



# STRATEGIC BUDGETING

## AT CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS

Presented By:

Tracy Rorie

### Overview

As the University grows, having consistent, clear and meaningful processes and procedures in place is crucial to the annual Operating Budget and long range planning.

The budget development process was designed to make explicit and strengthen the relationship between the mission of the University, its Strategic Plan and budgetary decisions.

### What is Strategic Budgeting?

At CSU, Channel Islands the annual budgeting process deals primarily with the Operating Funds, which include the state general fund and student fees. The focus is on funding the day-to-day operations of the campus. It is a component of strategic planning that is deliberate in its efforts to ensure resource allocation and works in support of the university mission and strategic plan. It looks at desired changes and improvement efforts, determines what resources we have to work with, and figures out how we can deliberately direct resources to allow positive change. It looks at how to use the resources we have to create the incentives which will create the changes and improvements we want. It seeks ways to mobilize people to work together in support of agreed-upon terms.

Strategic budgeting is a community and constituency building process. It includes voices from the University's multiple constituencies. Strategic budgeting emphasizes the generation and preservation of assets as strategic investments. It develops and utilizes outcome measures to guide decision making. Furthermore, strategic budgeting helps to clarify how each unit adds to and consumes shared resources, and contributes to the collective work necessary for achieving agreed upon missions and goals. Finally, a strategic approach to budgeting will provide incentives for: 1) generating resources and, 2) contributing to collaborative efforts.

The goals of the Strategic Budgeting Process are:

- To align resources with the strategic plan and mission of the University
- To emphasize the integration of short-term budgetary decisions with longer-term strategic planning
- To foster communication
- To assure openness and transparency in budgetary decisions
- To increase the levels of information and knowledge upon which decisions are based
- To ensure a uniform and consistent presentation of data and a uniform and consistent review of the divisional plans
- To provide systematic assessment and analysis of the strategic budgeting process to improve the process in future years
- To encourage development of initiatives that are cost-effective, avoid duplication of effort, and to encourage collaborations between units on related matters
- To produce results which can be assessed in such a way that findings can be incorporated into future budget planning, and used for comparative analyses within the University and also with similar universities

### Budget Planning and Budget-Building Stakeholders

At the campus level, each major budget division will be considered a separate planning stakeholder. These stakeholders will be responsible for submitting balanced budget modes and unit plans to be considered by the Strategic Budgeting Committee and the University Planning and Coordinating Council (UPACC).

These stakeholders include:

- Academic Affairs
- Advancement
- Finance and Administration
- Information Technology
- Office of the President
- Student Affairs



Under each of these divisions are operational units. The operational units consist of the unique departments and offices that support each division.

Each operational unit will participate in the division's planning process. This ensures that there will be an inclusive approach to planning and input.

Divisional Budget Officers and Institutional Data and Assessment Analysts also play several critical roles in the process. Divisional Budget Officers are responsible for ensuring that the process in their respective division complies with the policies of the division and the University. They then must make budgetary recommendations based on input from the various stakeholders. The Institutional Data and Assessment Analysts ensure that data is accurate and relevant to the process.

### The Strategic Budget Committee

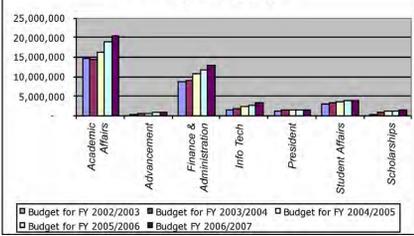
Membership on the Strategic Budgeting Committee is determined by position-specific participation and at-large appointments.

- The Chair of the Strategic Budgeting Committee is the Chief Financial Officer and will provide extensive guidance, direction as to procedural/budgetary requirements, and other support to the committee.
- The Vice Chair of the Strategic Budgeting Committee will be chosen from one of the three at-large faculty members.
- The Chair of the Fiscal Policies Committee of the Senate. The term of office for this member will be one year.
- The Chair of the Senate. The term of office for this member will be one year.
- The President of the Student Body plus one other student recommended by Associated Students, Inc. (ASI).
- The Provost
- Vice President for Student Affairs
- Vice President for Advancement
- Representative from Office of the President
- Chief Information Officer
- Three at-large faculty members. The term of office for these members will be 3 years with staggered appointments made by the Senate Executive Committee.
- Three at-large staff. The term of office for these members will be 3 years with staggered appointments made by the President.

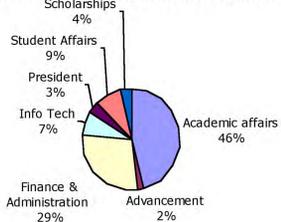
The charge of the SBC is:

- Coordinate and oversee the strategic budgeting process by providing instructions and guidelines, timelines, advice, and comment on unit proposals and strategies.
- Represent the various governance entities of the University by keeping constituencies informed, fostering dialogue, and providing input to the discussion and process.
- Determine information and data requirements for planning and evaluating budget proposals and reports.
- Review and critique budget proposals and requests for priority funds and special allocations, including the recommendation of changes, prior to final decision-making and implementation.
- Regularly and critically evaluate the process against strategic budgeting principles to recommend changes and improvements.
- Make recommendation to the President about yearly budget allocations.
- Provide long range vision for budget procedures, processes and allocations.

Historical Operating Budgets



APPROVED OPERATING BUDGET 2006/2007



Annual Approved Budget

