

# Decision-making and UVU Budget Process

UVSELF

NOVEMBER 11, 2020

# Agenda for the Afternoon

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DECISION-MAKING



PLANNING &  
BUDGETING



SIMULATION



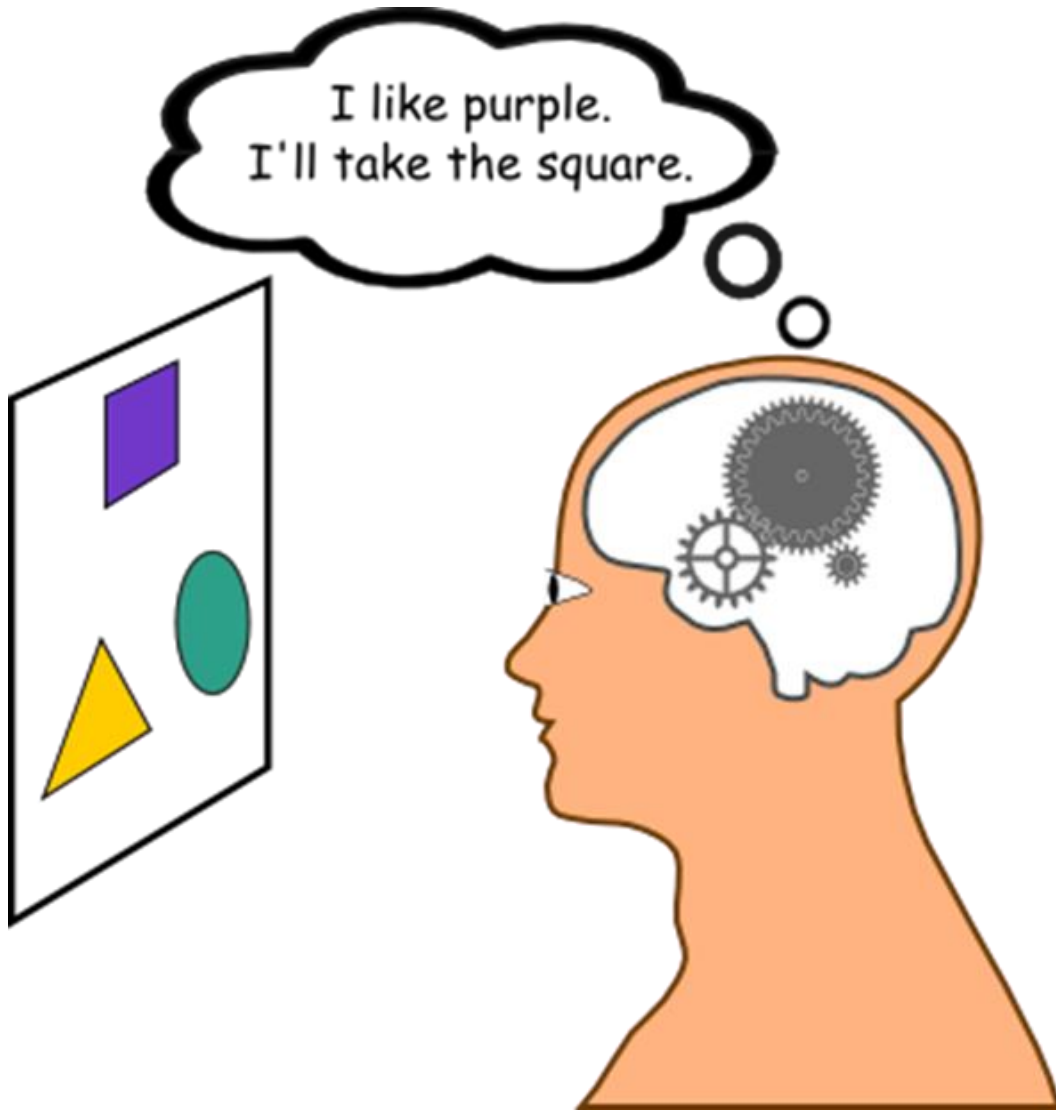
# Decision Making

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# What is Decision Making?

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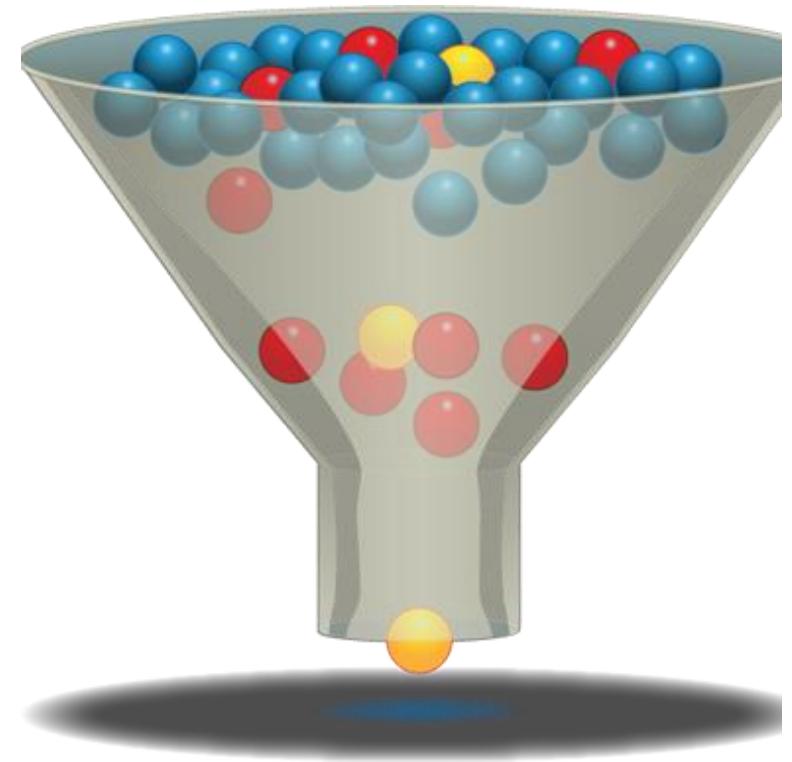
Identifying and choosing alternatives based on the values and preferences of the decision maker



# What is Decision Making?

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The process of sufficiently reducing uncertainty and doubt about alternatives to allow a reasonable choice to be made from among them.



# Gather information to *reduce* uncertainty

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Data-less decision making

# Decision-Making by Anecdote

Kat Brown

	We like it	We don't like it
We do it	It's a best practice!	They're forcing ridiculous bureaucracy down our throats!
We don't do it	This place is so messed up. We can't do anything right!	We're so smart to avoid bad practices!



# Decision Environment

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Collection of information, alternatives, values and preferences at the time of the decision

Information and alternatives are constrained by time and effort



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# Decision Environment

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## Benefits of Delaying

- Environment will be larger providing more information
- Time for more thoughtful and extended analysis
- New alternatives might be recognized/created
- Preferences might change

## Risks of Delaying

- Too much information could lead to poorer decision or decision paralysis
- Some alternatives become unavailable
- May lose your advantage—seize the day

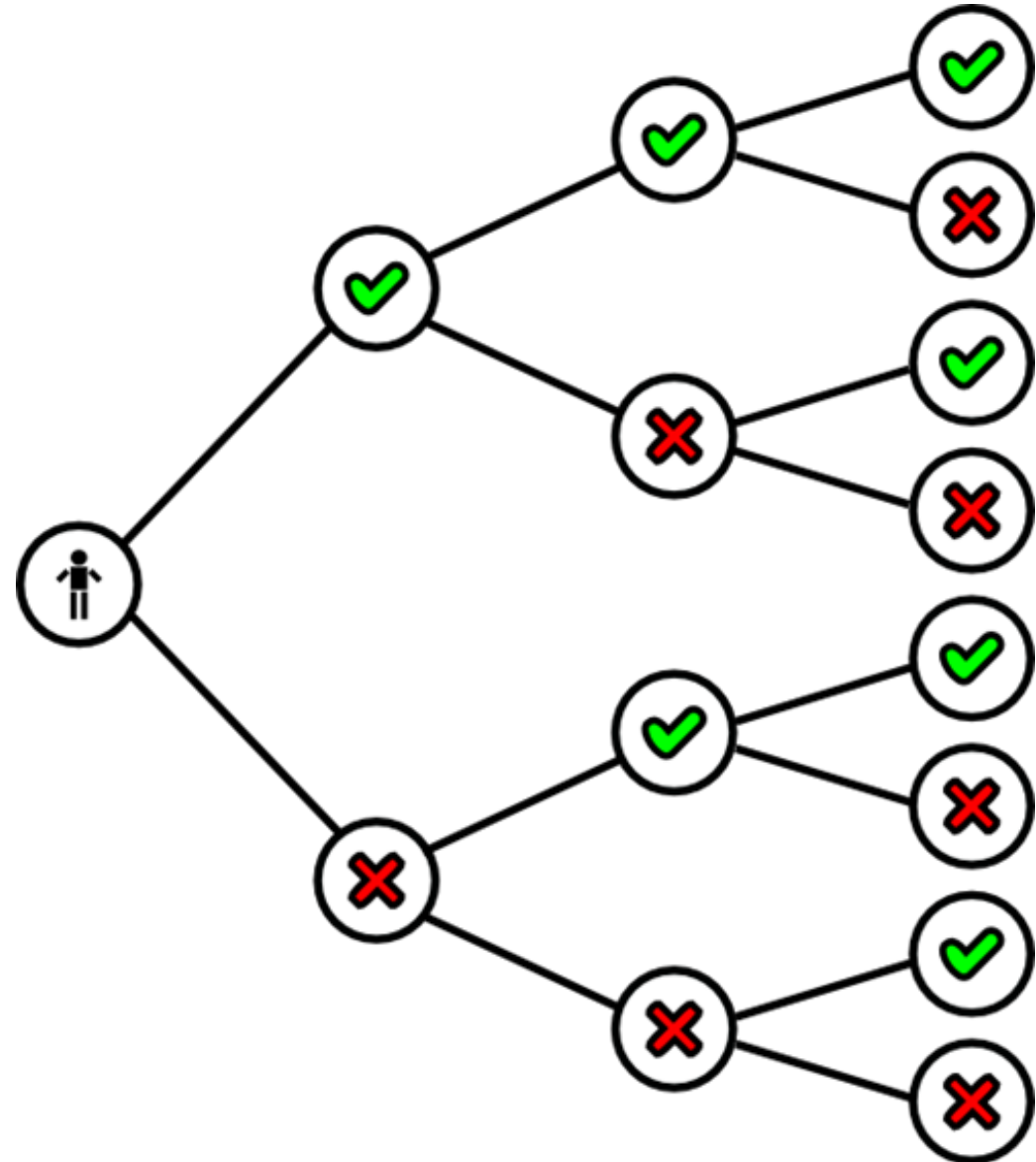


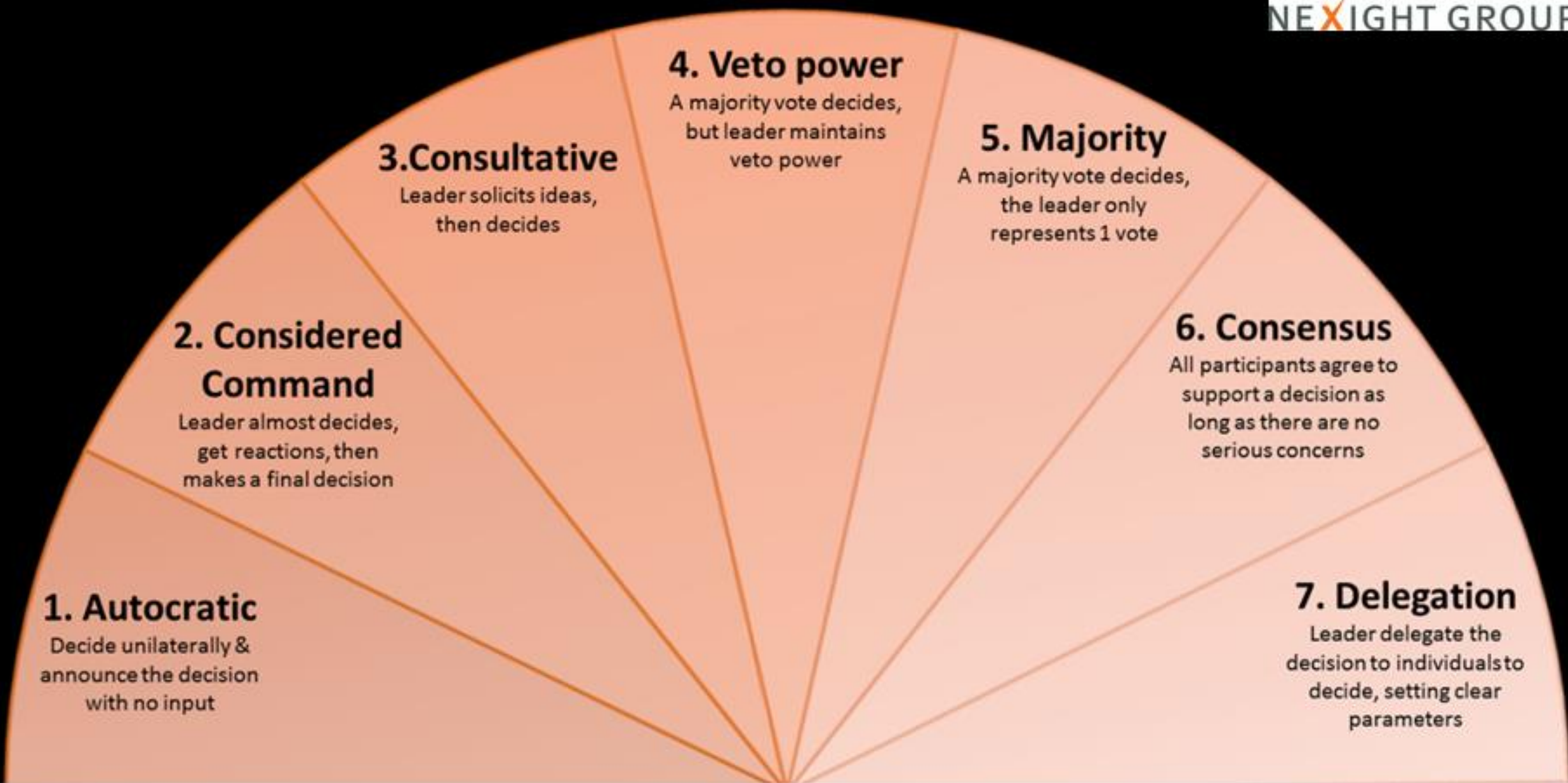
# Decision Streams

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Every decision

- follows previous decisions
- enables many future decisions
- prevents other future decisions





Leader decides

Participants decide

# Planning and Budgeting



**Are we clear and focused  
about what we want?**

**Most choices are about  
our commitments.**

**--Dave Ulrich**

# MISSION STATEMENT

Utah Valley University is an integrated university and community college that educates every student for success in work and life through excellence in engaged teaching, services, and scholarship.





# VISION 2030



A 10-year vision outlining how UVU's integrated dual mission will meet the higher education and workforce needs of Utah County, UVU's service region, and the state of Utah

**STRATEGY #1 – Enhance student success and accelerate completion of meaningful credentials**

**STRATEGY #2 – Improve accessibility, flexibility, and affordability for all current and future UVU students**


**STRATEGY #3 – Strengthen partnerships for community, workforce, and economic development**





# Budget Philosophy

A budget is a map, expressed in financial terms, guiding an institution on a journey as it carries out its mission.



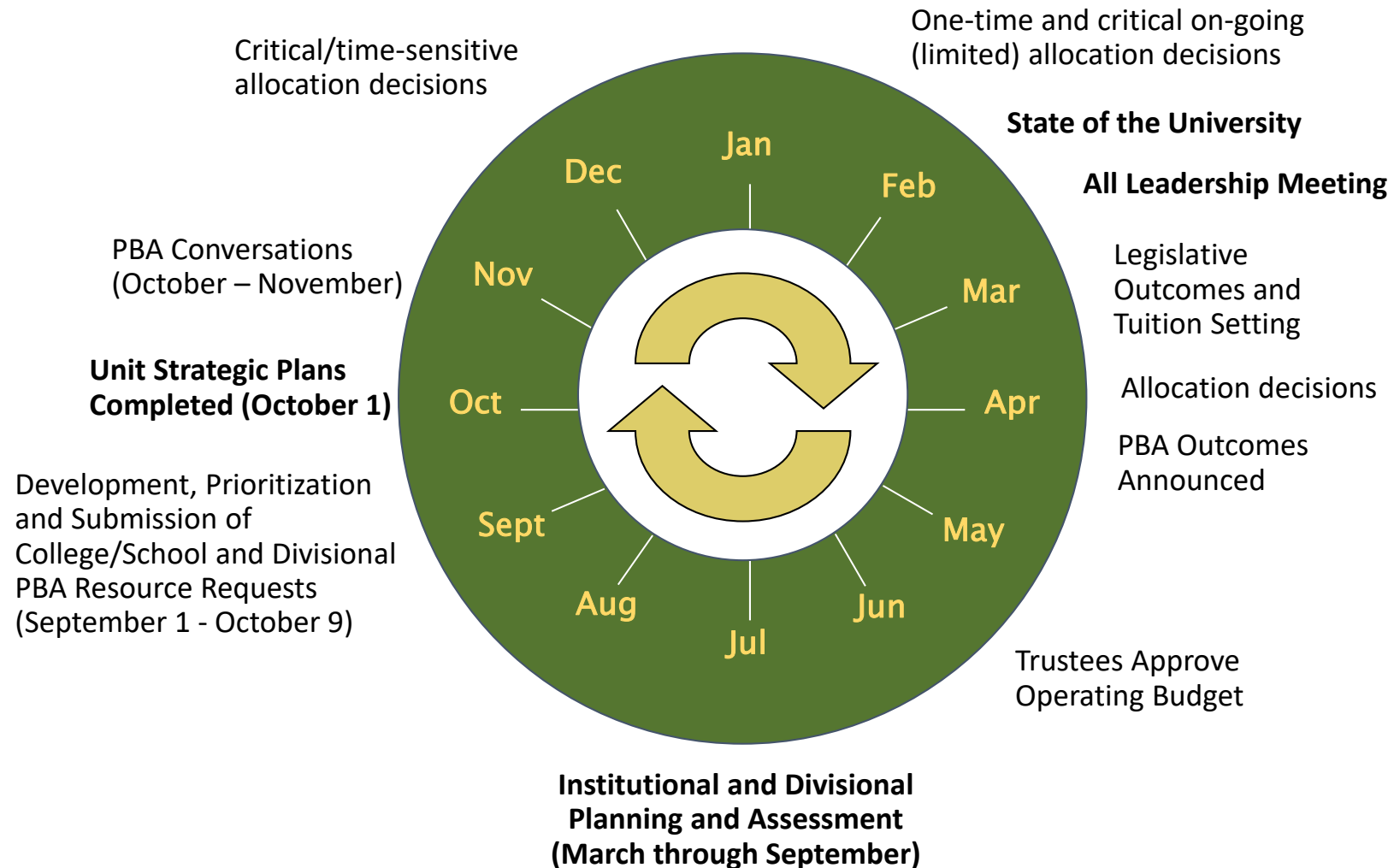
# Planning, Budgeting & Assessment

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**“Effective institutions integrate resource allocation with planning and assessment.** Plans determine what will be done, while budgets dictate the level of resources to be deployed in executing the plans.”

Not every decision will easily flow from the plans, but the absence of plans will make each decision a struggle.

# 2020-21 Planning, Budget & Assessment (PBA) Cycle



# UVU's Planning, Budget, and Assessment Process



Focuses planning on UVU's **mission, action commitments, and objectives**



Integrates and aligns resource allocation with planning and assessment at levels of the university



Enhances **communication and coordination** across the University



Promotes **accountability** for existing and new resources



Provides engagement opportunities in planning, assessment, and budget request processes across the university



Presents budget requests, priorities, and decisions transparently through conversations and public website

# Factors Affecting the Budget Process

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Institutional Character

Involvement

Openness of the Process

Decision-making Authority



“No one budgeting model is sufficient to meet the changing financial landscape and shifting needs of higher education.”

# Approaches to Budgeting

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Incremental Budgeting

Zero-based Budgeting

Planning, Programming & Budgeting Systems

Performance-Based Budgeting

Formula Budgeting

Responsibility Center Budgeting

Initiative Based Budgeting

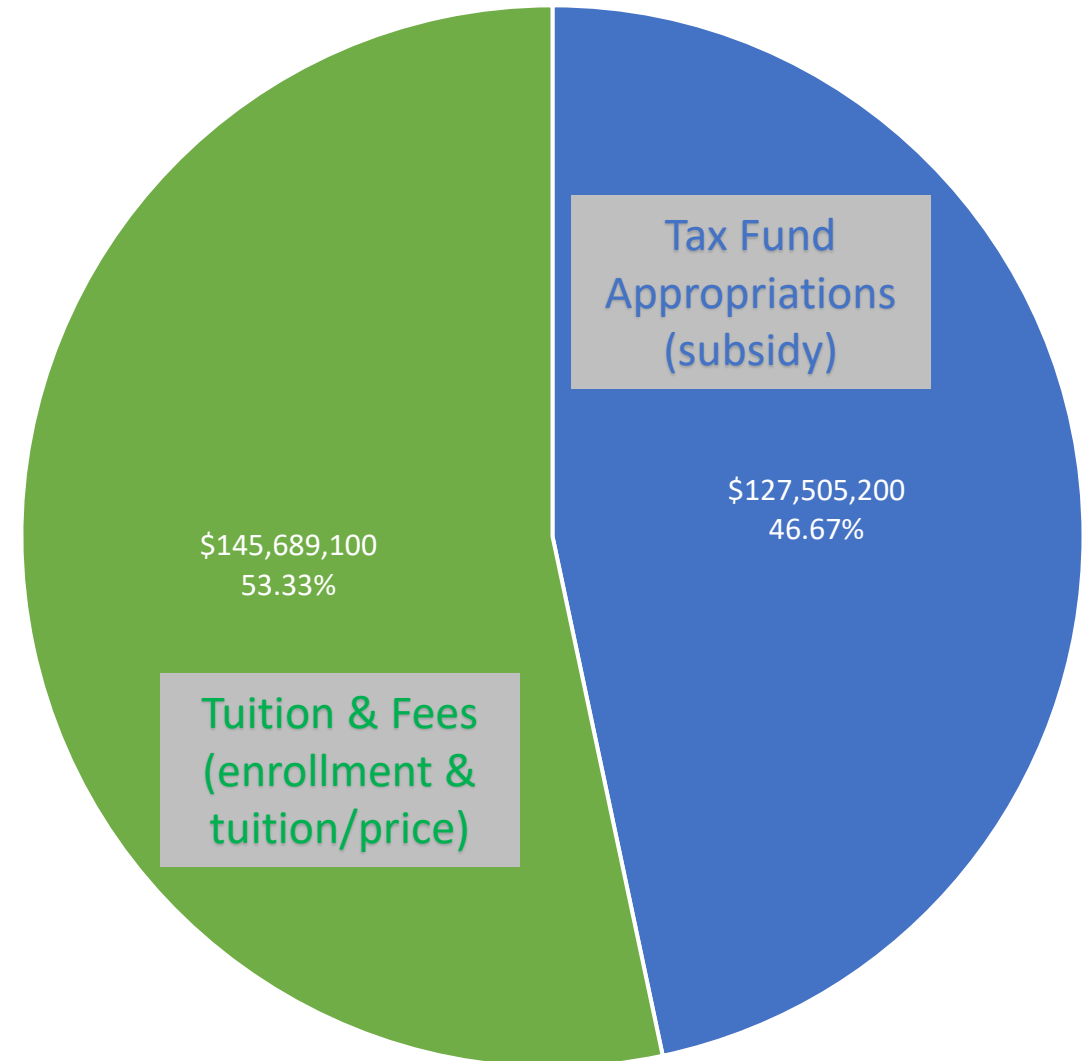
# APPROPRIATED, OPERATING REVENUE

- Tuition (students)
- Tax Funds (taxpayers)



# UVU's Operating Revenue

2020-21 Education & General Revenue Budget  
\$273,194,300





# TAX FUNDS

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## State Tax Revenues

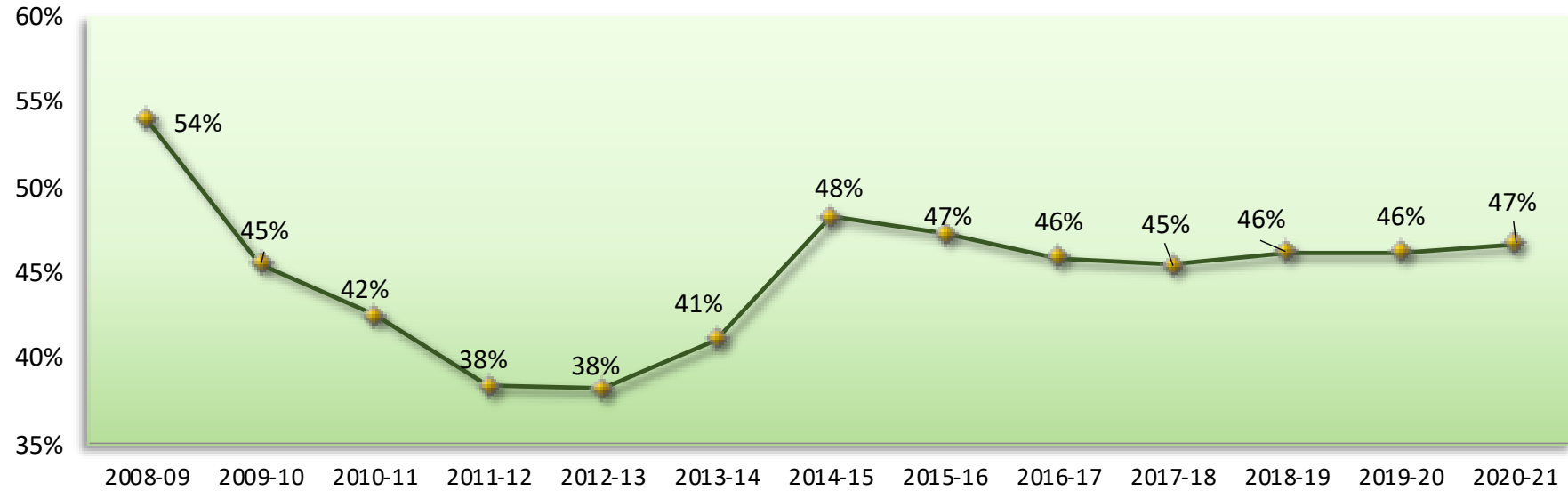
- Education Funds (income tax)
- General Fund (sales tax)

Annual Legislative appropriation determines level of tax fund support

- No “WPU” equivalent for higher education

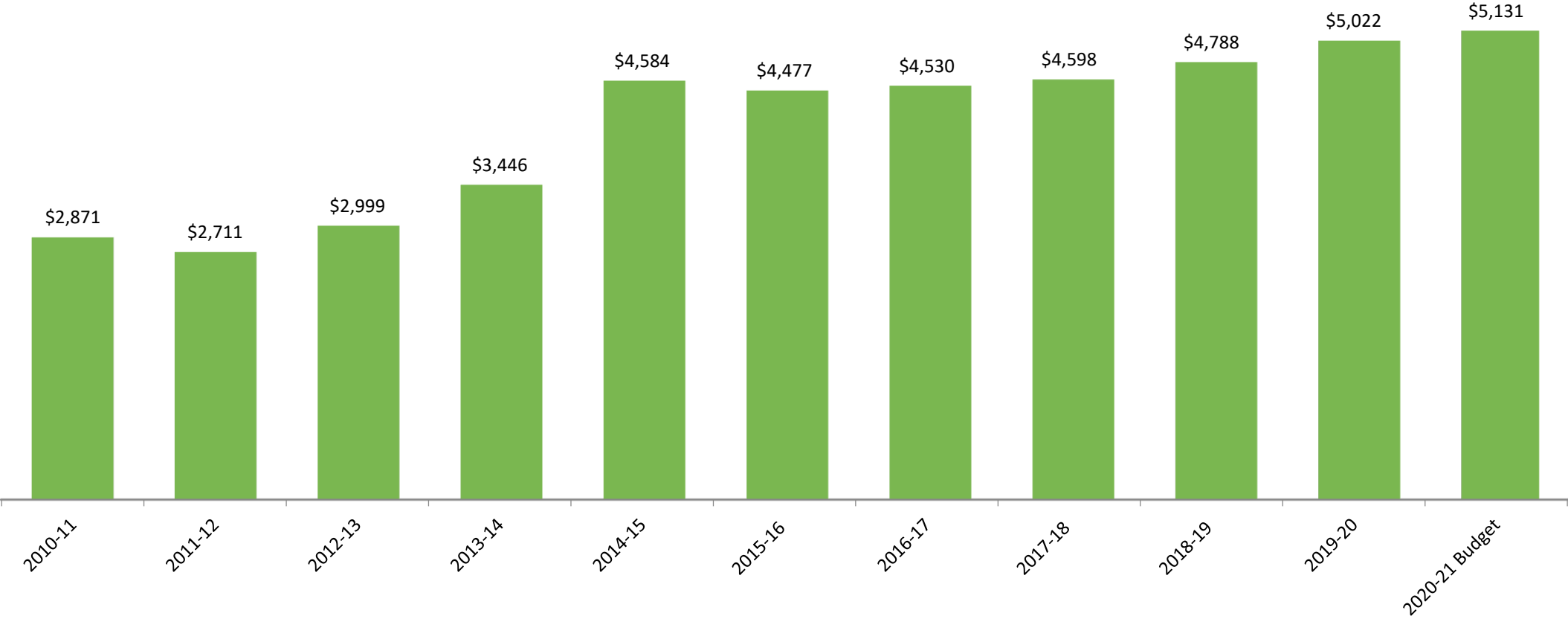


## Tax Funds Portion of Appropriated Revenue

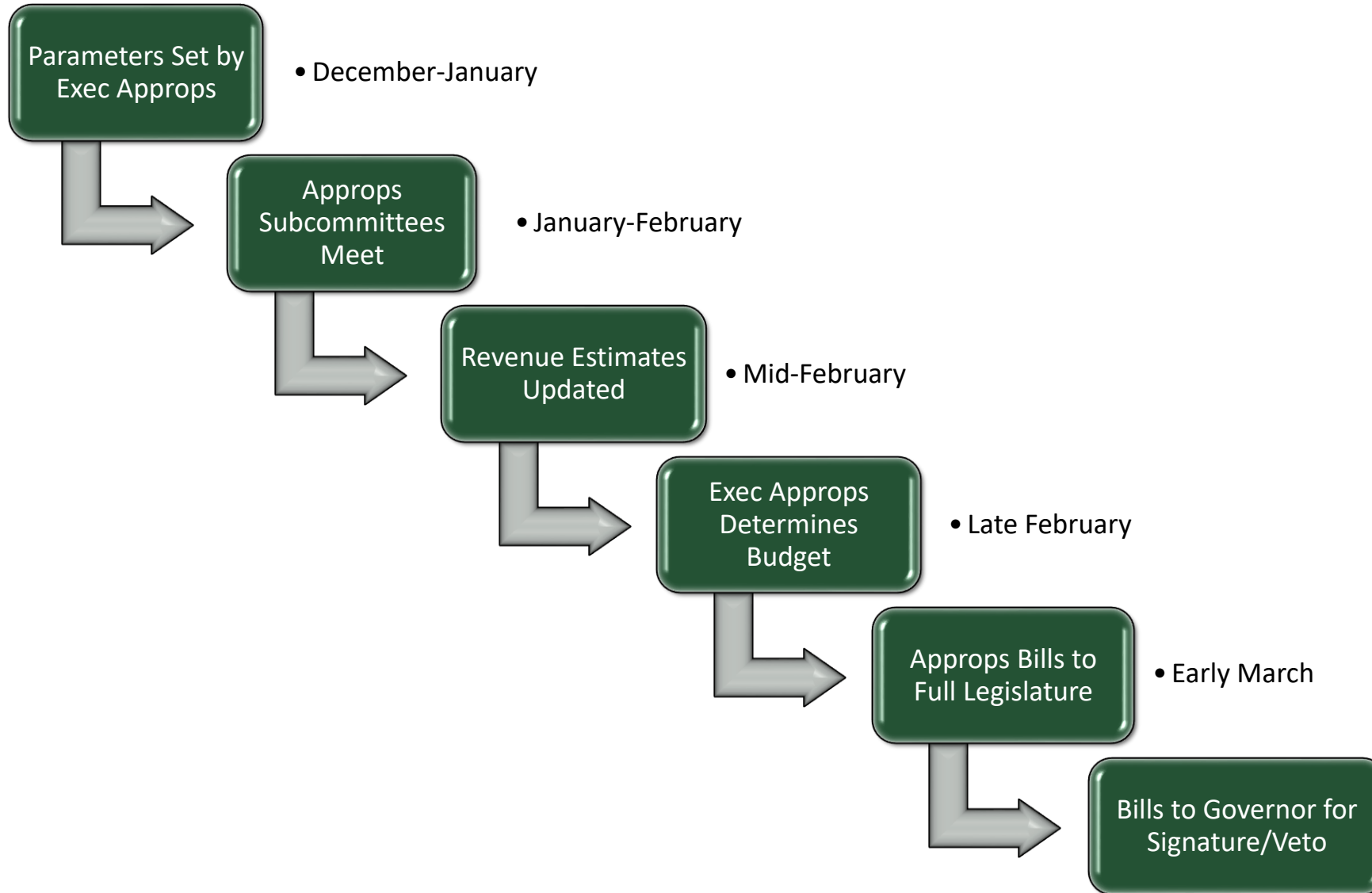


# UVU Tax Funds History

**Tax Funds Per Student FTE  
2010-11 through 2020-21**



# Legislative Budget Process



# UVU's FY22 Budget Request

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Mandatory Cost—Risk Management Rate Increase	\$70,516
Faculty Rank/Tenure Promotion	\$322,000
Performance Based	
Retention and Completion Analytics and Interventions	\$990,600
Flexible Educational Offerings for Timely Completion	\$838,200
Digital Transformation	\$672,500
Computer, Engineering, and Technology Program Expansion	\$752,000
School Counseling Program	\$312,500
Growth--Faculty and Instructional/Student Support Staff for High Demand, High Growth Programs	\$2,965,000
<b>Total Funds Requested</b>	<b>\$6,923,116</b>

# Tuition Revenue

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Function of

- volume (students) *times*
- price (tuition rate) *less*
- waivers (university-funded scholarships)

Tuition rates established annually by Utah Board of Higher Education



# Tuition & General Student Fees

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## Recommended by individual institutions

General Student Fee Board  
Truth in Tuition & General Student  
Fee Hearing (early March)  
President's Council  
Board of Trustees



## Purposes

To match legislative funding for  
compensation and other mandatory  
costs (risk management)  
As an offset for a reduction in  
student fees  
To increase revenue for specific  
institutional needs



## Reviewed and Approved by Utah Board of Higher Education

# Factors in Tuition Setting

Level of tax fund support

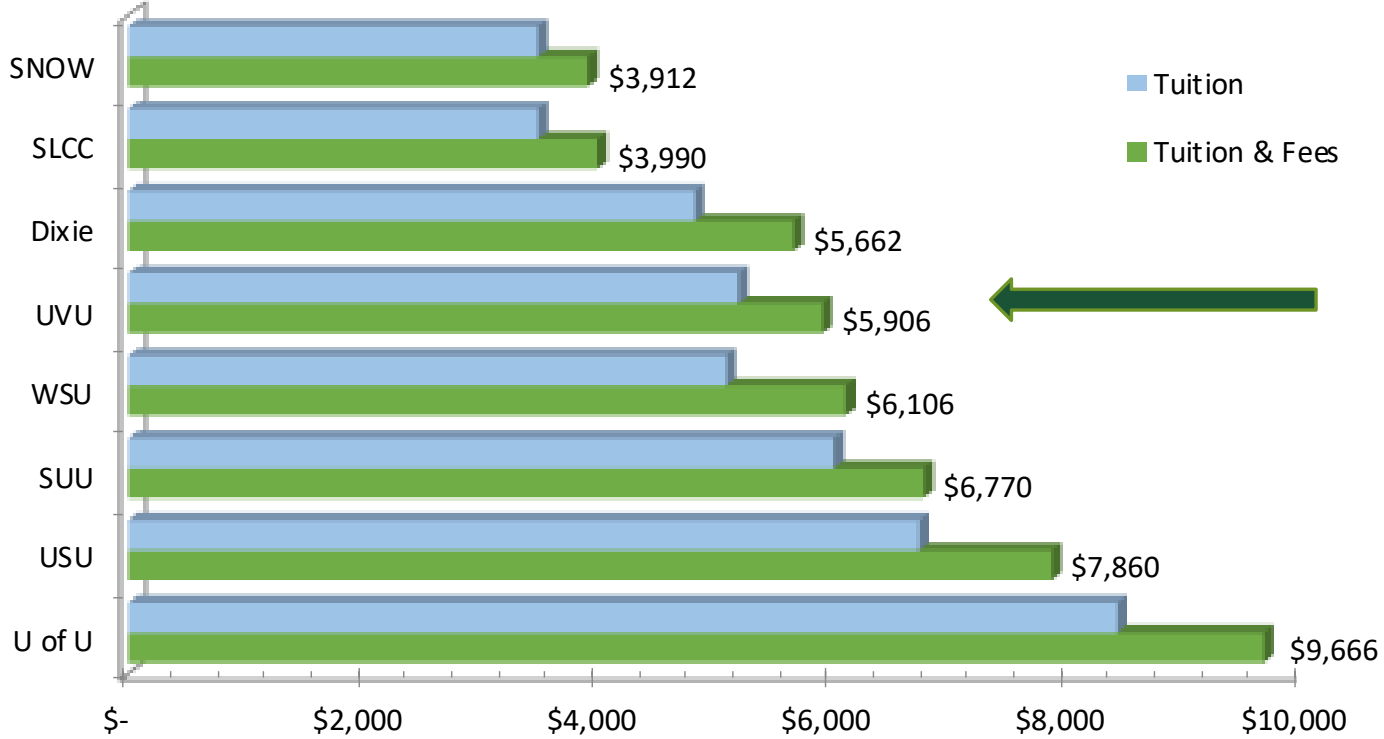
Enrollment changes

Market trends & comparisons,  
balanced by access and affordability

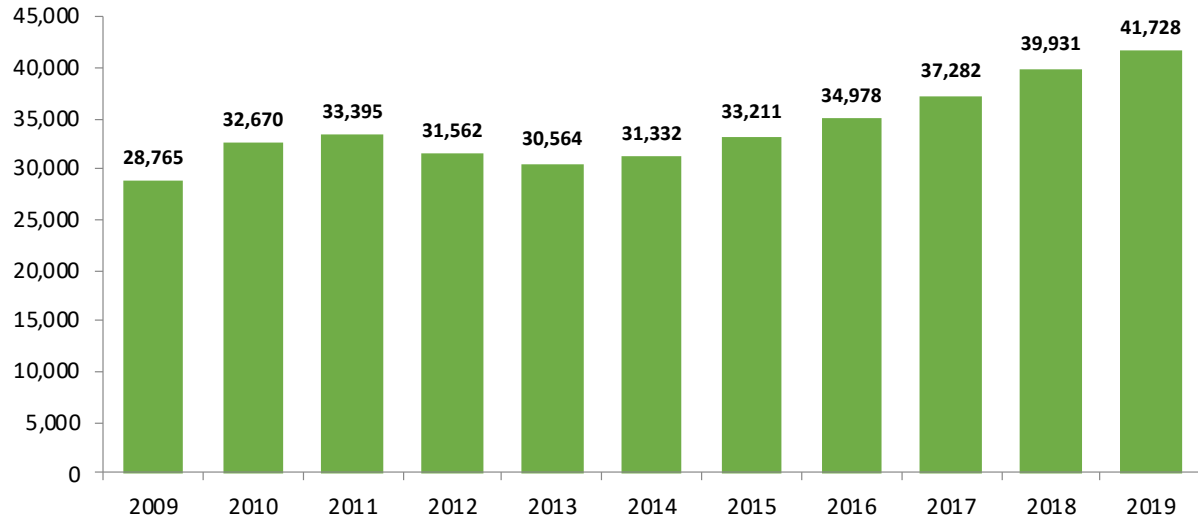
Campus needs and mandated costs



# 2020-21 Tuition & Fees Academic Year, Resident Undergraduate

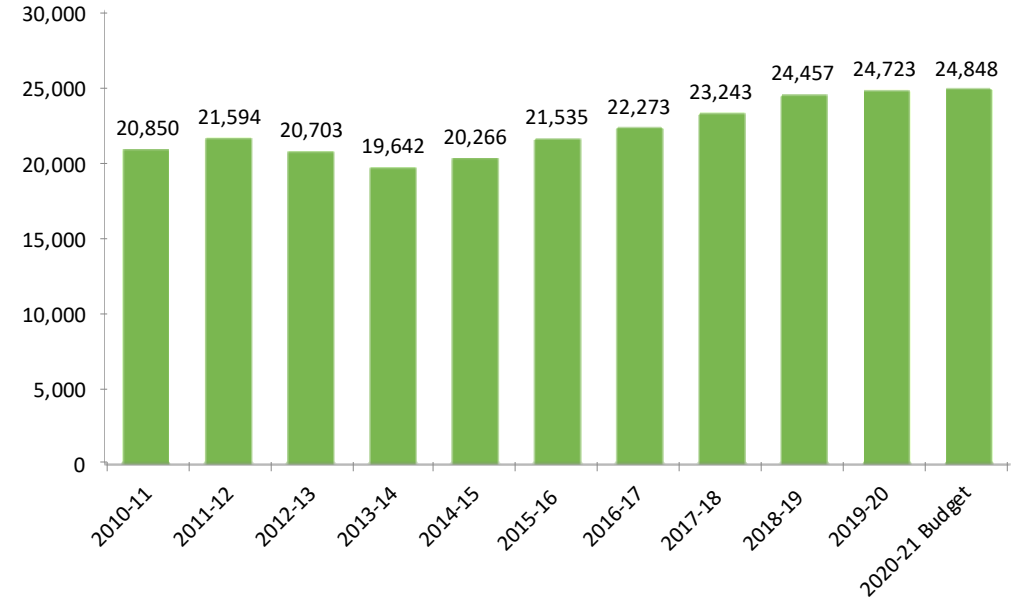


## Student Headcount Fall 3rd Week



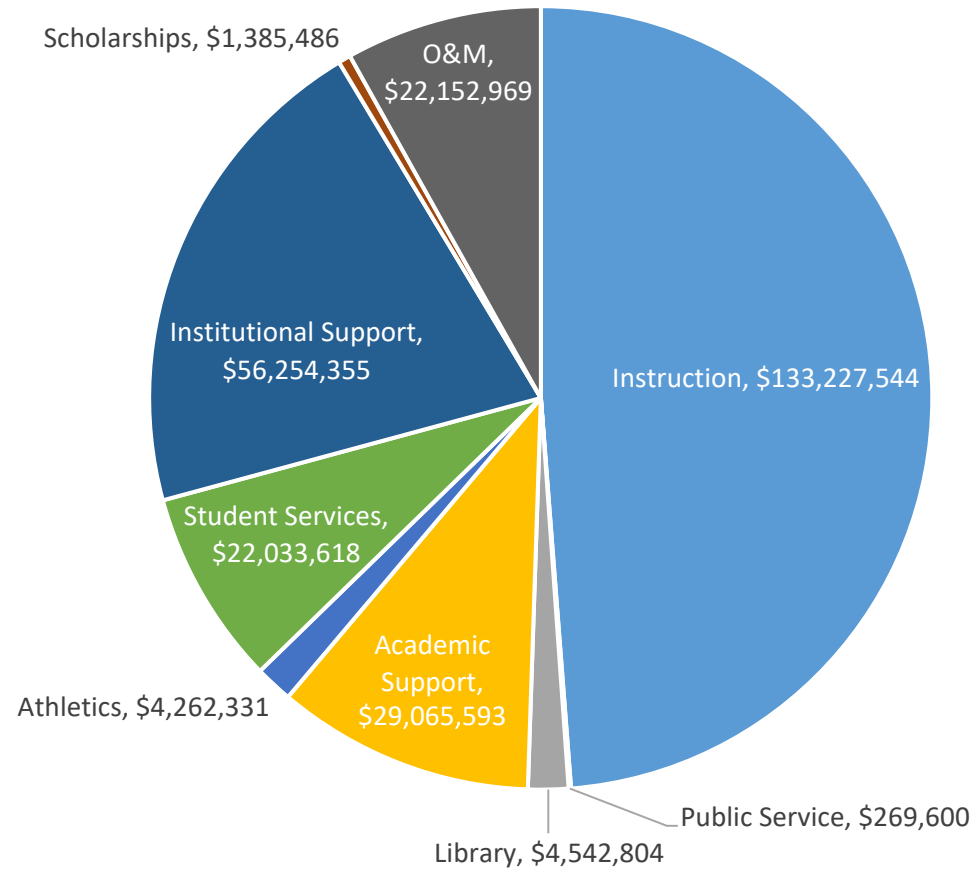
Source: UVU Fact Book ([www.uvu.edu/ir](http://www.uvu.edu/ir))

## Annualized Student FTE 2010-11 through 2020-21

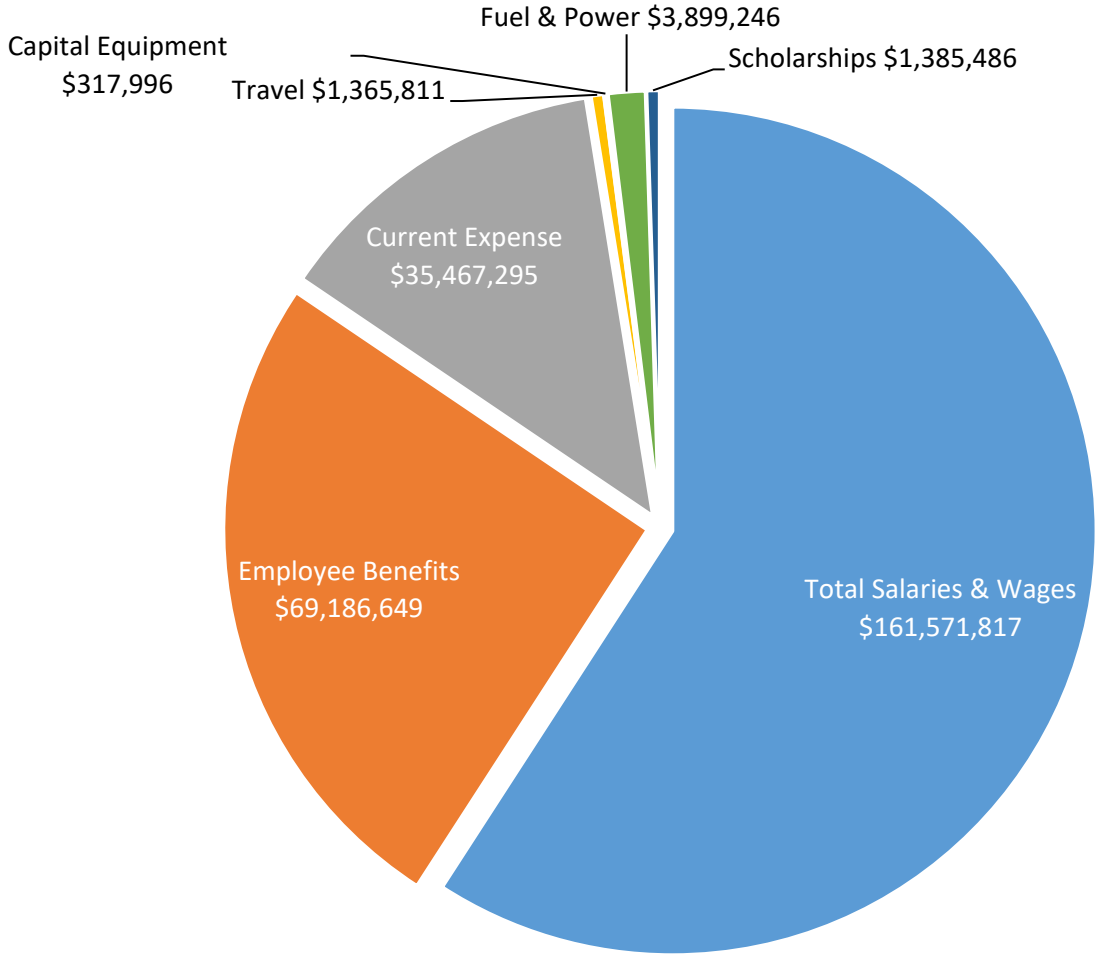


# Enrollment

## 2020-21 Education & General Base Operating Budget by Functional Classification



# 2020-21 Education & General Base Operating Budget by Natural Classification



# Decision-making Constraints

## Available New Funds

- Tax Funds
- Tuition Revenue--Enrollments & Tuition Pricing

## Institutional Needs and Priorities

## Environment

- An institution's budget is subject to general economic and political influences

# In the end, the budget is

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A financial plan, within constrained resources, that:

- Reflects priorities
- Fiscally responsible
- Flexible to respond to unanticipated circumstances
- Applies effect of decisions made through the planning process



# Budgeting is

Essentially, the process of saying--



because requests always  
exceed available funds

# Simulation

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