



Drivers of Financial Planning: Taking Care of People

March 12, 2020 | 1:40-2:30 pm | College of Business Auditorium

What is ROI?

The Resource Optimization Initiative (ROI) is an ongoing, data-informed, campus-wide effort to optimize the UCA budget in the face of unpredictable enrollment trends and limited state funding. Now in its third year of operation, ROI allows UCA to identify and align existing internal resources to support student success, invest in strategic initiatives, build financial reserves, and retain employees at a competitive market salary.

Session Focus

Today's session will focus on the importance of sound financial planning and reallocation of resources to address the goal that our university remain competitive in market salaries and develop a multi-year strategy to maintain those compensation levels.

Why is this important?

- 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.
- Our greatest assets are our talented faculty and staff. We must work to retain our talent and – despite challenging futures to higher education enrollment generally – must make the redirection of existing funds to our pay structure a priority.
- For at least three consecutive years, our Faculty Senate and Staff Senate -- through their salary committee work and reports -- have made compensation and competitive salaries an operational and planning priority.

How are we addressing this issue?

- Beginning in 2018, the university transformed the existing salary analyses into a more comprehensive, systematic process with faculty, non-classified, and classified information included.
- The offices of the Provost, Institutional Research, and Human Resources are collaborating. The state's classified pay plan is also included in determining salary gaps.
- Overall compensation and benefit packages are being preserved with annual views toward methods to enhance and improve.
- The ROI project in FY20 and FY21 is focused on shifting \$2.6 million of existing budget to the salary pool and \$2.5 million to build upon reserves to improve the outlook for future cost of living considerations beyond FY21.



RESOURCE OPTIMIZATION INITIATIVE

Key Takeaways

- ROI is critically important to budgeting responsibly, preserving jobs, retaining employees, and achieving market salaries.
- Competitive salaries and compensation considerations are the driving reasons that ROI has set targets for existing funds to be reallocated over the next two budget cycles.
- Building upon budget reserves not only protects against uncertain enrollment cycles but also positions us to think across several budget cycles about what UCA can do proactively regardless of the state's funding outlook.