

Integrating Budget, Management, and Institutional Research

*Supporting institutional excellence
through improved productivity*

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UConn

Institutional excellence is slipping

- UConn is a great university, but steps must be taken to protect institutional excellence in response to State and other fiscal challenges

Top Public Ranking				
	2-Year Change in Rank	2019 Edition	2018 Edition	2017 Edition
University of Georgia	5	13	16	18
University of Texas	3	15	18	18
University of Wisconsin	-5	15	12	10
Ohio State University	-1	17	16	16
Purdue University	3	17	18	20
Rutgers University	8	17	25	25
Pennsylvania State University	5	20	25	25
University of Washington	-4	20	18	16
University of Connecticut	-2	22	18	20
University of Maryland	-2	22	22	20
Clemson University	-1	24	23	23
Texas A & M University	3	24	25	27

Resources impact US News ranking

- Like UConn, institutions that dropped in ranking faced decline in at least one resource metric

Impact of Resources on US News Ranking Among Top Public Universities													
	Top Public Ranking	Financial Resources Rank				Faculty Resource Rank				Alumni Giving Rank			
		2-Year Change in Rank	2019 Edition	2018 Edition	2017 Edition	2-Year Change in Rank	2019 Edition	2018 Edition	2017 Edition	2-Year Change in Rank	2019 Edition	2018 Edition	2017 Edition
Correlation with Change in Top Public Ranking		34%				28%				30%			
University of Georgia	5	7	123	121	130	19	47	44	66	32	62	76	94
University of Texas	3	4	77	76	81	13	144	145	157	-2	96	86	94
University of Wisconsin	-5	2	61	61	63	-13	131	124	118	4	75	67	79
Ohio State University	-1	2	70	76	72	-5	175	166	170	11	57	63	68
Purdue University	3	-2	88	87	86	-5	79	74	74	3	39	41	42
Rutgers University	8	-1	70	76	69	-1	109	106	108	19	133	140	152
Pennsylvania State University	5	5	50	52	55	-49	157	166	108	1	67	67	68
University of Washington	-4	4	28	31	32	-50	235	184	185	4	75	79	79
University of Connecticut	-2	-8	56	32	48	2	87	83	89	-37	110	92	73
University of Maryland	-2	-16	97	87	81	1	123	128	124	15	147	152	162
Clemson University	-1	-8	133	129	125	-17	95	89	78	3	27	29	30
Texas A & M University	3	3	88	87	91	9	183	184	192	-15	50	47	35

We must do more with less!

- To protect institutional excellence, we must improve productivity, as threats to key revenue sources mount

Operating revenue (millions)	2-Year Change	1-Year Change	FY 2018	FY 2017	FY 2016
Student tuition and fees	13%	5%	\$386.9	\$367.4	\$341.8
State appropriations	-11%	-8%	\$343.0	\$374.1	\$384.7
Grants and contracts	-1%	-1%	\$144.4	\$145.3	\$145.4
Sales from auxiliaries	0%	1%	\$211.0	\$209.9	\$210.5
Gifts and investment income	-4%	-3%	\$25.8	\$26.6	\$26.8
Other	20%	17%	\$37.7	\$32.2	\$31.3
Operating revenue	1%	-1%	\$1,148.8	\$1,155.5	\$1,140.5
<i>Source: FY 2018 & FY 2017 CAFR's</i>					

Improving productivity requires linking budgets to performance

1. Organize offices to integrate performance and cost information
2. Develop standards for high quality performance
3. Develop budgets that reflect the costs of achieving excellence
4. Provide useful information on costs and performance to guide decision making
5. Engage and educate stakeholders

Linking budgets to performance

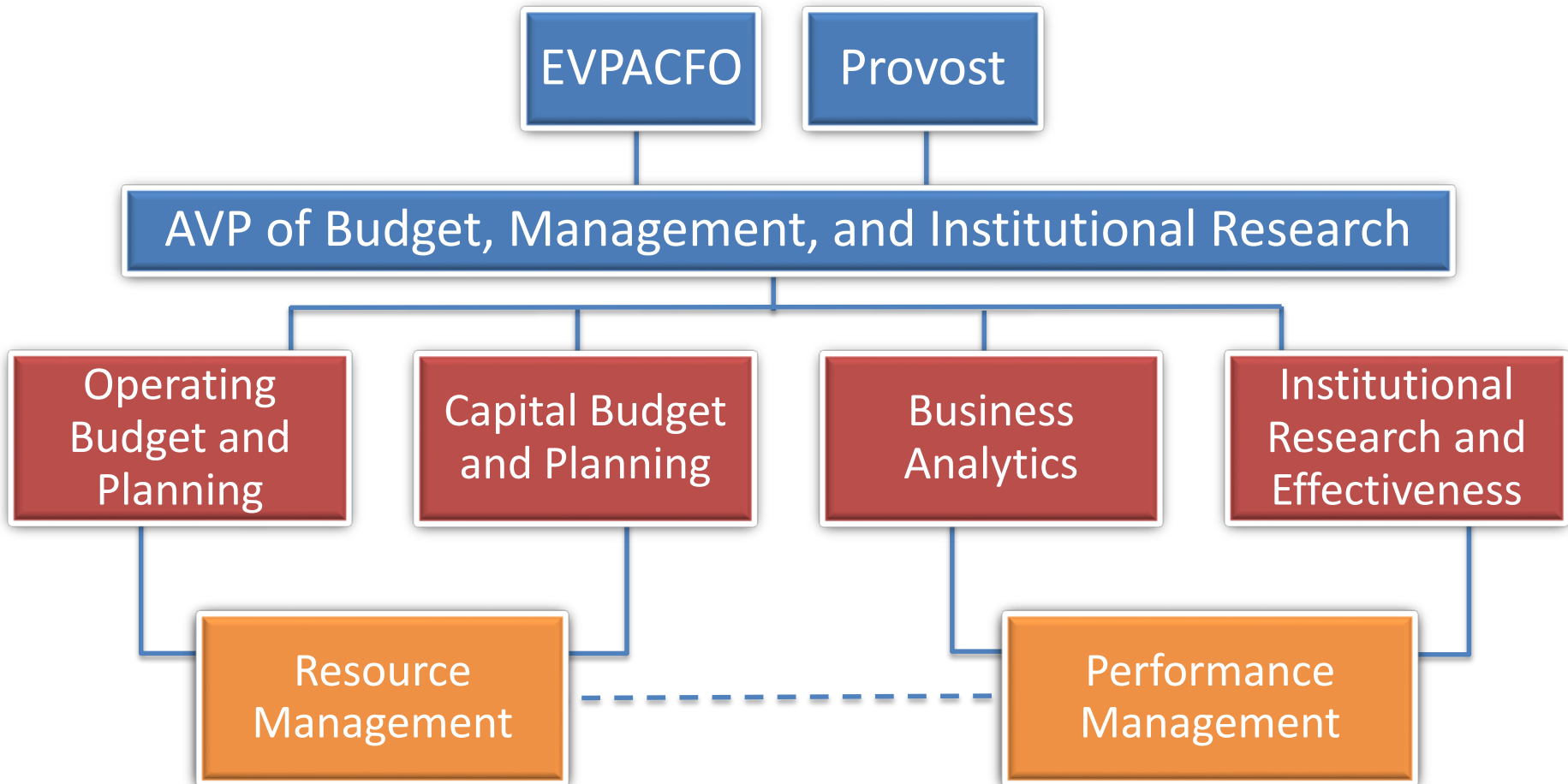
- Performance budgeting is often thought of as rewarding “winners” and punishing “losers”
 - Some winners may have too many resources
 - Some losers may have too few resources
- Performance budgets should take into account effectiveness in program outcomes and efficiency of resource usage

Performance Budget Decision Matrix		Effectiveness	
		Low	High
Efficiency	Low	Rethink program	Manage resources better
	High	Build capacity	Invest in success

1. Organize offices to integrate performance and cost information

- OBP adopts resource and performance management approach
- OIRE develops data tools to support performance focus and analyses
- Overseeing both offices, AVP for Budget, Management, and Institutional Research reports to EVPACFO and Provost, supporting decision making with integrated performance and cost information and analyses

Integration of OBP and OIRE



Resource management

- Resource management is accomplished at 3 levels:
 - Macro: Broad resource decision making by executives
 - Meso: Oversight management by AVPs/Deans/OBP
 - Micro: Operations management by unit receiving resources
- For academic units, OBP allocates resources to Provost, who makes macro-level allocation decisions, with meso-level oversight provided by Deans
- For administrative units, EVPACFO provides macro-level allocation decisions, with AVPs and OBP providing meso-level oversight of resource usage

Performance management

- OBP and OIRE will conduct cost and productivity analyses of academic and administrative units.
- OBP will seek to help academic and administrative units adopt operational and management strategies that improve revenues and reduce costs.
- OIRE will continue data custodial, steward, and reporting functions; and support OBP's resource and performance management with peer-based performance data and productivity analyses.

2. Develop standards for high quality performance

- Define excellence specific to the academic discipline and administrative function
- Identify specific peers for each academic and administrative unit to define and document peer-based standards for excellence
- Use selected peer data to benchmark and track performance
- Use research, best practices, and other comparative data in higher education to guide standards

3. Develop budgets that reflect the costs of achieving excellence

	Traditional budgets	Performance budgets
Operational management focus	Inputs	Input productivity
Financial management focus	Budgets	Costs
What is important at the margin?	Dollars	Results per dollar

4. Provide useful information on costs and performance to guide decision making

- Produce analyses, data tools, rubrics, and white papers to provide cost and performance that is useful for decision making.

School/College Cost and Productivity Maps												
<i>These maps show teaching and research productivity and costs relative to disciplinary peers.</i>												
		Teaching Load					Teaching Load					
Department #1		Low	Peer-level	High			Department #2		Low	Peer-level	High	
Research productivity	Low					Research productivity	Low	High costs				
	Peer-level						Peer-level					
	High	Peer-level costs					High					
Department #3		Teaching Load					Teaching Load					
		Low	Peer-level	High			Department #4		Low	Peer-level	High	
Research productivity	Low			Low costs		Research productivity	Low					
	Peer-level						Peer-level					
	High						High	Peer-level costs				

5. Engage stakeholders

- Educate legislative leaders on the value of UConn's teaching and research
- Support fiscal management community by working with academic and administrative fiscal officers to address challenges and adopt best practices in shared fashion
- Fiscal Training Institute (FTI, formerly known as FAIT) will be reconstituted to provide fiscal training
 - Create certifications for fiscal officers for improved consistency and internal control, and career growth opportunities