



UNIVERSITY OF
CENTRAL
ARKANSAS

ROI Campus Forum

Making Efficient Use of
Department Budgets

January 30, 2020

Campus Forums This Spring

- | | |
|---------|-------------------------------------------------------------|
| Jan. 30 | Making Efficient Use of Department Budgets |
| Feb. 18 | Importance of Enrollment, Retention, & Student Success |
| Mar. 3 | UCA's Performance & Prospects with ADHE Productivity Model |
| Mar. 12 | Drivers of Financial Planning: Taking Care of Our People |
| Apr. 2 | Drivers of Financial Planning: Ensuring Success of Students |
| Apr. 16 | Drivers of Financial Planning: Stewards of the Public Trust |

ROI is an ongoing, data-informed, campus-wide effort to optimize our budget in face of unpredictable enrollment trends and limited state funding.

ROI will allow us to align existing resources to support student success, invest in strategic initiatives, build financial reserves, and retain employees at a competitive market salary.

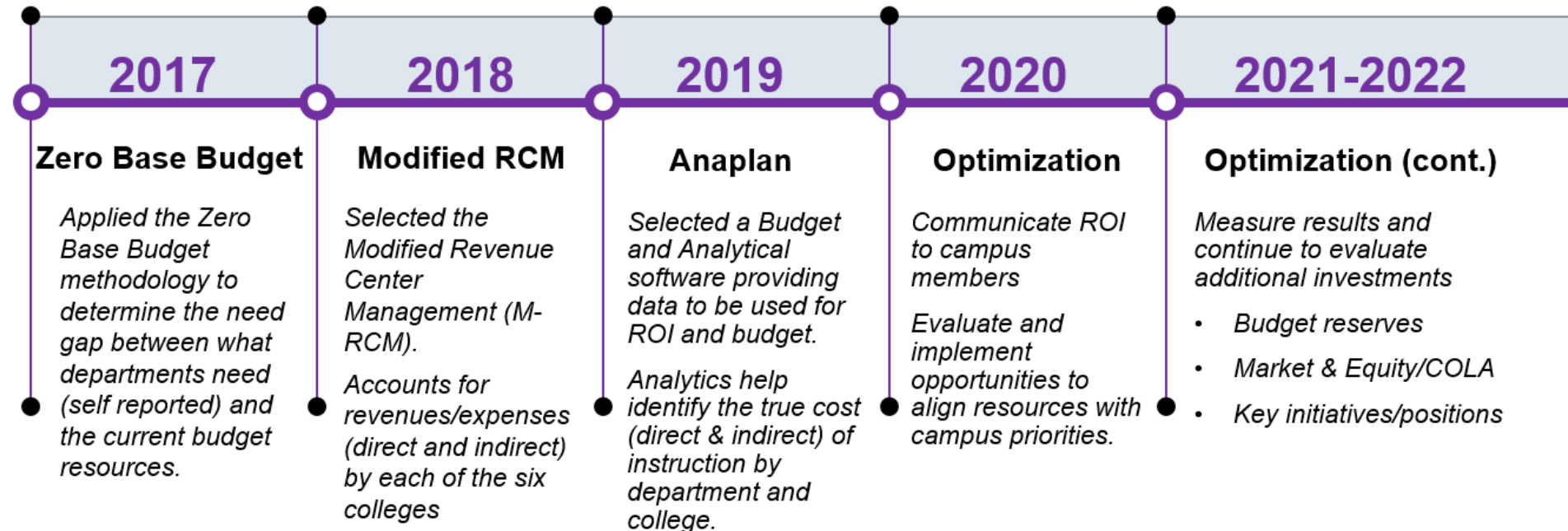
Main Objectives in Annual Budget Process

- Cautious Optimism
- Focus on Student Success
- Maintain Stable Reserves
- Minimize the Financial Impact to Students

Top Leadership Priorities

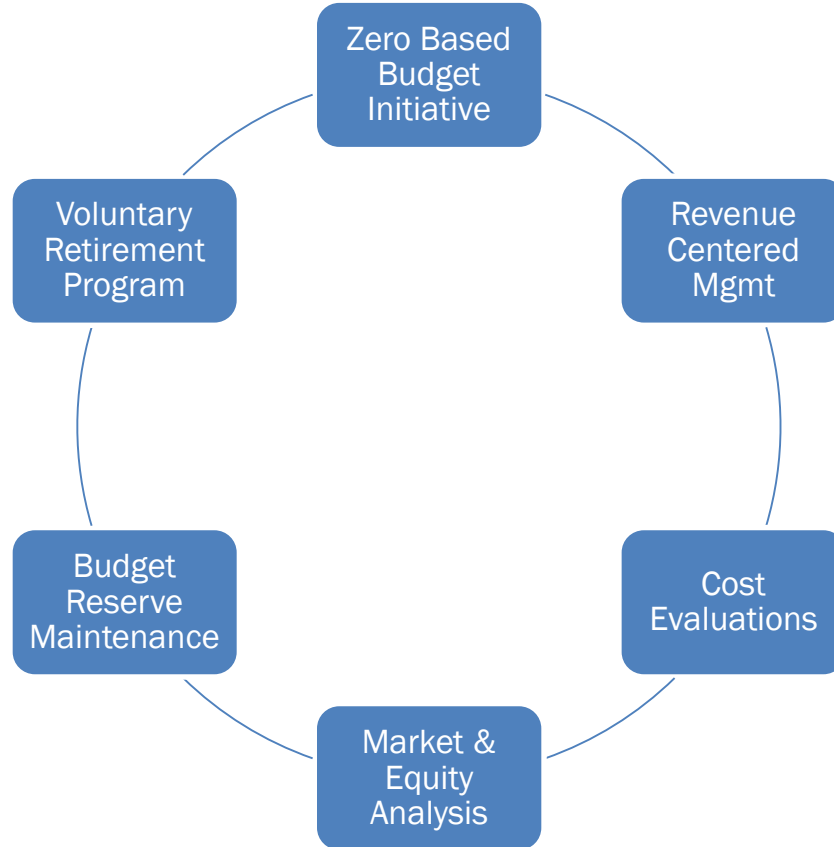
- Focus on Enrollment & Student Success Initiatives
- Academic Program Improvements & Expansion
- Technology Refresh
- Maximize Scholarship Options & Responsiveness
- Salary Competitiveness & Operational Efficiencies
- Address Rising Facility Costs & Facility Needs
- Fundraising to a New Level

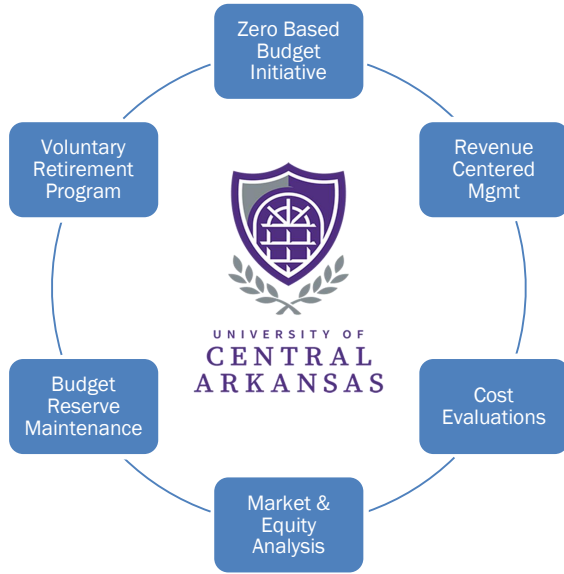
Resource Optimization Initiative (ROI)



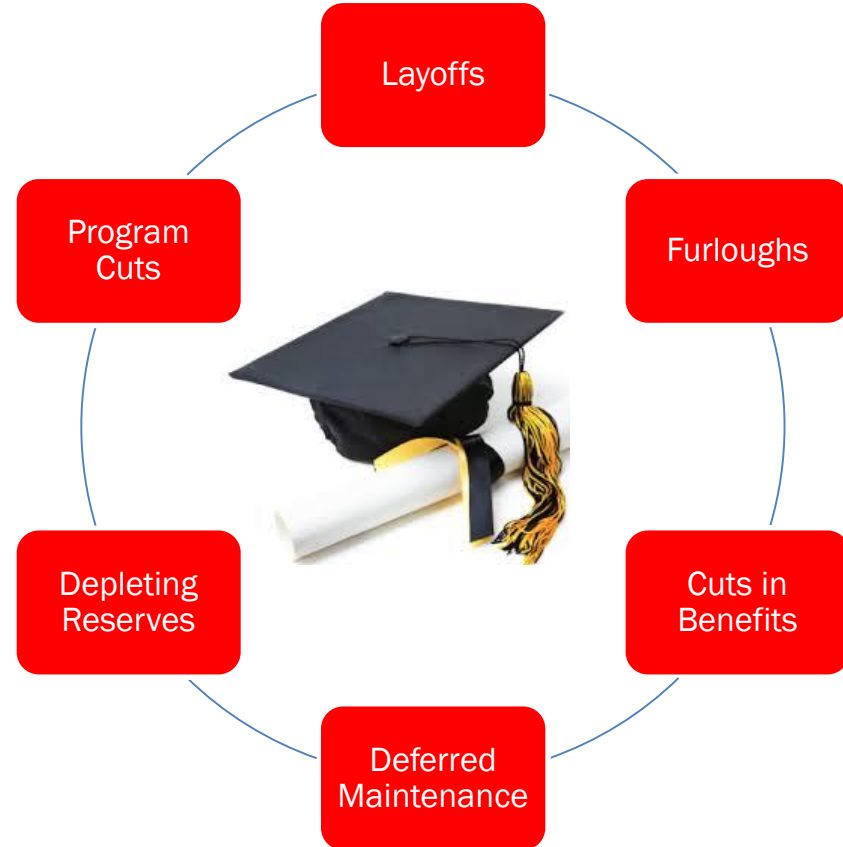
Importance of Optimizing Resources

- Enrollment can be unpredictable and forecasted decline for high school graduates in the coming decade require multi-year planning.
- We cannot expect significant additional resources from the state.
- Take proactive measures in order to ensure we can best serve our students and invest in the strategic objectives and needs of the university.

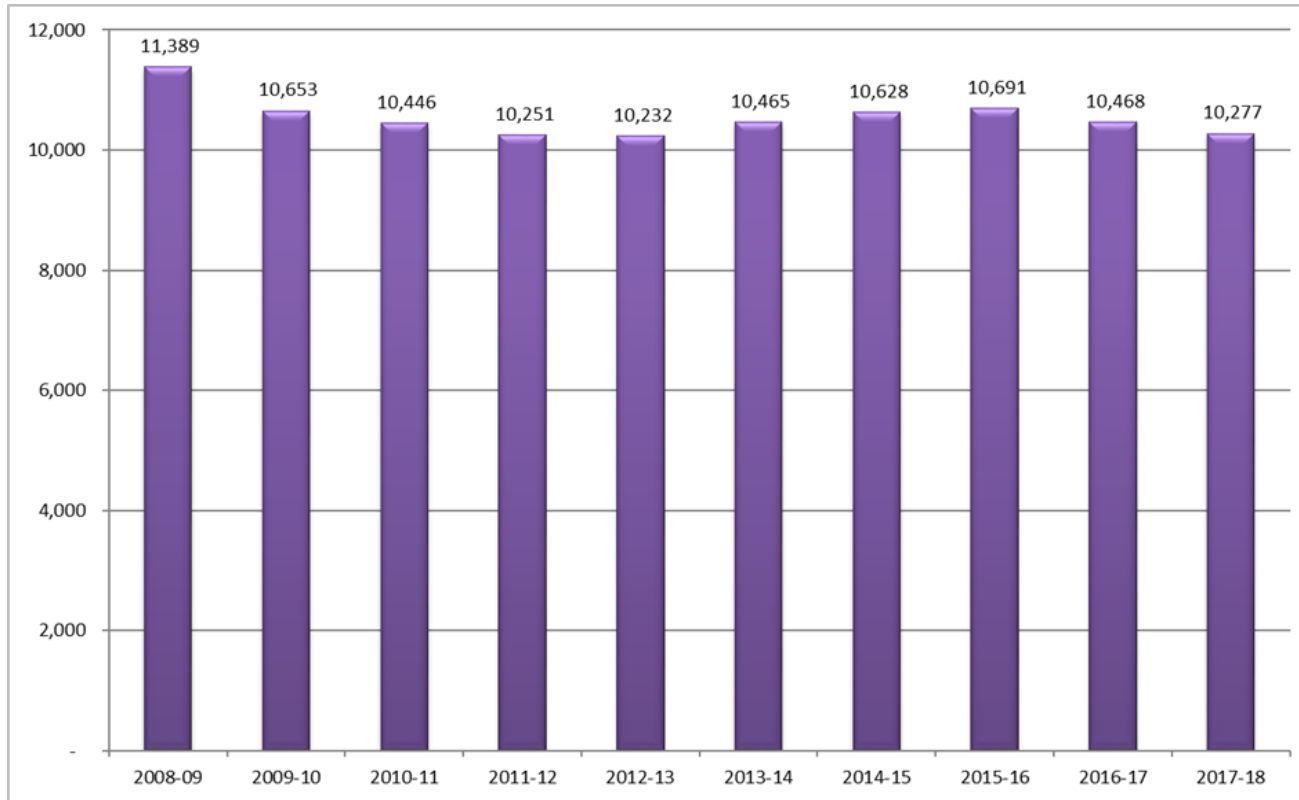




ROI places UCA in a significantly better position than our peers in and out of state.



Annualized Full-Time Equivalent Enrollment (FTE) FY09 to FY18



Regional 4-Year Institutions Must Brace for Impact



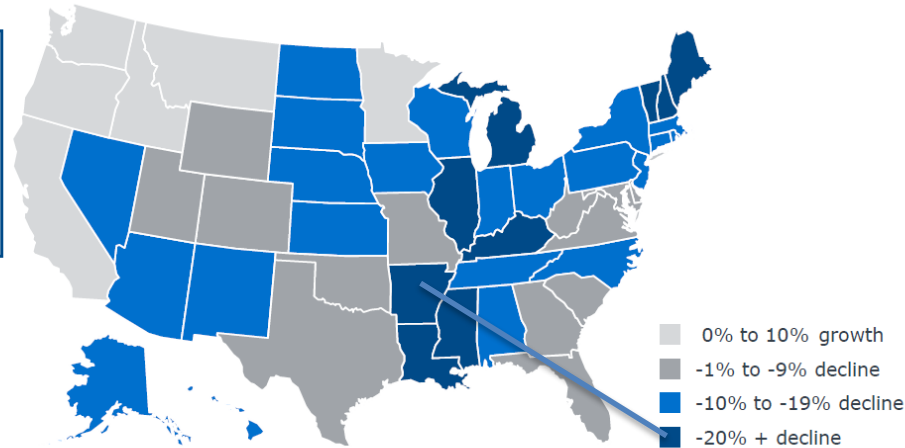
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Slim Glimmer of Hope Across Nation For Regional Institutions

Projected Change in 4-Year Regional HEI-Going Students by State, 2017-2029

Regional:

Research universities + liberal arts colleges ranked outside of Top 100 (USNWR rankings)



Regional HEIs Face Demographic Decline and Increasing Competition

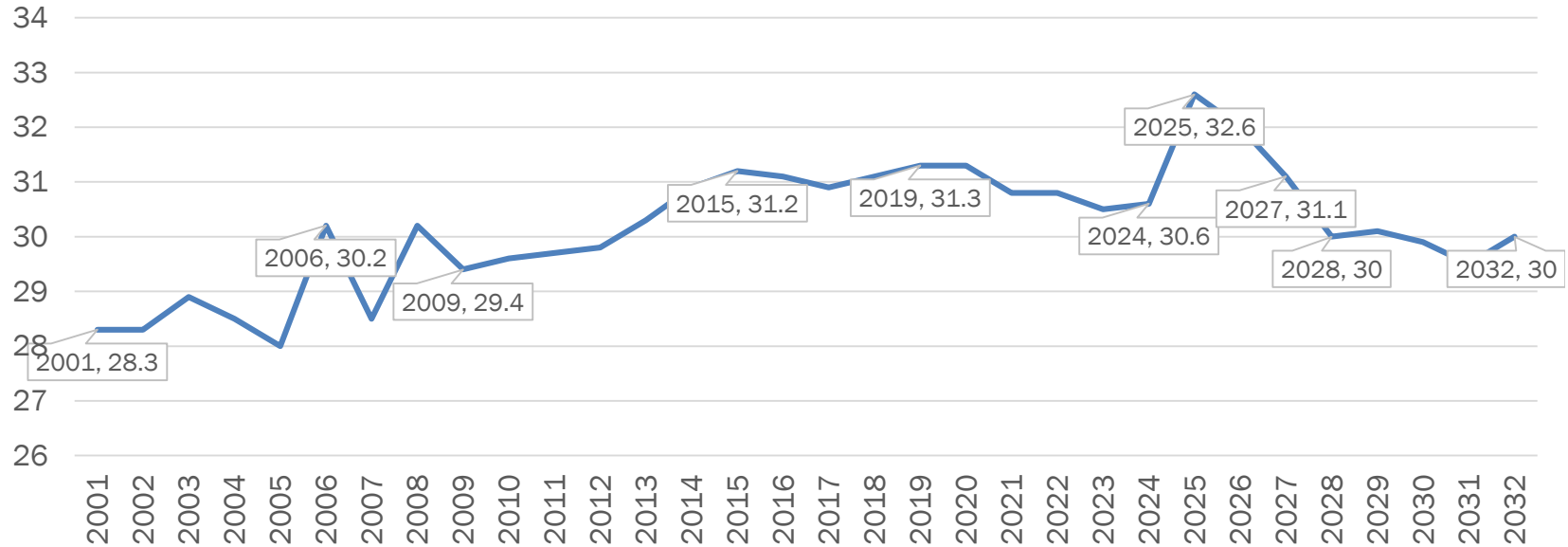
-152K 2029 Projected Demand vs. 2017 Projected Demand



If appropriations fall, public national HEIs may recruit students from regional HEIs to boost revenues.

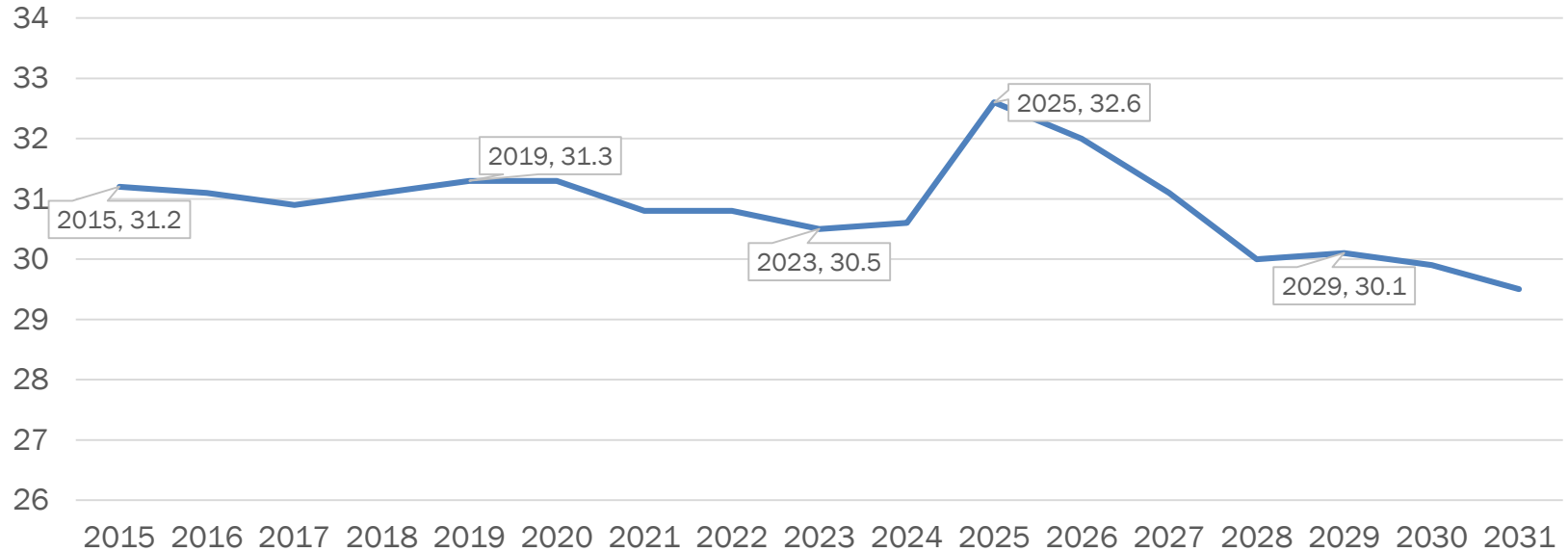
An 18 Year Old Must Be Born 18 Years Ago

Public & Private AR HS Grads



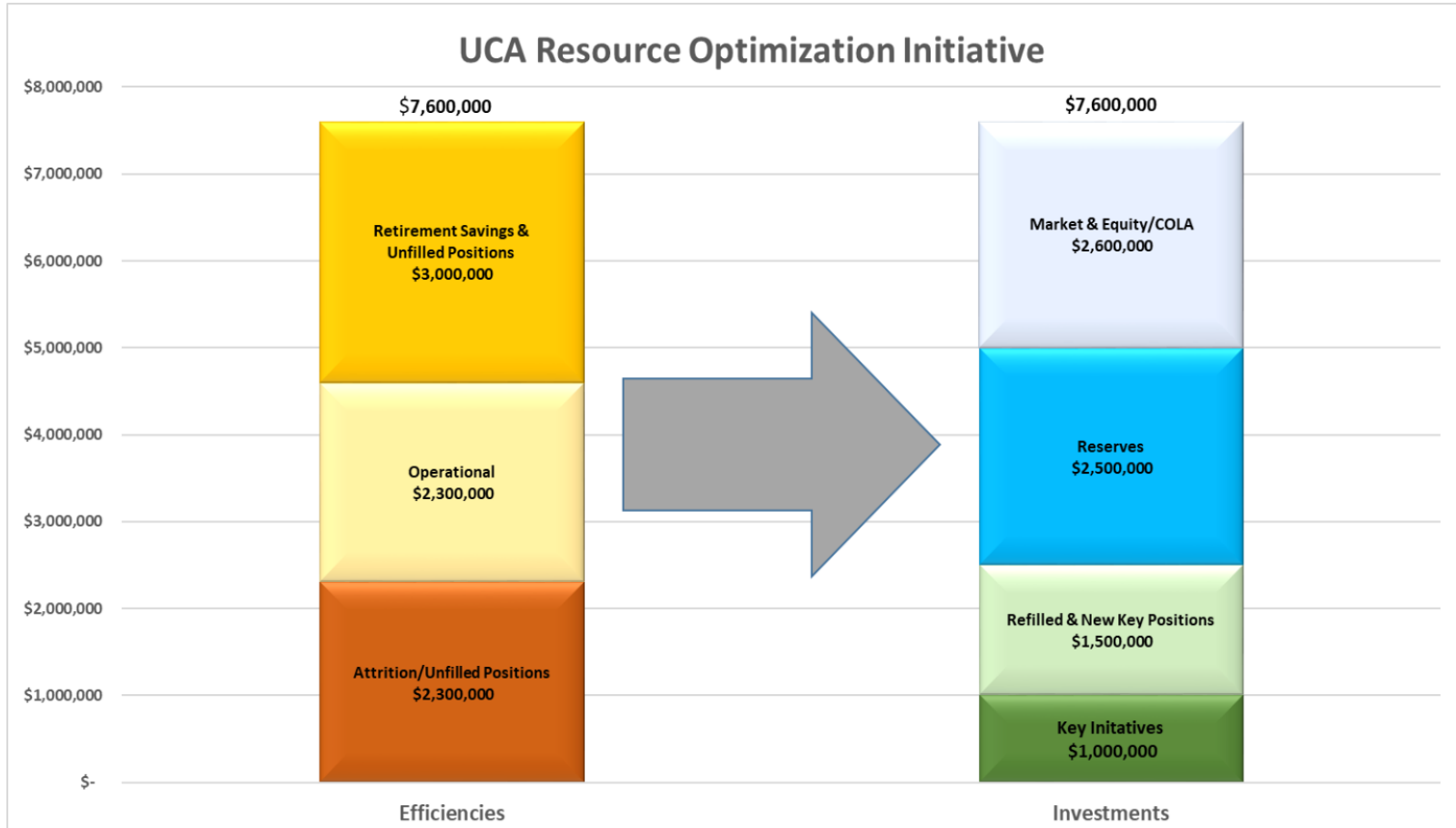
Past Four Yrs, Next Four Yrs, and Next Decade

Public & Private AR HS Grads



Importance of Optimizing Resources

ROI is important to ensure that UCA remains a choice university and positioned to fulfill our mission and thrive during an era of uncertainty for public and private universities and colleges.





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Making Efficient Use of Department Budgets

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- Minimize the Financial Impact to Students

Plan for a Changing Environment

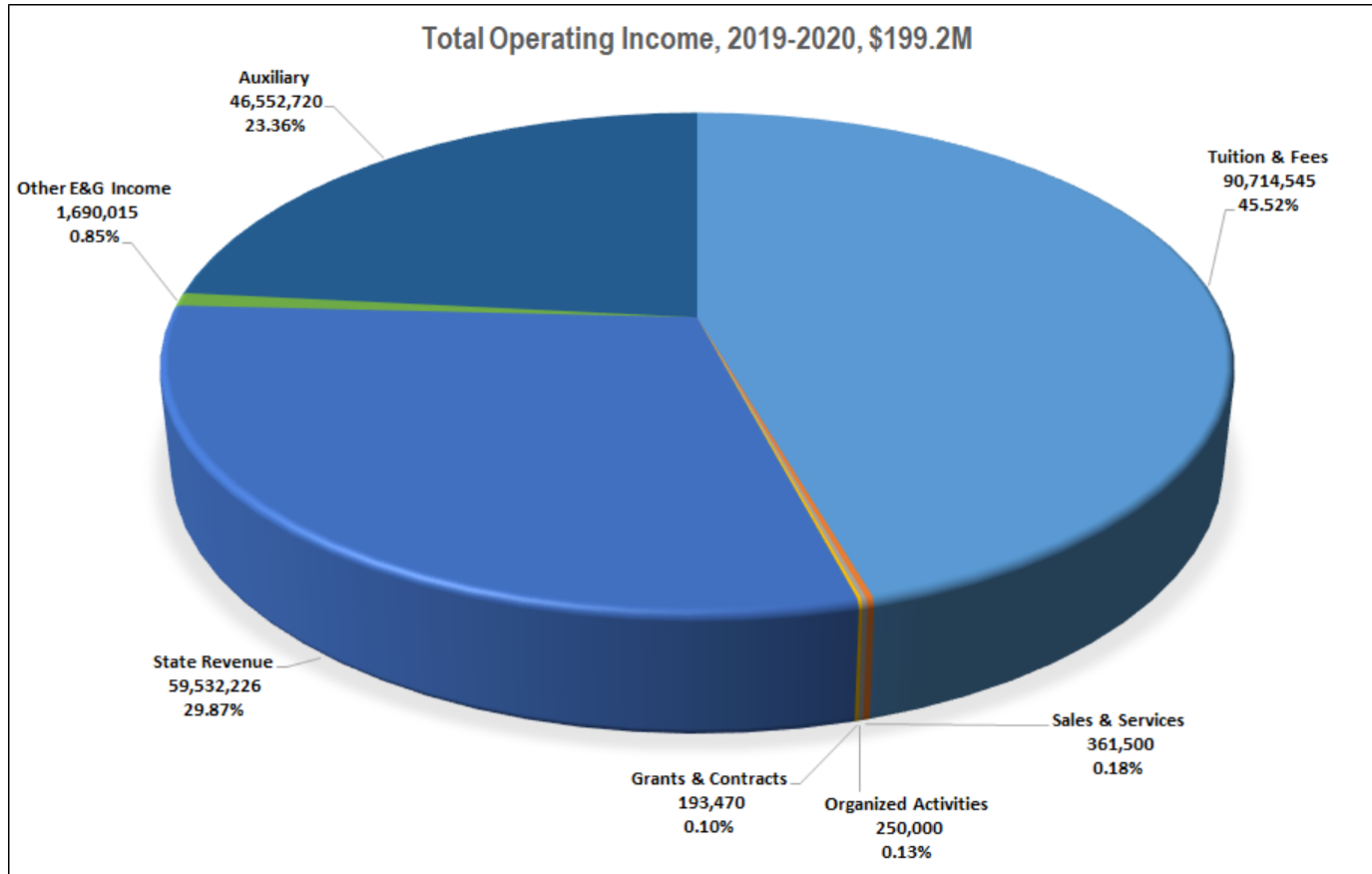
- Assume flat base funding from the state
- Build and maintain appropriate level of reserves
- Acknowledge enrollment projections over the next decade
- Embrace resource optimization (ROI)

FY 21 Budget Process/Timeline

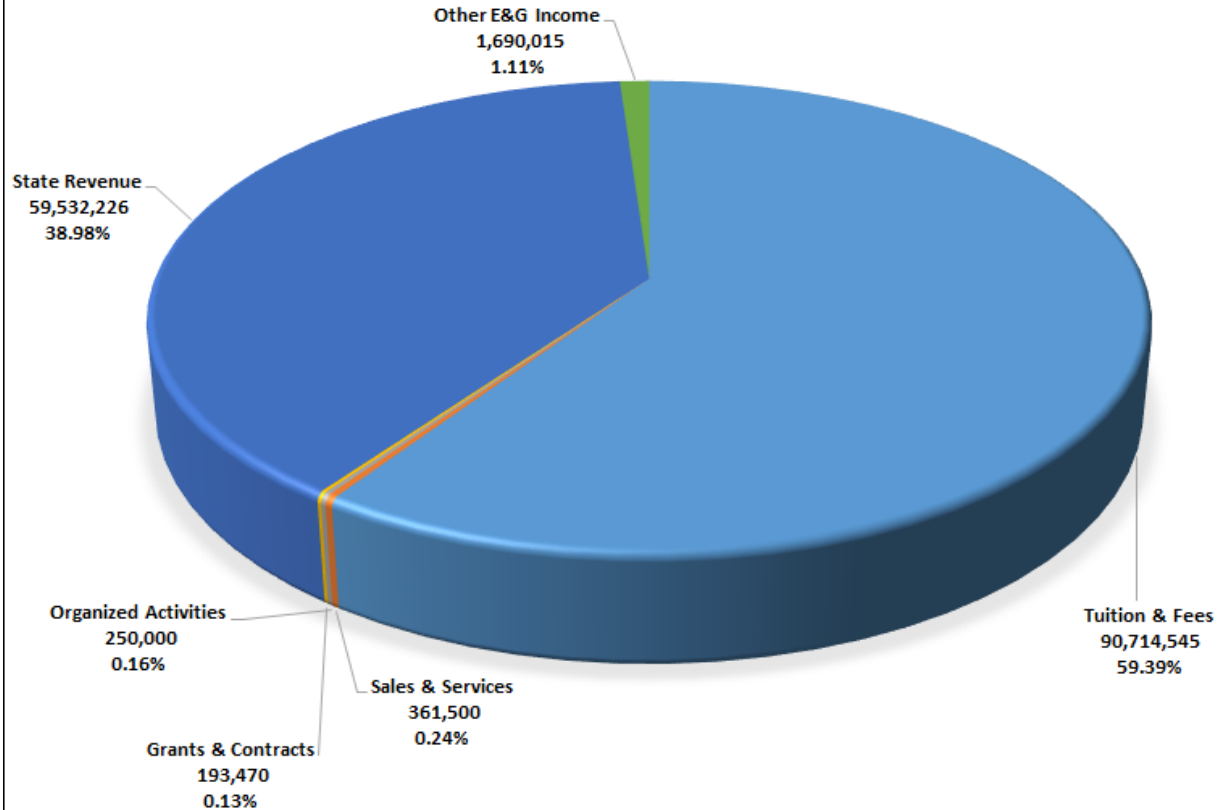
- a) Process will be mostly the same as previous years
- b) Budget forms have been sent out with a due date of Feb. 7
- c) Budget presented at the May 8th Board of Trustees meeting

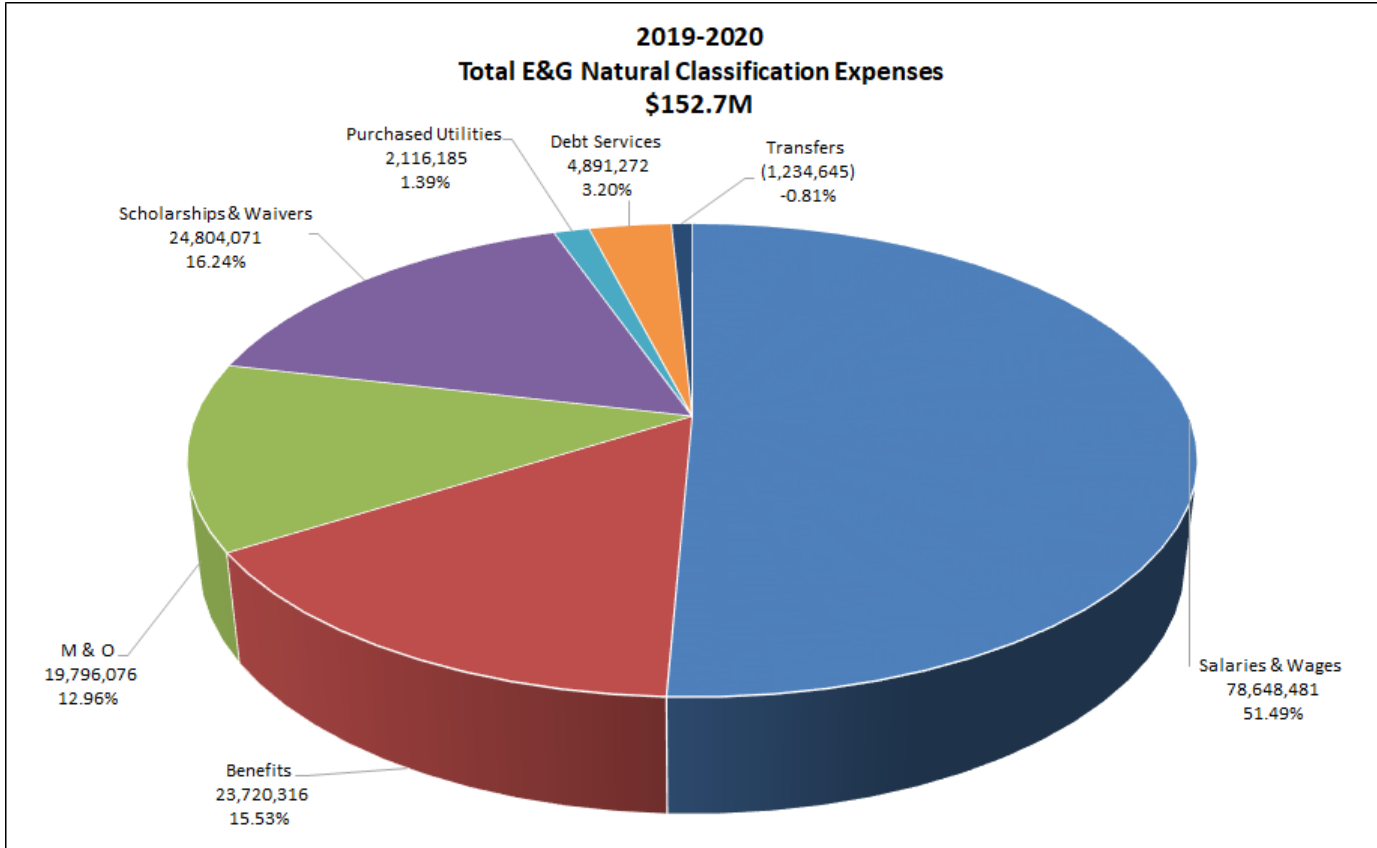
FY 21 and Beyond

- a) Continue to apply ROI (Resource Optimization Initiative)
- b) Move budget preparation from Spring to Fall
- c) Adopt M-RCM (Modified Revenue Centered Mgmt)
- d) Use Anaplan budgeting software

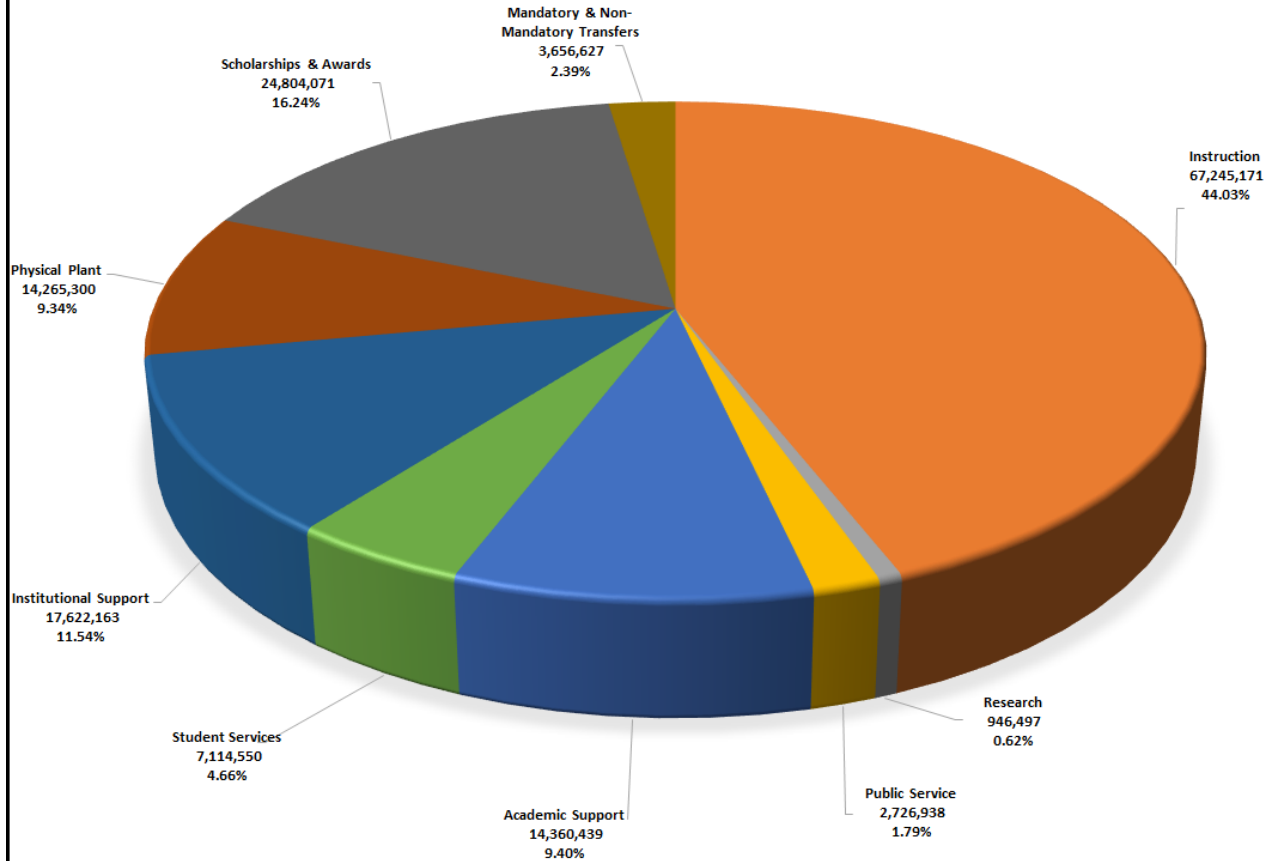


Total E&G Operating Income, 2019-2020, \$152.7M

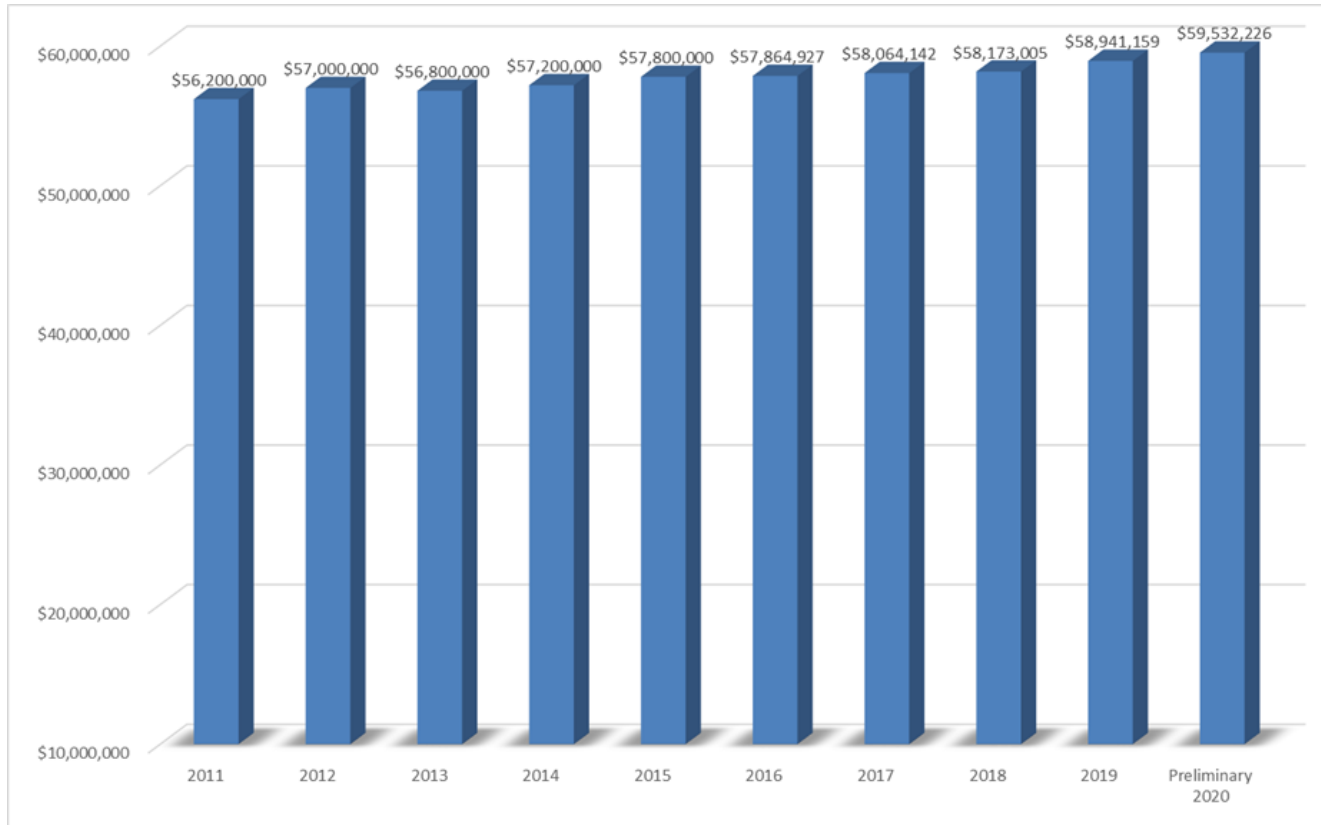




Total E & G Operating Expenses, 2019-2020, \$152.7M



State Appropriations, FY11 - FY20



Annual Full-Time UG Tuition and Mandatory Fees for Four-Year Institutions

Resident

| Institution | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 1 YR Increase | 5 YR Increase | 5 YR Average Increase |
|----------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|-----------------------|
| ASUJ | 8,050 | 8,200 | 8,478 | 8,608 | 8,900 | 3.40% | 10.56% | 2.54% |
| ATU | 7,740 | 8,280 | 8,880 | 9,068 | 9,255 | 2.10% | 19.57% | 4.60% |
| HSU | 7,809 | 8,116 | 8,311 | 8,436 | 8,811 | 4.40% | 12.84% | 3.07% |
| SAUM | 7,896 | 8,181 | 8,346 | 8,676 | 8,980 | 3.50% | 13.73% | 3.27% |
| UAF | 8,521 | 8,819 | 9,062 | 9,129 | 9,385 | 2.80% | 10.14% | 2.45% |
| UAFS | 6,322 | 6,701 | 6,935 | 7,128 | 7,339 | 3.00% | 16.09% | 3.81% |
| UALR | 8,165 | 8,633 | 8,936 | 9,439 | 9,529 | 1.00% | 16.71% | 3.96% |
| UAM | 6,447 | 7,210 | 7,462 | 7,696 | 7,909 | 2.80% | 22.69% | 5.31% |
| UAPB | 6,271 | 6,676 | 7,212 | 7,842 | 8,064 | 2.80% | 28.59% | 6.51% |
| UCA | 7,889 | 8,224 | 8,524 | 8,751 | 9,188 | 5.00% | 16.47% | 3.89% |
| Average | 7,511 | 7,904 | 8,215 | 8,477 | 8,736 | 3.08% | 16.74% | 3.94% |

*Source: ADHE Form 18-1

Cost Evaluation and Responsible Use of Resources

- Use of Data
 - Industry and professional standards in academic and non-academic staffing
 - Departmental structure
 - Scheduling-class size, number of sections
 - Energy costs (cost per sf **down** 6.3% since 2010)
- Technology
 - VOIP (phone system)
 - Webinars vs conference travel
 - Streaming vs cable (housing is saving over \$700K annually)

Cost Evaluation and Responsible Use of Resources

- Use contract services (desktop printers/toner-\$112K in 2019)
- Review purchase and maintenance costs of software
- Review institutional memberships
- Limit UCA provided cell phones (\$164K spent in 2019)
- Evaluate existing furnishings vs new purchases
- Review purchases of promotional items (“swag”)

Submit ideas at uca.edu/roi

Key Takeaways from Today

- ROI is a campus-wide effort for stakeholders to shape the future of the university.
- ROI is a multi-year process by which data-informed decisions are made for the most effective use of existing and expected resources.
- To ensure short-term and long-term vibrancy of the institution, ROI provides a platform for strategic planning and decision making.
- We ask departments and divisions to engage in discussions about their budgets in ways that we have not done in the past.
- Resources are available within Financial Services to assist departments and budget managers.

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Questions