YSU 2020

Cornerstone on Accountability and Sustainability

Executive Summary

May 2013

While action on a number of initiatives in this cornerstone has progressed, the greatest attention and effort has been on two critical initiatives: developing “A transparent and responsive budget system” and moving to more “Strategic Finance” (YSU 2020, pg. 10). In recent history YSU had utilized a historic, incremental, base-budget model where increases or decreases in revenues were, to a very great degree, applied uniformly across all cost centers. In addition, the University was not rigorous in mandating that all known costs were identified and budgeted at the start of each fiscal year, leading to the need to cover costs by scooping uncommitted, unspent balances in all cost centers at the end of the fiscal year. With most funds being historically allocated, little was done to set aside funds for strategic reinvestment. Not all Auxiliary funds covered all costs, nor returned expected overhead, and some Auxiliary funds over-ran general-fund subvention budgets. Finally, the University did not have a system of authoritative, structured operational data upon which resource allocation and other operational decisions could be based.

A major effort has been undertaken to revamp the University’s budgeting process. A Budget Task Force was put together to investigate possible budget models that YSU could utilize. Two models were recommended to the Executive Cabinet: “Modified Initiative-Based Budgeting” (an annual strategic allocation of new money and/or a tax and reallocation of base-budgets) and classic Responsibility-Centered Budgeting. Executive Cabinet chose to implement Modified Initiative-Based Budgeting. A Budget Development Council (BDC), made up of administrative employees and reporting to the Executive Cabinet, has been working since January 2013 to implement this new budget process. To improve accountability and fiscal management, plans have been completed to decentralize position control with local use of lapsed salaries, to enable fiscal year carry-forward of unspent general-fund balances and to differentiate fringe benefit rates based on salary types. In addition, the BDC has begun to make recommendations on a budget that fully funds all known costs at the beginning of the fiscal year with attendant recommendations on what to fund and not fund, especially in a period of declining revenues, including general fund subventions to auxiliary accounts.

A parallel major effort has been undertaken to implement a YSU data warehouse. With the move to an ERP Administrative computing environment (Banner), the vast majority of YSU’s operational data was stored as transactions accessible only by targeted reports. In addition, the data from other stand-alone functional systems was not integrated into a single data environment. Not only was data hard to extract, but also data collection and archiving standards were neither properly described nor rigorously enforced. Shadow systems competed with transactional systems for authenticity. Business intelligence was chaotic. YSU has moved to build a data warehouse, and it is set to become operational in the second quarter of 2013 with support for trend analysis later this summer. Data custodians are working together to ensure that essential data is collected properly, vetted for accuracy and normalized for storage. Data is also being analyzed to determine the most essential and effective archiving periods. With the implementation and refinement of the data warehouse, we will have a single repository of authoritative data that can be easily accessed and analyzed leading to more effective business intelligence.

Two other initiatives are worth noting. The University contracted with Sightlines Consulting to evaluate the YSU physical plant. Sightlines identified some $200 million of possible deferred maintenance. Strategies have been developed to maximize our ability to utilize State capital funds to address physical plant issues identified by the consultant. In another effort, we are studying customer services efforts of the functional units reporting to the Vice President for Finance and Administration. Results of our studies will be used to further assess and improve those services.