General Fund Strategic Budget Planning Process

Introduction

During the 2015-2016 academic year, the Joint Budget, Planning and Assessment & Evaluation Sub-Meet and Confer engaged in conversation reflecting on the University's 2-year series of budget reductions. The budget reduction process employed was heavily reliant on an across-the-board method where reductions were fairly evenly distributed across Divisions. While this method was successful in generating base budget reductions for the University, and had been employed previously by the University, several shortcomings were noted by the Joint body:

- The distribution of reduction was not necessarily strategic.
- The reduction process was not sufficiently data-informed or guided by a shared understanding of institutional information utilized for decision-making.
- The reduction process employed did not fully uphold the University's Budget Planning Principles (https://admin.mnsu.edu/finance-and-administration/). In particular, with regards to investment:
    a. *In economic times of increased funding, investments need to be made in University initiatives.*
    b. *Even in times of reduced resources, we need to make investments in the University.*
    c. *The University shall develop a reallocation process to ensure funds are available for investment in the University.*

In Fall 2016, the Joint body recommended a process, timeline, and the formation of three work groups to bring forward a recommendation outlining a Strategic Budget Planning Process for the University. Membership of the three work groups was comprised of appointed Budget, Planning and Assessment & Evaluation Sub-Meet and Confer members. The work groups brought forward a process that was adopted and implemented in Fall 2017.

In accordance with the process adopted, work groups from the membership of the Budget, Planning and Assessment & Evaluation Sub-Meet and Confers were formed to review and evaluate the process implemented in the Fall of 2017 during the 2018-2019 academic year. A revised process and supporting documents were recommended for campus feedback and consultation and adopted in Spring 2019. Prior to implementation of the data and information update cycle in Fall 2021, additional minor modifications were brought forward for feedback, consultation and adoption.

Strategic Budget Planning Process Vision and Principles

The University adopted on April 8, 2002, and last revised in 2015, *Budget Planning Principles* to guide the University's budget planning process. The University's *Budget Planning Principles* (https://admin.mnsu.edu/finance-and-administration/) call for the University to have a "reallocation process" and "to make investments" that further the University's mission, vision and values. The Process Work Group in concert with the University's *Budget Planning Principles,* recommended the adoption of the following vision and principle statements to further guide a General Fund Strategic Budget Planning process.

Vision

Process Vision: Strategic Budget Planning is a deliberate process to proactively align resources to the strategic priorities and directions of the institution.

Principles

Principle: The University will establish a consistent on-going process established through shared governance that allows for data-informed investments and reductions in academic and non-academic functions of the University.

Principle: The University will make data-informed investments and reductions that are supported by a culture of evidence utilizing internal and external data and information.

Principle: Strategic Budget Planning is supported by a published process, metrics, data and results that is transparent and accessible.

Principle: The University will establish clear conditions that activates the process of renewing academic and non-academic program data and information outside of the published standard renewal process supporting strategic budget planning.

Principle: Strategic Budget Planning enables proactive investment and reallocation to strategically advance the University's Vision, Mission, and Values.

Strategic Budget Planning Context and Communication Plan

Communication of University budget information, the strategic budget planning process, process implementation, and process outcomes is key to success. To support effective communication, the Work Group recommended the following actions:

- Establish a communication platform (i.e. dashboard) with current University budget and strategic investment and reduction information.
- Articulate and regularly refresh information about the University's Strategic Budget Planning Process, evaluation criteria and indicators, process timelines, and process outcomes.
- Process outcomes, while being respectful of individuals and units, be shared with the campus community through a secure intranet site.
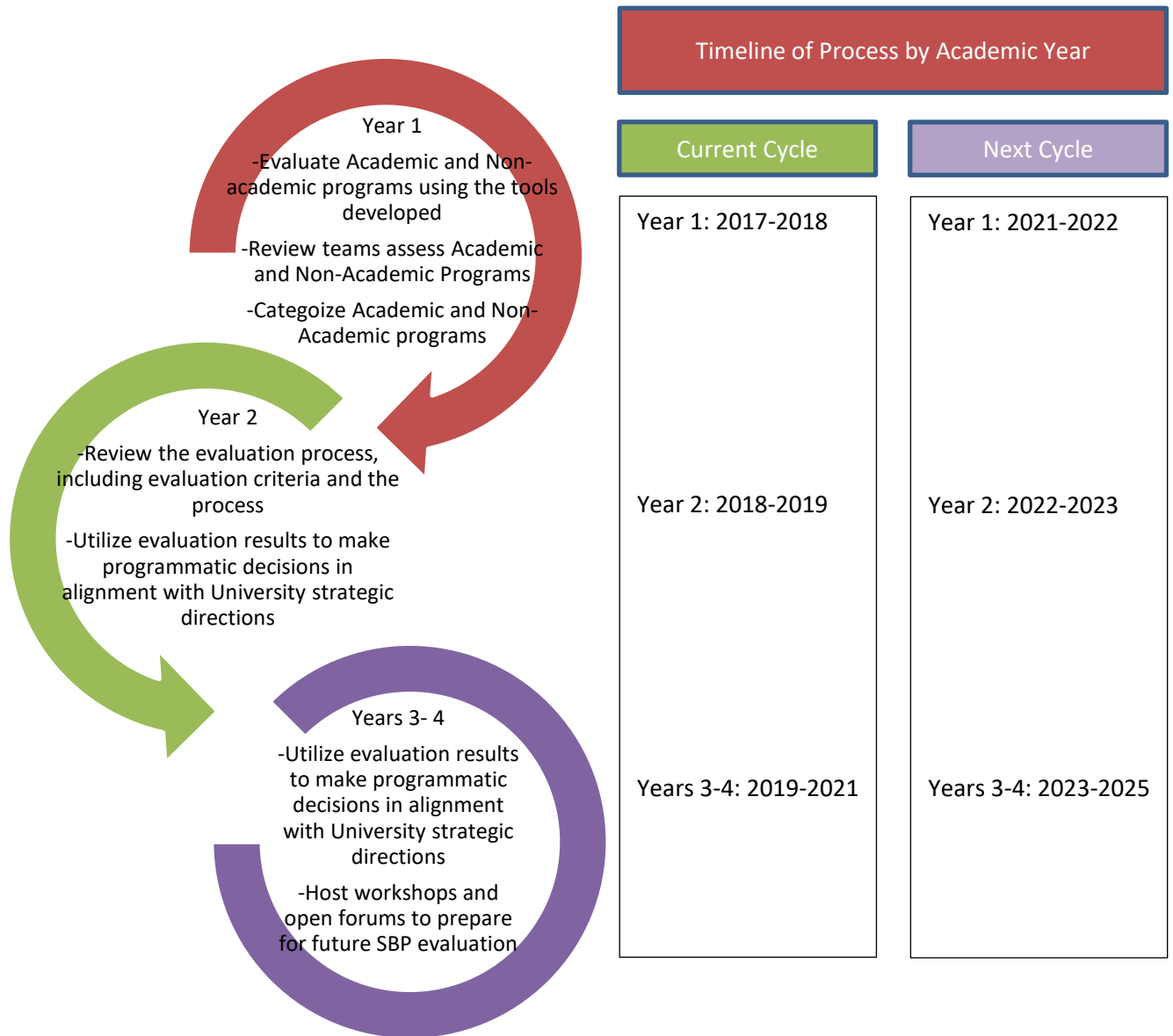
Standard Process Timeframe and Conditions

In alignment with the University's *Budget Planning Principles* the Strategic Budget Planning process is envisioned as an ongoing process that regularly renews information that is readily available for investment and reduction decision-making.

- Given that the University's budget cycle is biennial, the Work Group recommended that the strategic budget planning process academic and non-academic program data and information be updated every 4 years.
- In recognition that it may be possible for a program to experience significant change between program and information updates (4-year cycle), a program will have the ability to add an "Official Notation" to the information most recently produced for the program articulating significant changes that are noteworthy for possible decision-making.

- Conditions that would initiate an academic and non-academic program data and information update to occur outside of the normal 4-year cycle include:
  - Actual Full-Year Equivalent enrollment has declined or increased by more than 8 % over the two most recent academic years
  - Fiscal year-end general fund cash is less than or greater than 20% of general fund revenue
  - Decrease or increase in the general fund balance by more than 10% over three fiscal years

Standard Four-Year Cycle*

Year 1

-Evaluate Academic and Non-academic programs using the tools developed

-Review teams assess Academic and Non-Academic Programs

-Categoize Academic and Non-Academic programs

Year 2

-Review the evaluation process, including evaluation criteria and the process

-Utilize evaluation results to make programmatic decisions in alignment with University strategic directions

Years 3- 4

-Utilize evaluation results to make programmatic decisions in alignment with University strategic directions

-Host workshops and open forums to prepare for future SBP evaluation

Timeline of Process by Academic Year	
Current Cycle	Next Cycle
Year 1: 2017-2018	Year 1: 2021-2022
Year 2: 2018-2019	Year 2: 2022-2023
Years 3-4: 2019-2021	Years 3-4: 2023-2025

*If conditions require an initiation of program reviews for academic and non-academic programs, the cycle may follow a unique timeline.

Strategic Budget Planning Process

The Strategic Budget Planning Process consists of four phases: data, initial categorization, final categorization, and process review and evaluation.

- During the *Data Phase*, the identified data are collected from all programs. The analysis of the data is conducted in two parts: quantitative metrics are compiled, and qualitative metrics are evaluated using established rubrics. The responsibility for the review of the qualitative metrics and the assignment of an initial category, is held by an intermittent Strategic Budget Planning Process Sub-Committee that is established under the governance of the Planning Sub-Meet, Budget Sub-Meet or Assessment & Evaluation Sub-Meet.
- During the *Initial Categorization Phase*, the Strategic Budget Planning Process Sub-Committee assigns an initial category and that category is communicated to the Program and respective Dean.
- During the *Final Categorization Phase*, programs have the ability to file an appeal that is reviewed by a Categorization Appeal Team and the final decision of the team is communicated with the appealing programs. The final categorization of all programs is then published.
- During the *Process Review and Evaluation Phase*, the process and evaluation criteria and indicators used are reviewed and updated as needed before the next cycle.
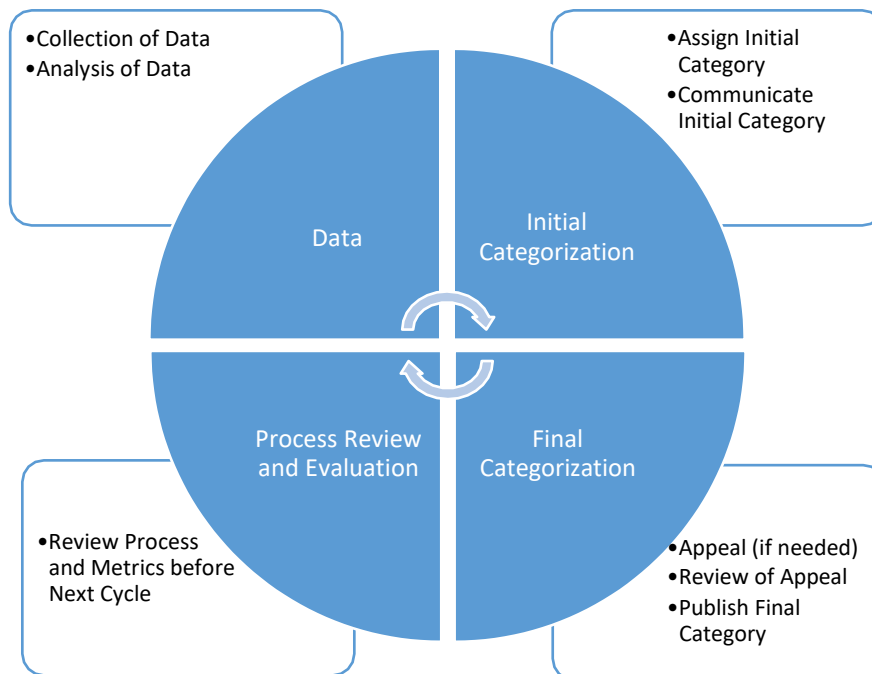
Strategic Budget Planning Program Categorization

In alignment with the principles of transparency, published results, and data-informed decisions, all programs are assigned a category based on established criteria and indicators that identifies a program's status in the Strategic Budget Planning Process. Program's will not be ranked within or across categories.

There are five program categories for program placement:
- Quintile 1 – Highest Program Viability – these programs will be given consideration for growth and resources in alignment with the strategic directions and needs of the University.
- Quintile 2 and 3 – Relatively High Program Viability/Moderate Program Viability – these programs will be given consideration for continuation and resources in alignment with the strategic directions and needs of the University.
- Quintile 4 and 5 – Relatively Low Program Viability/Lowest Program Viability – these programs will be given consideration for reduction or reallocation of resources in alignment with strategic directions and needs of the University.

The Strategic Budget Planning outcomes are used in an ongoing manner to inform decisions about programs and services offered at the University.

Strategic Budget Planning Process Sub-Committee

The Strategic Budget Planning Process Sub-Committee is an intermittent committee established under the governance of the Joint Budget, Planning, and Assessment & Evaluation Sub-Meets with logistical leadership provided by the Planning Sub-Meet. The Intermittent Strategic Budget Planning Process Sub-Committee has broad campus representation and consists of 42 members and 6 co-chairs:

- Budget, Planning, and Assessment & Evaluation Sub-Meet Co-Chairs (6 Co-Chairs)
- Assessment & Evaluation Sub-Meet and Confer (5 members)
- Planning Sub-Meet and Confer (5 members)
- Budget Sub-Meet and Confer (5 members)
- Bargaining Unit Appointments (8 members)
- MSSA Appointments (2 members)
- Divisional Appointments (6 members)
- College and University Dean Area Appointments (11 members)

Additional reviewers may be addedd as a result of growth in academic and non-academic programs and are determined based on anticipated numbers of programs under review. These additional members are added to ensure equitable workload for the reviewing process.

The committee convenes every four years in alignment with the Strategic Budget Planning Process cycle. The sub-committee is responsible for reviewing qualitative data provided by programs, applying established rubrics and providing initial categorization of all programs based on the qualitative and quantitative indicators and criteria identified.

Each evaluator is assigned to a team of with a minimum of three (3) evaluators at the direction of the chairs of the committee with diverse representation of academic and non-academic programs. Each team is assigned programs for evaluation that are not in their area, and all team members evaluate each program. Each evaluator is expected to work as an individual in the application of the rubric for each assigned program.

Each evaluator attends at least one (1) in-person training session to review the role of the evaluator and the rubrics. Evaluators are encouraged to attend more than one training session and also have access to online tools to help in the evaluation process. Evaluators also attend a post review debriefing to provide feedback on the process.

Appeal Process

Upon initial categorization, all academic and non-academic programs have an opportunity to appeal the categorization. Appeals are made on the basis of a program providing additional data or information relevant to the established criteria and indicators leading to categorization. Following notification of initial categorization, academic and non-academic programs have 30 business days within the relevant fall or spring academic term (excluding non-duty/non-class days) to file an appeal. An appeal, up to 5 pdf pages inclusive of all narrative and evidence (times new roman font size 12, single spaced, 1-inch margins), is accepted and reviewed by a Categorization Appeal Team consisting of 8-10 Excluded Administrators with broad campus representation. The appeal is reviewed, and the program notified of an outcome within 30 business days of an appeal submission (excluding non-duty/non-class days).

Program Evaluation Criteria and Indicators

The criteria and indicators used to evaluate programs were developed by two work groups comprised of members from the Joint Budget, Planning, and Assessment & Evaluation Sub-Meet and Confer. The Academic Program Work Group put forth criteria and indicators for the evaluation of academic award programs and the Non-Academic Program Work Group put forth criteria and indicators for the evaluation of all non-academic award programs. During the *Process Review and Evaluation Phase* of the planning process, the program evaluation criteria and indicators are reviewed and updated as needed.

Identification of Programs/Units for Evaluation

The identification of a program or unit to engage in strategic budget planning evaluation is confirmed by each divisional Vice President for his or her respective area of responsibility. In addition, each divisional Vice President confirms, when needed, the placement of a program within the academic or non-academic track for strategic budget planning evaluation.