)	Explicit and transparent linkages, SP informs and guides AOP
Limited to no organizational structure	Organization	Organizational structure and operating model
Incomplete, confusing communication	Communication	Clear, concise, effective communication
Unclear, not documented, created 'on the fly'	Process	Clearly defined, standardized, consistent, streamlined
Limited modeling and analysis supporting key decisions	Analytical Rigor	Standardized, structured and robust
Traditional, conventional thinking	Cultural Norms	"Think and act outside the box" ... brave new world

University Planning Process

The University planning process is comprised of the Financial Planning Council (FPC) and the Strategic Planning Council (SPC), each with separate goals and objectives.



Purpose

- Steward and drive the University's annual and long range planning process – both financial and strategic
- Create effective linkages and relationships between our planning, priority setting and resource allocation processes
- Promote transparency and accountability in our priority setting and resource allocation decisions
- Ensure meaningful participation by appropriate governance groups of our University community in this critical administrative leadership area

Financial Planning Council



Goals

- From a tactical basis, drive the University's annual financial planning process
- Ensure that there are effective linkages and relationships between our planning, priority setting and resource allocation processes
- Promote transparency and accountability in our priority setting and resource allocation decisions
- Ensure meaningful participation by appropriate governance groups of our University community in this critical administrative leadership area

Key Responsibilities

- Advise the President on matters related to the University's fiscal affairs
- Provide a consolidated and prioritized set of recommendations for additional funding that is consistent with the University's strategic direction

Strategic Planning Council



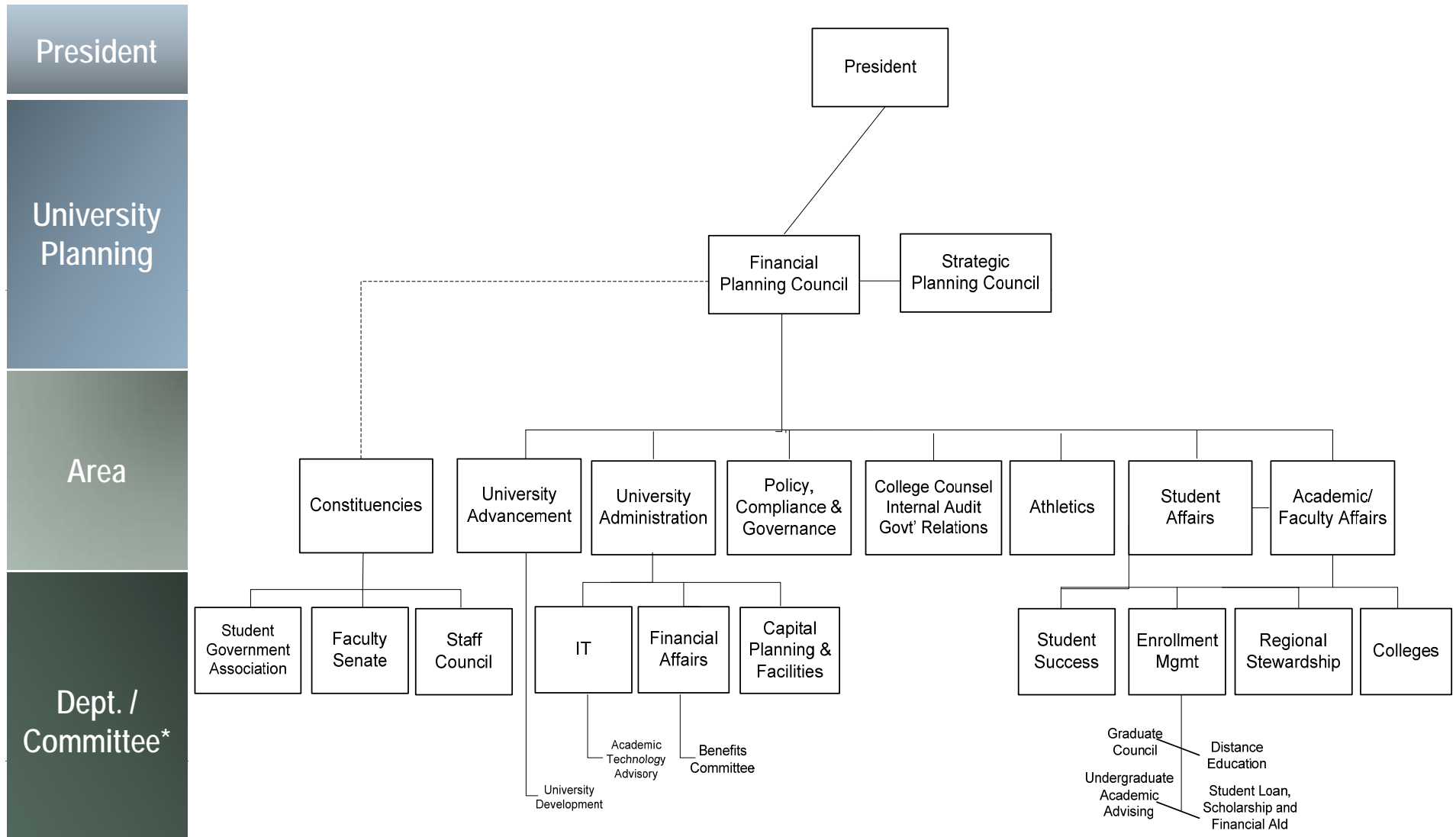
Goals

- Drive the University's strategic planning process
- Ensure meaningful participation by appropriate governance groups of our University community in this critical administrative leadership area

Key Responsibilities

- Work with the FPC to advise the President on matters related to the University's strategic plan
- Periodically review and update the ECU Strategic Plan
- Solicit input on the plan from the University community
- Oversee implementation of the plan through review of progress toward goals
- Produce the annual strategic planning report

Proposed University Planning Org Chart



President

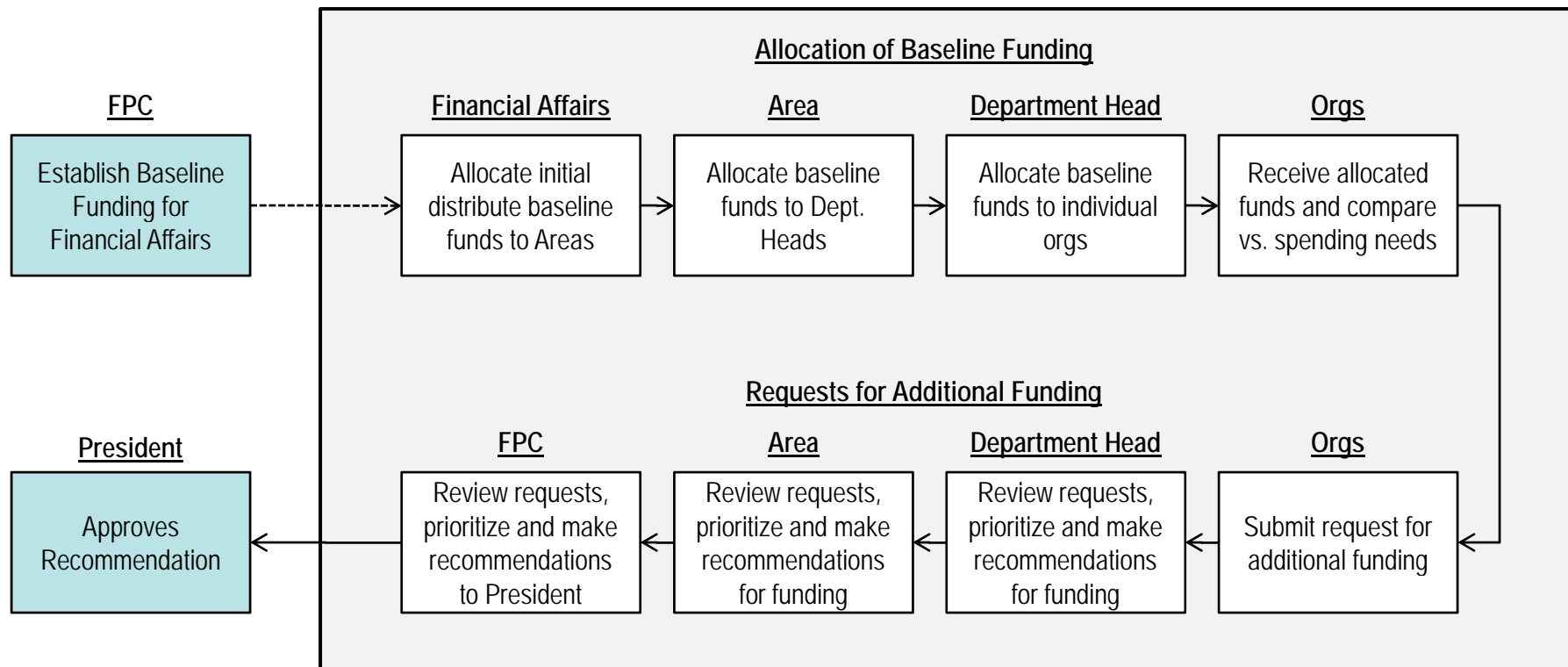
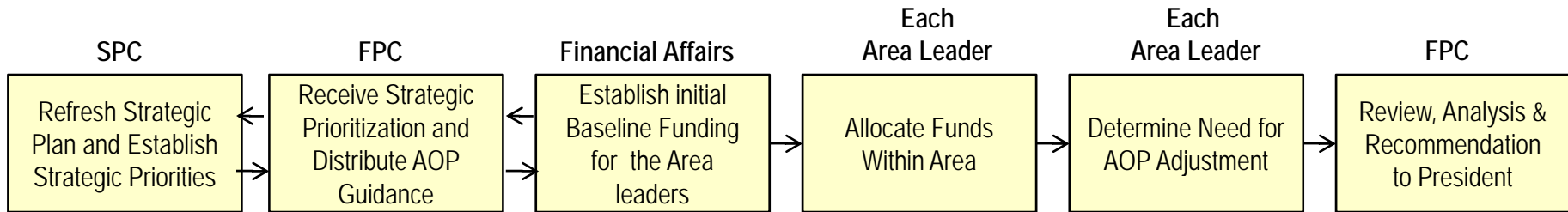
University Planning

Area

Dept. / Committee*

* Reflects a representative number of depts./committees. This is not an exhaustive list. A formal review of a committee will be done to ensure alignment.

Operating Model for Annual Operating Plan (AOP)



AOP - Roles and Responsibilities



Function	Roles & Responsibilities	Member (s)
President	<ul style="list-style-type: none"> Final decision maker on matters related to the University's fiscal affairs Provide the baseline budget to the Board of Regents 	President, Dr. Doug Whitlock
Financial Planning Council	<ul style="list-style-type: none"> Advise the President on matters related to the University's fiscal affairs Communicate the direction to the Area leaders with respect to the structure & guidelines for the Annual Operating Plan (AOP) Process (e.g. Release Time, Carry Forwards, 2nd Assignment, Work Study, etc.) Review baseline budgets and requests for additional funding from Area leaders. Prioritize funding requests based on overall alignment to the University's strategic focus and operational needs. Assist in developing a recommendation for the base-line budget that will go to the President and ultimately the Board of Regents Provide a consolidated and prioritized set of recommendations of additional funding requests 	<ul style="list-style-type: none"> Provost & VP for Academic Affairs, Dr. Rodney Piercey Assoc. Provost & VP Student Affairs, Dr. James Conneely Executive VP for Administration, Harry Moberly, Jr., Esq. VP Financial Affairs, Debbie Newsom VP University Advancement, Joseph Foster, Esq. Executive Director of Budgeting, Karen Neubauer Chief of Staff & Exec. Dir. of Policy, Compliance and Gov't, Virginia Underwood, Esq. Chair, Faculty Senate EVP, Student Gov't. Association Chair, Strategic Planning Council Chair, Staff Council
Strategic Planning Council	<ul style="list-style-type: none"> Works with the FPC to make a recommendation to the President with respect to the University's strategic focus and priorities Periodically review and update the EKU Strategic Plan Solicit input on the plan from the university community Oversee implementation of the plan through review of progress toward goals Produce the annual strategic planning report 	<ul style="list-style-type: none"> Provost & VP for Academic Affairs, Dr. Rodney Piercey Assoc. Provost & VP Student Affairs, Dr. James Conneely Executive VP for Administration, Harry Moberly, Jr., Esq. VP Financial Affairs, Debbie Newsom Chair, Strategic Planning Council Executive Director, Institutional Effectiveness and Research, EJ Keeley Dean (1) Chair (1) Faculty (5) One from each college Staff (1) Student (1)

AOP - Roles and Responsibilities



Function	Roles & Responsibilities	Members
Area	<ul style="list-style-type: none"> • Champion the budgeting and funding requests for all groups within their purview (colleges, departments, committees, etc.) • Review baseline budgets and requests for additional funding from Dept heads and Committees. Prioritize Funding Requests based on overall alignment to the University's strategic focus and operational needs • Develop a recommendation for the baseline budget that will go to the FPC for consideration • Provide a consolidated and prioritized set of recommendations for additional funding requests • Communicate status of the AOP and funding requests to Dept. Heads and Committees 	<ul style="list-style-type: none"> • Provost & VP for Academic Affairs, Dr. Rodney Piercey • Assoc. Provost & VP Student Affairs, Dr. James Conneely • Executive VP for Administration, Harry Moberly, Jr., Esq. • Vice President University Development, Joseph Foster • Chief of Staff & Exec. Dir. of Policy, Compliance and Gov't, Virginia Underwood, Esq. • Executive Director of Government Relations, Jim Clark • Dir. of Intercollegiate Athletics, Mark Sandy • Constituencies
Department*	<ul style="list-style-type: none"> • Prepare baseline budgets for various groups within their purview • Prepare requests for additional funding and documentation on alignment to the University's strategic focus and operational needs • Provide input to various committees to help in development of their budget requirements or funding requests • Prepare reports and load financial information as required in the financial planning process • Provide a consolidated and prioritized set of recommendations for additional funding requests to Area leader 	<ul style="list-style-type: none"> • Units that report under the listed AREAS <ul style="list-style-type: none"> • Colleges • Departments • Information Technology • Budget & Finance • Capital Planning & Facilities • Enrollment Management • Student Success • Regional Stewardship
Committee*	<ul style="list-style-type: none"> • Prepare requests for additional funding for committee initiatives • Work with department heads to obtain necessary documentation to substantiate funding request • Present funding request to department heads for inclusion in budget submission 	<ul style="list-style-type: none"> • Academic Technology Advisory • Benefits Committee • Risk Management • Student Loan Scholarships & Financial Aid • Undergraduate Academic Advising • Graduate Council • Distance Learning • Promotion & Tenure • University Development

* Shows a representative group

Operating Model – Key Assumptions



- Accountability and Responsibility
 - The University planning process will incorporate the people with the knowledge and expertise regarding the University. This group of people will be responsible for making the final recommendation to the President in support of strategic and operational needs
 - The FPC is responsible for allocating funds within its function and making recommendations for additional funds in support of strategic and operational needs
 - The Area leaders are empowered to and responsible for making recommendations to the FPC on behalf of their respective domain areas (Colleges, Departments, Committees)
- Updates to the Strategic Plan and development of the Annual Operating Plan are separate activities but are tightly coupled and part of one cohesive, seamless, overall process
- All requests for funding (strategic, operational, mandatory, etc.) during the annual planning cycle follow the same process, although funding may come from various sources
- Financial Planning establishes the initial baseline funding level for all University functional areas
- The Area leaders allocate their baseline funds through their organizations and receive/prioritize requests for additional funds

Operating Model – Areas & Committees



- The seven areas that report to the FPC collect the funding and policy recommendations from the departments and committees, analyze the requests and provide recommendations to the FPC
- The committees that report to the various departments will be responsible for collecting information, performing internal and external analysis and presenting recommendations to the area leaders
- The areas, departments and committees will follow a standardized, common process that incorporates
 - Standardized tools and templates
 - Submission guidelines including content, required / recommended analysis, etc.
- The Benefits Committee (under the Budget and Finance Area) can make benefits-related change recommendations including (but not limited to) the following:
 - Health Insurance Premiums
 - Changes in Health Insurance
 - New Benefits (ex. Vision Plan)
 - Employee Scholarships
- The Financial Aid and Scholarship Committee (under the Enrollment Management Area) can make financial aid related recommendations including (but not limited to) the following:
 - Setting Scholarship Levels
 - Work Study Amounts
 - Waivers / Stipends

Critical Success Factors



- Governance
 - Process discipline; fundamental behavioral change is required
 - FPC, Area and Department/Committee Meetings
 - Protocol, structure, decision making process, agenda, content, action plans
- Training and Education
 - T&E road show, focused working sessions, on-line training, advocates/power users
- Communication
 - Formalized communication plan incorporating various media, frequencies, messages
- Change Management
 - In making the transition from today to the desired future state, the implementation plan needs to incorporate a phased transition where the longer-term vision provides overarching guidance but the near-term implementation accommodates the full spectrum of maturity and readiness for change
 - Formalized change management plan including stakeholder analysis, surveys, risk mitigation strategies, etc.
- Program Management
 - Establishment of overall program management to guide the continued development, rollout and continuous enhancement of the FPC