

Multi-Year Planning Process and Template

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Agenda

- Workshop goals
- Multi-year planning initiative defined
- Multi-year planning process
- Multi-year planning template & demo
- Q&A
- Resources

Workshop Goals

- Provide the business case for developing a multi-year plan
- Explain the multi-year budget process
- Demonstrate the multi-year template functionality

Multi-Year Planning Initiative

The case for the multi-year planning initiative

1. The university has used a multi-year financial model for many years. The model is used to forecast how the campus will perform financially as a whole based on trends and key variables.
2. The goal of the multi-year planning initiative is for **each division** to prepare a three year, FY19, FY20 and FY21 financial plan that can be consolidated at the campus level to improve the visibility into future financial trends for each division and for the campus as a whole, enabling us to find and stay on a sustainable financial path.
3. We must meet the \$0 million in-year deficit target UCOP has established for our campus in FY20. We see the multi-year budgeting process as enabling us to find and stay on a sustainable financial path.

Multi-Year Planning Process

Multi-year planning process

- Develop FY19 budget in Calplan and your internal timelines for your team since the multi-year plan uses the FY19 budget as a component of the modeling for FY20 and FY21.
- Learn about the multi-year planning template by attending workshops.
- Select what level to build your multi-year plan at: L4 or L5. If you need to plan at a lower level please contact me (see last slide for my contact info)
- Work with your business partners to develop the assumptions used for your modeling of FY20 and FY21.

Timelines

- Each division needs to complete their Q3 FY2017-18 Flash Forecast and FY2018-19 Operating Budget in HCP and CalPlan by April 13th.
- As part of their budget submission, each division needs to submit the multi-year planning template including the narrative by **April 20th**. Divisions should build internal timelines based on the campus deadlines.

Multi-Year Planning Template

Multi-year planning high level steps

- Open template
- Select division
- Refresh smartview
- Determine what level, L4 or L5, you will build your multi-year plan
- Review elements of your screcna
- Determine the best way to model each element
- Input your changes: % change compared to prior period budget and/or \$ change
- Consolidate the data at the L3 level
- Review and validate
- Determine if you have met your multi-year budget target

Multi-year planning template requirements

- Intermediate Excel User
- CalPlanning Planner role
- Smart View User experience working with templates, refreshing data and cascading functionality

Executive summary view similar to FY18 but with projected FY20 and FY21

	Actual	Actual	Actual	Actual	Operating Budget	Forecast	Operating Budget	3yr CAGR	4yr CAGR		5yr CAGR
	2012-13	2013-14	2014-15	2015-16	2016-17	2016-17	2017-18	FY13 - FY16 Actual	FY13 - FY17 Budget	FY13 - FY17 Q3 Forecast	FY13 - FY18 Budget
Net Tuition and Fees	\$ 418	\$ 593	\$ 786	\$ 940	\$ 406	\$ 1,092	\$ 1,155	31%	-1%	27%	23%
Contracts & Grants	-	-	-	-	-	-	-	n/a	n/a	n/a	n/a
Private Gifts for Current Use	5,293	3,924	6,911	6,396	7,169	8,169	8,169	7%	8%	11%	9%
Investment Income	(1)	(1)	(3)	(2)	85	-	-	34%	n/a	-100%	-100%
Sales and Services	50	119	(10)	100	104	129	118	26%	20%	27%	19%
Total Revenue	5,759	4,635	7,684	7,433	7,877	9,390	9,442	9%	8%	13%	10%
Campus Support	28,600	29,563	32,763	29,747	30,299	31,000	30,778	1%	1%	2%	1%
External Transfers	1,777	1,115	446	1,463	613	683	683	-6%	-23%	-21%	-17%
To/From Other Divisions	1,543	1,998	1,303	2,239	115	2,796	1,941	13%	-48%	16%	5%
Internal DIVISION Transfers	(25)	25	-	5	0	18	(484)	-158%	n/a	n/a	81%
Internal DEPARTMENT Transfers	-	(502)	2	(4)	-	786	786	n/a	n/a	n/a	n/a
Operating Transfers	31,895	32,199	34,513	33,450	31,026	35,283	33,705	2%	-1%	3%	1%
TOTAL REVENUE & TRANSFERS	37,654	36,834	42,197	40,884	38,904	44,673	43,146	3%	1%	4%	3%
Academic Salaries & Wages	14,166	14,349	16,163	15,934	14,083	16,080	15,732	4%	0%	3%	2%
Staff Salaries & Wages	6,764	7,062	7,050	6,774	7,168	6,862	6,831	0%	1%	0%	0%
Salaries & Wages	20,930	21,410	23,213	22,708	21,251	22,942	22,563	3%	0%	2%	2%
Employee Benefits	5,388	6,206	6,406	7,108	7,691	7,732	8,085	10%	9%	9%	8%
Total Compensation	26,318	27,616	29,620	29,816	28,942	30,675	30,648	4%	2%	4%	3%
Supplies, Materials and Equipment	4,188	4,033	4,509	3,042	2,779	3,962	3,610	-10%	-10%	-1%	-3%
Scholarships and Fellowships	3,210	3,510	3,647	3,856	2,690	3,475	3,512	6%	-4%	2%	2%
Other Operating Expenses	(725)	(14)	874	150	839	(393)	(806)	-159%	n/a	-14%	2%
Adjustment: Total Non Compensation - Plan	-	-	-	-	-	-	-	n/a	n/a	n/a	n/a
Total Non Compensation	6,672	7,528	9,030	7,047	6,308	7,044	6,316	2%	-1%	1%	-1%
TOTAL EXPENSES	32,990	35,145	38,649	36,863	35,250	37,718	36,964	4%	2%	3%	2%
Net Operating Surplus/(Deficit)	\$ 4,664	\$ 1,689	\$ 3,548	\$ 4,020	\$ 3,653	\$ 6,955	\$ 6,182	-5%	-6%	11%	6%
Changes in Fund Balance - Pos/(Neg)	(1,965)	(221)	(3,432)	(1,593)	-	-	-	-7%	-100%	-100%	-100%
Change in Net Assets - Pos/(Neg)	\$ 2,699	\$ 1,468	\$ 116	\$ 2,427	\$ 3,653	\$ 6,955	\$ 6,182	-3%	8%	27%	18%



Q2														
Actual	Actual	Actual	Actual	Operating Budget	Submission Forecast	Operating Budget	Projected	Projected	3 yr CAGR	4 yr CAGR		5 yr CAGR	6 yr CAGR	7 yr CAGR
2013-14	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	FY14 - FY17 Actual	FY14 - FY18 Budget	FY14 - FY18 Q3 Forecast	FY14 - FY19 Budget	FY14 - FY20 Budget	FY14 - FY21 Budget

Tabs of the multi year planning (MYP) template

Tab capturing the narrative for the multi-year plan.

Tabs cascaded down from the template tab. Those tabs are where the modeling is performed



Executive summary view tab used for the budget review dashboard

Tab used to consolidate the L4 or L5 at the L3 level

Tab used to select the L3 and the L4 or L5 to cascade down to

Tabs enabling the consolidation of the data between the tabs

The multi-year planning template

- The first year budget, FY19, is built in details in Calplan as in previous years. The multi-year planning template has been shared with each division as part of the budget process. The template is designed to be cascaded down from the divisional L3 level to L4 levels or even L5 levels. L4 or L5 units can then use the planning tool to build their second and third year budget for FY20 and FY21.
- The template functionality rolls up the L4 or L5 level budgets for FY20 and FY21 and consolidate them at a divisional L3 level.
- FY20 and FY21 data for all elements of the SCRECNA have been modeled based on prior year trends with the exception of the campus support elements of the SCRECNA.

- Department financial analyst need to review each line of the SCRECNA (except campus support) and select from the two options below on the most appropriate method for the modeling of FY20 and FY21
 - Modeling options:
 1. Override the prepopulated \$ amount by entering either a percentage increase compared to prior year and/or an incremental \$ amount compared to prior year.or
 2. Accept the prepopulated \$ amount
- Modeling needs to be performed for each element of the SCRECNA except for the campus support element of the SCRECNA as indicated previously.
- While the template has been prepopulated for FY20 and FY21 with data based on financial modeling, it is the responsibility of the DFL to review each line of the SCRECNA to make sure the projections reflect the division's plan for FY20 – FY21.

- The various components of campus support have been modeled as follow for FY20 and FY21:
 - The **general allocation** for FY20 equals the general allocation for FY19 + the wage & benefits support for FY19. The FY21 general allocation equals the planned FY20 general allocation. [Please note: The one-time central campus funding for administrative salary support in academic units has been added to wage & benefits support in FY19. This value does not flow to the future years' general allocation, so the model subtracts this specific value from the total wage & benefit support for future year general allocation projections.]
 - We know that **wage & benefits supports** will not be \$0 for FY20 and FY21 but we are modeling them at \$0 for FY20 and FY21 since we do not have sufficient data to model FY20 and FY21 **at this time**.
 - **Campus commitments** and **central assessment/withdrawal** have been modeled using multi-year data from the commitment database.
 - **TAS** allocations have been modeled using forecasted instructional costs and SCH in FY20 and FY21.

Resources – continuous improvement

Please contact me with questions at the email address below.

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I appreciate your feedback on how to improve the tool and the process.

Learn more about Smart View:

calplanning.berkeley.edu/training-classes-and-materials/smart-view