UF Finance and Accounting - A Necessary Bureaucracy or a Competitive Advantage

Finance and Accounting Managers
Lake Wauberg
April 21, 2009
Dr. Joe Glover – Pro Dancer
Dancing with The Governors
Bernie is the President of the Local Chapter of the Hell’s Angels
Mike McKee is a Closet Buckeye Fan
State Appropriation and Tuition Revenue per Full-time Equivalent Student
AAU Public Average vs. UF
## State of Florida Budget Situation

### House

<table>
<thead>
<tr>
<th></th>
<th>UF E&amp;G</th>
<th>UF IFAS</th>
<th>UF HSC</th>
<th>UF Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base Budget Adjustment</strong></td>
<td>($79,946,436)</td>
<td>($28,270,102)</td>
<td>($21,993,407)</td>
<td>($130,209,945)</td>
</tr>
<tr>
<td><strong>Federal Stabilization Funds</strong></td>
<td>$25,390,526</td>
<td>$8,978,531</td>
<td>$6,985,064</td>
<td>$41,354,121</td>
</tr>
<tr>
<td><strong>7% Tuition Increase</strong></td>
<td>$12,655,471</td>
<td>$0</td>
<td>$1,850,348</td>
<td>$14,505,819</td>
</tr>
<tr>
<td><strong>8% Differential Tuition Increase</strong></td>
<td>$8,285,245</td>
<td>$0</td>
<td>$0</td>
<td>$8,285,245</td>
</tr>
<tr>
<td><strong>Adjust Tuition to UF Projections</strong></td>
<td>($2,740,716)</td>
<td>$696,652</td>
<td></td>
<td>($2,044,064)</td>
</tr>
<tr>
<td><strong>Indian Gaming</strong></td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Distribute Educational Enhancement TF</strong></td>
<td>$0</td>
<td>$7,050,000</td>
<td>$0</td>
<td>$7,050,000</td>
</tr>
<tr>
<td><strong>Medical School Support</strong></td>
<td>$0</td>
<td>$0</td>
<td>$3,600,000</td>
<td>$3,600,000</td>
</tr>
<tr>
<td><strong>Total Budget Changes</strong></td>
<td>($36,355,910)</td>
<td>($12,241,571)</td>
<td>($8,861,343)</td>
<td>($57,458,824)</td>
</tr>
</tbody>
</table>
## State of Florida Budget Situation

### Senate

<table>
<thead>
<tr>
<th>Description</th>
<th>UF E&amp;G</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Base Budget Adjustment</td>
<td>($30,012,136)</td>
<td>($10,662,631)</td>
<td>($8,628,960)</td>
<td>($49,303,727)</td>
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<tr>
<td>Federal Stabilization Funds</td>
<td>$25,271,892</td>
<td>$8,978,531</td>
<td>$7,266,066</td>
<td>$41,516,489</td>
</tr>
<tr>
<td>8% Tuition Increase</td>
<td>$14,461,697</td>
<td>$0</td>
<td>$2,114,681</td>
<td>$16,576,378</td>
</tr>
<tr>
<td>7% Differential Tuition Increase</td>
<td>$7,818,665</td>
<td>$0</td>
<td>$0</td>
<td>$7,818,665</td>
</tr>
<tr>
<td>Indian Gaming</td>
<td>$1,598,253</td>
<td>$950,000</td>
<td>$0</td>
<td>$2,548,253</td>
</tr>
<tr>
<td>Reduce Lottery to Available Rev.</td>
<td>($3,204,933)</td>
<td>$0</td>
<td>$0</td>
<td>($3,204,933)</td>
</tr>
<tr>
<td>New Space Operating Costs</td>
<td>$648,355</td>
<td>$446,463</td>
<td>$523,032</td>
<td>$1,617,850</td>
</tr>
<tr>
<td>Internet Connectivity</td>
<td>$0</td>
<td>$42,911</td>
<td>$0</td>
<td>$42,911</td>
</tr>
<tr>
<td><strong>Total Budget Changes</strong></td>
<td><strong>$16,581,793</strong></td>
<td><strong>($244,726)</strong></td>
<td><strong>$1,274,819</strong></td>
<td><strong>$17,611,886</strong></td>
</tr>
</tbody>
</table>
Use of Federal Stimulus Money

• One-time non-recurring funds
• Two years of $41 million each year
• How should we use it:
  – Reserves for future general revenue cuts?
  – Bridge cuts and pray for an economic rebound?
  – Infrastructure projects?
  – Other?
UF Budget Proposals

• Simply a list of proposals or a menu of possibilities
• Feedback on University-wide proposals?
• Other ideas?
Decentralized Budget Management

• Key features
  – Transparency
  – Incentives for entrepreneurial activities
  – Base for instructional mission
  – Entrepreneurial in addition to base
  – Assessment for support units
  – $49 million incentive pool
  – Strategic fund

• F&A’s role in implementation
Business Process Reengineering

• Make departments responsible
  – Charge for errors
  – Expect them to do their jobs
  – Quit fixing errors

• Benchmarking
  – Visiting other universities

• Less Processing, More Analytics

• Increased focus on the internal customer
Fiscal Officer Program

• Debra Staats
• Rollout
• Business Administrator Forum
  – How do we get a campus-wide audience for best practices in business processes?
    • Forums
    • Listservs
    • Blogs
    • Wikis and electronic manuals
Questions We Need To Ask

The challenges of managing UF leave you little time to ask the important questions about F&A operations, but need to be asked:

• Which F&A processes are truly core functions of our business?
• Do I have the benchmark data I need to objectively assess these processes?
• Based on objective data, which processes need to be improved?
• Which process-improvement techniques need to be implemented? And when?
• Can external sources provide more efficient, cost-effective solutions than internal?
• How much money are we leaving on the table if we do nothing to change?