Budget Advisory Committee (BAC)

April 1, 2009

Budget Advisory Committee (BAC)

Agenda
Inaugural Meeting April 1, 2009

- Introductions and Membership List
- Charter of the Budget Advisory Committee - President Ribeau
- Review of HU’s Mission and Vision - President Ribeau
- Budget Process Overview Presentation - Provost Thornton
- Budget Process in Detail - Provost Thornton and CFO Evans
- Internal Operating Processes of BAC
- Logistics
- Next meeting
- Structure of the Howard University Budget – CFO & Budget Director (time permitting)
INTRODUCTIONS AND MEMBERSHIP LIST

Charter of the
Budget Advisory Committee

President Ribeau
Howard University

Howard University Mission and Vision

President Ribeau

Howard University Mission and Vision

The Vision

Howard aspires to become and the Howard community works collectively to achieve:

- Demonstrated excellence in teaching and learning across Howard’s undergraduate, graduate and professional schools
  - Howard is the preferred place to study, teach, research and work
  - Howard provides excellent facilities and support services

- Top 50 research University

- Sustainable and secure financially and a superior steward of its resources
Howard University Mission and Vision

The Vision (continued)

Howard aspires to become and the Howard community works collectively to achieve:

- Service to the nation and the world with special emphasis on the African American community and underserved populations
- Globalized in its programs, curricula, student and faculty experience, student body, research interests, and financial resources

Howard University Mission and Vision

Howard’s Brand

Howard University thinks of itself and is broadly recognized externally as:

- A top 50 research school
- The flagship of the HBCUs and an indispensable resource for the nation and the African American community
- A school that provides a unique, top-ranked educational experience that uses African American role models and Washington DC to demonstrably turn students into leaders
- Top-ranked in its academic programs at the undergraduate, graduate and professional levels
Howard University

Budget Process

Open, Transparent and Engaging the Whole Howard University Community

Howard University Budget Process

Purpose of the New Budget Process

- Engage each constituency and the whole campus in a meaningful way in shaping, reviewing and improving the University’s budget

- Educate the campus about the budget process and the University’s financial status; keep the campus fully informed using a robust Communications Plan

- Focus attention on those aspects of the budget that can be changed while leaving all areas open to the campus for review and improvement
Howard University Budget Process

Budget Process Built Upon Principles

- Budget process operates within existing governance structure, recognizing the faculty's shared governance role

- The budget needs to reflect the University’s aspirations and advance the campus toward its Vision

- The budget process must be open and public; it must meaningfully incorporate the diverse experiences and perspectives of the entire University community

- The budget must be based on the campus’s operating and investment plan and not be developed in isolation

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Howard University Budget Process

Budget Process Built Upon Principles (continued)

- Budget planning must consider multiple years as most expenditures/investments are long term commitments

- The budget process must recognize that for a given level of revenue, increased expenditures in one area must be offset by decreases in other areas

- The budget process is at the University level and is not intended to operate at the level of colleges/schools or departments
Howard University Budget Process

Appointment of the
Budget Advisory Committee (BAC)

- President solicits 3 nominations from each constituent group (faculty, staff, students, etc.)
- President appoints 2 from each group plus at-large members
- For continuity, BAC members should serve staggered terms

Howard University Budget Process

Draft Multi-Year Budget Prepared by CFO

- CFO integrates University’s mandatory spending requirements, plans and requests from Academic Affairs, Health Sciences and other Divisions into the draft budget
- Draft budget is fiscally prudent and balanced
  - Budget balances among competing needs
  - Budget invests for the future at an appropriate level
  - Recommended new/modified expenditures are accompanied by detailed explanatory material including accountability measures
  - Focus is on funds which are new or can be reallocated (reallocation is possible for funds that are “freed up” by structural reform or cutbacks in other areas)
- This draft multi-year budget is used as the starting point for BAC deliberations
Howard University Budget Process

**Steps in the Budget Process**

- Nomination and appointment by President of BAC members including at-large members; BAC chaired by Provost
- BAC reviews University's Mission, Vision and Core Values
- BAC reviews the University's plans and priorities
- BAC reviews draft 5-year budget prepared by the CFO
  - Discussion and analysis of draft budget
  - Consideration and debate about increases and decreases
  - Development of recommendations including areas of increased/decreased spending and accountability measures
  - Consultation with constituent groups and the campus generally
  - Drafting of recommendations

Howard University Budget Process

**Steps in the Budget Process** (continued)

- Faculty Senate develops budget recommendations
- BAC submits recommended budget to the President
- Faculty Senate submits budget recommendations to the President
- President submits budget to the Board of Trustees for approval
- President publishes budget and explanatory material to the University community
- BAC recommends improvement to the budget process for the following years
Internal Operating Processes of BAC

Discussion

- Confidentiality
- Decision making
- Missed meetings
- Other

BAC Logistics and Next Meeting

- Logistics
  - Sharing documents
  - Reports
  - BAC communications
  - Other

- Next meeting
  - Time and place
Howard University

Structure of the University Budget