

Cascaded Plan – Waypoint 1

July 1, 2016 – June 30, 2019

**Unit Name (e.g College, VP Area etc): Division of Finance - Vice President for Finance**

The strategic plan for the Division of Finance focuses on several key themes over the next nine years. The Division has developed 5 core themes that will guide our work through 2025. These themes are a culture of compliance, a culture of operational excellence, a culture of faculty and staff support, a culture of fiscal responsibility, and a culture of student success.

Culture of Compliance: Higher education has entered an era of rapidly increasing regulatory activity at both the federal and the state level. That increase will require significant cultural change to adapt to ever-growing demands for accountability from policy makers, regulators, and the public. Building a compliance process and a culture that encourages working with regulators is a principle goal for the Division.

Culture of Operational Excellence: To survive in an era of reduced state funding, diminishing endowment returns, and economic uncertainty, the institution must run its operations more efficiently. Cost savings must be accomplished without affecting our core mission of delivering a quality education and conducting pioneering research. Whether it involves streamlining or standardizing, achieving operational excellence is a continuous process that requires creating sponsors throughout the organization, countering resistance to change, and tracking events to ensure that the changes stay on course.

Culture of Faculty and Staff Support: Faculty and staff hires are a huge investment by the institution. Their expertise and knowledge is a tremendous asset as we seek to adapt the institution and expand and extend knowledge. We will support innovative activities, teamwork approaches, interdisciplinary programs, and outreach. Through appropriate compensation systems, evaluation and feedback tools, and professional development, we will recruit, retain, and develop highly qualified employees.

Culture of Fiscal Responsibility: The institution faces a challenging fiscal environment, and sound fiscal responsibility will be required to make the most effective use of finite resources. Fiscal responsibility requires the institution to view financial management and operational planning as complementary strategies in pursuit of the institutional mission and goals.

Culture of Student Success: Student recruiting and retention are a top priority, particularly in light of the current economic climate. The benefits of even small increases in recruiting and retention include enhanced reputation, lower support costs, and the protection of tuition revenue. We will support approaches that make a difference in the lives of our students.

Long term institutional metrics (page 6 of university strategic plan) that will be addressed and unit contribution towards those institutional metrics (indicate those utilized, leave others blank – do NOT add unique unit specific metrics):

University Performance Measure	Focus for unit? (Y or N)	University Baseline	Unit Baseline	Unit Target for 2025	Summary Tactics / Comments
Terminal Degrees	N	275			
Societal Impact (Go On measure)	N	TBD			By creating and supporting systems that attract and support students, we can contribute to enrollment growth. The revenue derived from such growth can be plowed back into university operations to create even more attractive opportunities for new students.
Enrollments	Y	11,372			The market-based compensation initiative has the potential to cut across virtually every area of the institution. By positioning the university to be more competitive at recruiting and retaining highly qualified faculty and staff, we will increase the resources available to those offices charged most directly with recruiting and retaining students. While the impact is clearly indirect, it provides a direct investment in enrollment management.
Equity Metric	N	75%			
“Great Colleges” Survey	Y	3 <sup>rd</sup> Group			As mentioned above, the market-based compensation initiative will touch virtually every employee and unit. By transforming UI into an employer of choice in our competitive region, we hope to see a direct increase in both faculty and staff morale.

*Waypoint 1 goal(s) and objective(s), institutional metric (from page 6) and tactics (short narrative description):*

The next three years will focus heavily on streamlining administrative processes (HR, for example), developing market-based compensation tools for both faculty and staff, and considering alternate ways to deliver the administrative services that are critical to the efficient operation of the institution. Many elements of the Banner administrative system will also be reviewed and modified as necessary. Systems being considered include the overall chart of accounts, student accounts, standardized financial reporting, and position control. We will also consider new, innovative, and more efficient ways to deliver services such as accounting, financial transaction processing, and human resource support. We will also partner with the Division of Infrastructure to consider the most efficient delivery of facilities management services and information technology services.

The first major initiative is already well underway, and is the move to market-based compensation for both faculty and staff at the institution. VP Finance and the Executive Director have been working with the staff compensation task force, and have completed a first round of 14 information-sharing and feedback sessions. The work of gathering market data has already begun, and we hope to have a tool in place for the CEC cycle that begins in the spring of 2017. Faculty work also recently began with the formation of a faculty compensation task force. We anticipate that, based on availability of funding, the move to market-competitive salaries will take 3-5 years.

The second major initiative is the revamp of the Banner chart of accounts. This is a gateway project that will also pave the way for the creation of a position control system. The goal of the chart of accounts project is to configure the administrative system such that a consistent and standard minimum level of financial management expertise and information is within reach of every manager at the University of Idaho. This will require a chart of accounts that is designed to report financial data at the fund level, and not at the organization level. This project is slated for completion in July 2018.

The final major initiative is the consideration of shared service centers across many areas of the institution. University of Idaho relies on a highly distributed model for the delivery of services from affirmative action coordination to information technology to custodial support. Because many different organizational units within the University employ people doing similar jobs, there are tremendous opportunities to explore the efficiency and effectiveness of centralized services. This initiative could also contribute significantly to the internal equity element of the market-based compensation initiative.

#### Culture of Compliance

- **Spread Pay Transition:** To support the goal of improving the efficiency of systems and processes, the Division of Finance will continue to work with the Office of the Provost to remove barriers that discourage employees to transition from spread pay to standard pay. Reducing the volume of spread pay records will reduce the administrative effort required to manage this payroll option and will support the goal of optimizing the standardization of systems and related business processes.
- **Bond Post-Issuance Compliance:** Division of Finance will coordinate with other Divisions on the creation and implementation of policies and procedures to improve compliance with tax and other regulations related to outstanding bond issues. Compliance relies on coordination of a broad cross-section of departments across campus, which will be managed by establishing clear roles and responsibilities, education, and accountability.

#### Culture of Operational Excellence

- **Chart of Accounts Restructure and Standardized Reporting:** Division of Finance will redesign the UI Chart of Accounts to better reflect current operational and reporting needs. The goal of the redesign is to optimize the baseline functionality of the current ERP (Banner Finance), which will better support the delivery of standardized reporting across colleges and divisions for improved data for decision-making.

- **Travel System Replacement:** Division of Finance will seek a travel software solution to replace the current custom-built system. The current travel system is built on outdated technology and is highly dependent on internal resources to maintain. With the significant level of resources spent on travel and travel management within UI, a more reliable vendor-based solution will streamline processes, improve compliance with University policies and external regulations, and enable opportunities to better manage total travel spending.
- **Streamlined Processes, Policies and Procedures:** Division of Finance will work with colleges and divisions across campus to identify and implement needed improvements to processes, policies and procedures. Division of Finance will research best practices from other institutions as well as the knowledge and ideas of the campus community in order to ensure that existing or new processes, policies and procedures balance the importance of compliance with the need for efficiency.
- **Optimize Standardization of ERP System and Related Business Processes:** Division of Finance will review the Finance and Student Accounts applications within the Banner ERP to identify opportunities to utilize baseline functionality to replace system customizations. The goal will be to reduce dependency on internal ITS resources to manage customized processes, create opportunities to adopt best practices employed by other Banner institutions, and ultimately streamline business processes and improve efficiency of staff.
- **Shared Services Center:** Division of Finance will lead the study, design and implementation of a shared service center structure to consolidate financial services from across the University. Shared services will deliver highly trained, consistent and accurate professional services to UI colleges and divisions. The goal will be to improve transactional processing while also focusing on standards for processing, internal controls through segregation of duties, and improving the quality of institutional data to allow colleges and divisions to rebalance work for the improvement of services to faculty and students.

## Culture of Faculty and Staff Support

- **Market Based Compensation:** Design and implement a staff compensation system based on average salary data contained in market data from the Bureau of Labor Statistics (BLS) and the College and University Professional Association (CUPA). The system will include adding value for employees which considers previous experience related to the UI position, time-in-service, time-in-position, education, merit, and other characteristics. Using the market data and the additional characteristics, we will be able to calculate more equitable salary distribution among staff employees.
- **Expand Market Based Compensation:** Assist the Provost and faculty in the development of a salary administration system for faculty based on market data.
- **Performance Management:** Work with staff employees and supervisors to create a user-friendly and meaningful approach to performance management. Anticipated issues to address include creating a performance management philosophy, simplified and consistent annual evaluation forms/processes, and supervisory training and support towards employee development:
  - **Philosophy:** Performance management should be part of the culture of UI. Feedback regarding performance and development efforts should be on-going and offered throughout employment; not just a report once each year.
  - **Forms/Processes:** Design forms and processes to fit within the philosophy. Create forms/processes that are easy to use and provide meaningful information for the employee and the institution.
  - **Supervisory Training:** Provide training and development opportunities for supervisors to understand UI philosophy and processes.

## Culture of Fiscal Responsibility

- **Debt Capacity Analysis and Debt Policy:** Division of Finance will conduct an analysis of the University's debt capacity and develop a debt policy to guide University decisions related to existing and future debt obligations. The University's use of debt plays a critical role in ensuring adequate and cost effective funding for the capital plan. By linking the objectives of its Debt Policy to its strategic objectives, the University ultimately increases the likelihood of achieving its mission.
- **Centralized Resource Management:** In coordination with the Institutional Planning and Effectiveness Committee, utilize the outcomes of the Program Prioritization process to better inform funding decisions.  
Goal: identify and intentionally and effectively manage resources to support all elements of the strategic plan
  - Include quintile information with the University Budget and Finance Committee budget recommendations to ensure that both one-time and permanent funding is being allocated appropriately
  - Implement a central control process for General Education position funding:
    - Use quintile and market-based compensation information when making position funding decisions
    - Detailed funding plan by quintile to be determined by the Institutional Planning and Effectiveness Committee
- **Incentive Based Funding Model:** In coordination with the Institutional Planning and Effectiveness Committee, develop an outcomes based incentive funding model for academic units.  
Goal: motivate behaviors which support institutional goals related to increasing our educational impact as identified in the strategic plan (increased retention, numbers of graduates)
  - Identify funding sources, including base reduction of some percentage, allocation of State Board of Education Outcomes Based Funding (OBF) resources, and other.
    - Develop funding model that is outcomes based (i.e. degrees generated) and internally developed. The final model should mirror State Board of Education OBF model to eliminate the need for Institutional Effectiveness and Accreditation Office to maintain two similar data sets. Implement FY2018 with the first allocation occurring late Spring, 2018 based on FY2018 performance.

## Culture of Student Success

- Cultivate a culture of student success that will enhance new student recruitment and retention of students that are currently enrolled. Auxiliary Services will align organizationally with current national and state structures. This will involve a reorganization of Auxiliary Services to provide services that impact and support students outside of the classroom into a single department. Included will be the assessment of current operations and contracts to ensure the University of Idaho and the students are receiving the best and most up-to-date services available in accordance with best practices nationally. Specific tactics include:
  - Assess and compare Auxiliary Services with national and state organizational structures
  - Assess and evaluate current contracts to ensure the contractors support the strategic plan by providing goods and services that are beneficial to the student experience
  - Develop a plan for a consolidated Student Services Center to include housing, dining, campus card and parking to enhance the student experience and provide one stop service
  - Review current Auxiliary Services policies, procedures and processes to ensure they are aligned with the University and provide the appropriate and up-to-date guidelines to provide excellent student service
  - Assess current technology hardware and software to ensure they are up-to-date and adequate to support the needs of the students and enhance the student experience

*First Waypoint Metric Targets for Unit*

Initiative Number	Selected Performance Measure (from Page 6 of university strategic plan)	Unit Baseline Value	July 2017	July 2018	July 2019	Comments
Market Comp	Great Colleges					
Perf Mgmt	Great Colleges					
IB Budgets	Enrollment					
Aux Realign	Enrollment					