Budget Office

Budget Office

BUDGET MANAGER MEETING

JANUARY 21, 2019

Agenda

- Announcements – Katrina Spencer
- Laboratory School - Carol Rubin
- Financial Systems Transformation – Geethanath Marri
- IT Allocation – Amy Koh
- Budget Training – Murad Goziev

THE UNIVERSITY OF CHICAGO | Laboratory Schools

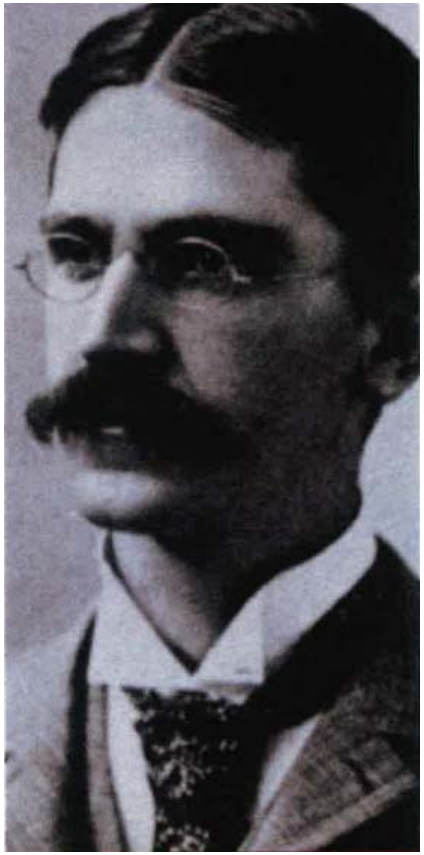
Our Mission

- The Laboratory Schools are home to the youngest members of the University of Chicago's academic community. We ignite and nurture an enduring spirit of scholarships, curiosity, creativity, and confidence.
- We value learning experientially, exhibiting kindness, and honoring diversity.

Lab’s History

FOUNDING AND PHILOSOPHY

- Founded in 1896 by John Dewey and Alice Dewey
- Dewey was a University of Chicago philosopher "father" of the progressive education movement
- Lab="Educational Laboratory" to test new educational theories in real-world situations



Students

- 2,188 students across 15 grades
- 48% male; 52% female
- Students of color: 53%
- Over 60 languages spoken in students' homes
- More than half of students live outside the Hyde Park/Kenwood community
- 60% of families associated with the University of Chicago

Teachers & Staff

- 282 teachers, 85% of whom hold advanced degrees
- 115 Staff
- 10 Lab teachers have won Chicago's prestigious Golden Apple Award for Excellence in Teaching—more than any other school in the city

Class Offerings

- 150+ classes offered each year in U-High
- 21 U-High Advanced Placement and Advanced Topic classes
- SAT middle 50%; Critical reading/writing 665–750; Math 650–790
- ACT middle 50%; Composite 30–35
- Middle School offers more than 30 clubs and activities
- High School offers more than 60 clubs and activities

Historic Campus & Earl Shapiro Hall

Within our 615,000 square feet of space (that's about 11 football fields of indoor space), students take full advantage of facilities, which include:

- On the Historic Campus, 100 classrooms located throughout five distinct (but connected) three- and four-story buildings and a gym complex
- At Earl Shapiro Hall, 35 classrooms and a gymnasium
- Thirteen wet science labs, renovated and wired for media presentations
- Six computer labs - computers in virtually every classroom
- More than 1,950 desk and laptop Macs and about 650 iPads available for in-school use
- Nearly 110,000 volumes held across four libraries:
- Digital language lab with 35 stations

Gordon Parks Arts Hall

Gordon Parks Arts Hall, Lab has arts spaces that match the talent of the students and teachers who use them:

- 94,000 square feet on three stories
- The 250-seat Sherry Lansing Theater
- A 150-seat drama studio/screening room with 7.1 surround sound
- A 700-seat assembly hall (large enough to house an entire division)
- Spaces for music practice and performance
- Four art studios
- Scene and costume shops
- 2 Kilns
- Photography, filmmaking, and digital media facilities
- State-of-the-art electronic music studio
- Gallery and display spaces
- Recording studio

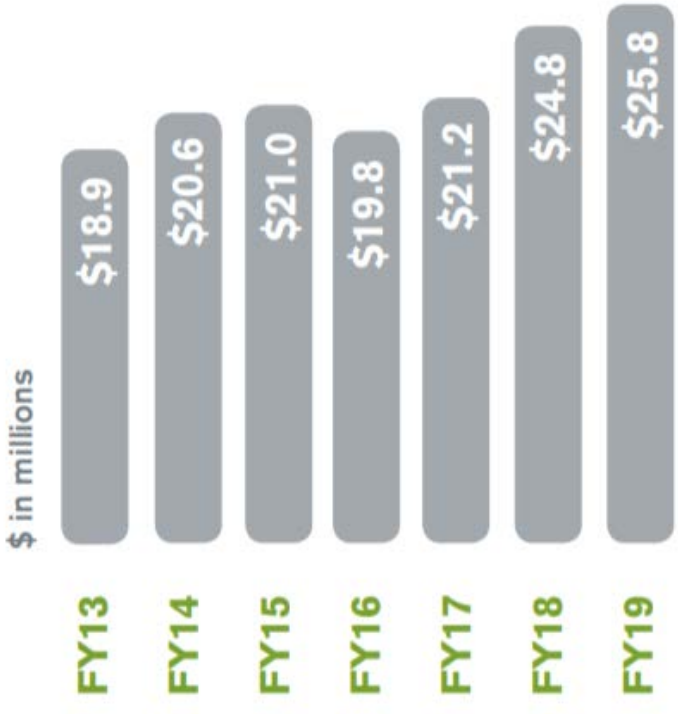
Athletics

- High School athletics: 36 teams, 19 different sports
- Middle School athletics: 20 teams, 11 different sports
- New fully-lit turf field with electronic scoreboard and track
- 5 gyms
- Dance studio
- Fully equipped training room
- Fully equipped gymnastics room
- 5 tennis courts
- Playing fields
- State-of-the-art fitness center (TriFIT system, treadmills, ellipticals, rowing machines, free weights)
- Ability to compete and train at University of Chicago facilities, most notably the award-winning Ratner Center for swimming and the Henry Crown Field House for track

Lab's Growth (2013-2019)

2013	2019	% Increase
# of Students 1,659	**# of Students** 2,161	**30.26%**
# of Employees 304 (220 teachers, 84 staff)	**# of Employees** 403 (285 teachers, 118 staff)	**32.57%**

Lab’s Endowment



- Lab’s endowment, an important source of financial aid, continues to grow
- Lab’s Total Expenses for FY19 were $76.6 Million

Vision for the 2020-2021 Strategic Framework: Educational Excellence

Progressive Education for the 21st Century

Building a Healthy and Inclusive Community

Ensuring Lab's Fiscal Soundness

Governance and Decision Making

Questions?

Financial Systems Transformation (FST)

Program Update

January 21, 2020

AT THE FOREFRONT UChicago Medicine

THE UNIVERSITY OF CHICAGO

FST Background

Problem Statement

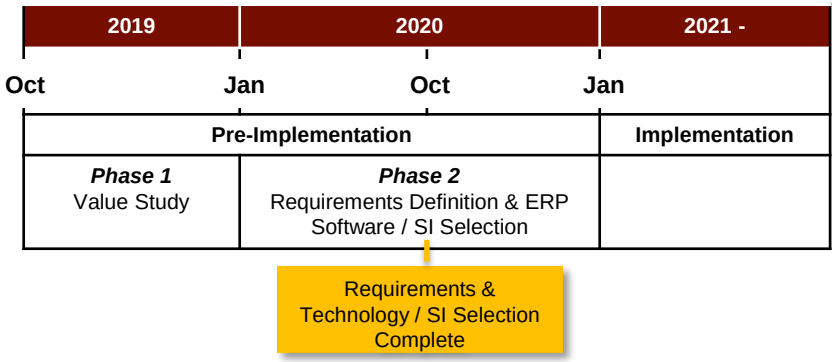
The University's mainframe based financial system architecture is limiting performance, scalability, and responsiveness to dynamic business conditions.

Approach

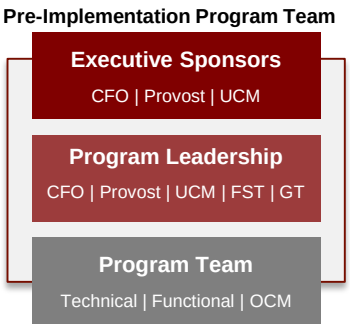
Update our current financial system to an Enterprise Resource Planning (ERP) system.

- Complete a value study to determine scope of collaboration with UChicago Medicine (UCM).
- Document current and future state processes, define requirements, and select technology and SI partner.
- Execute a multi-phase implementation.

Timeline



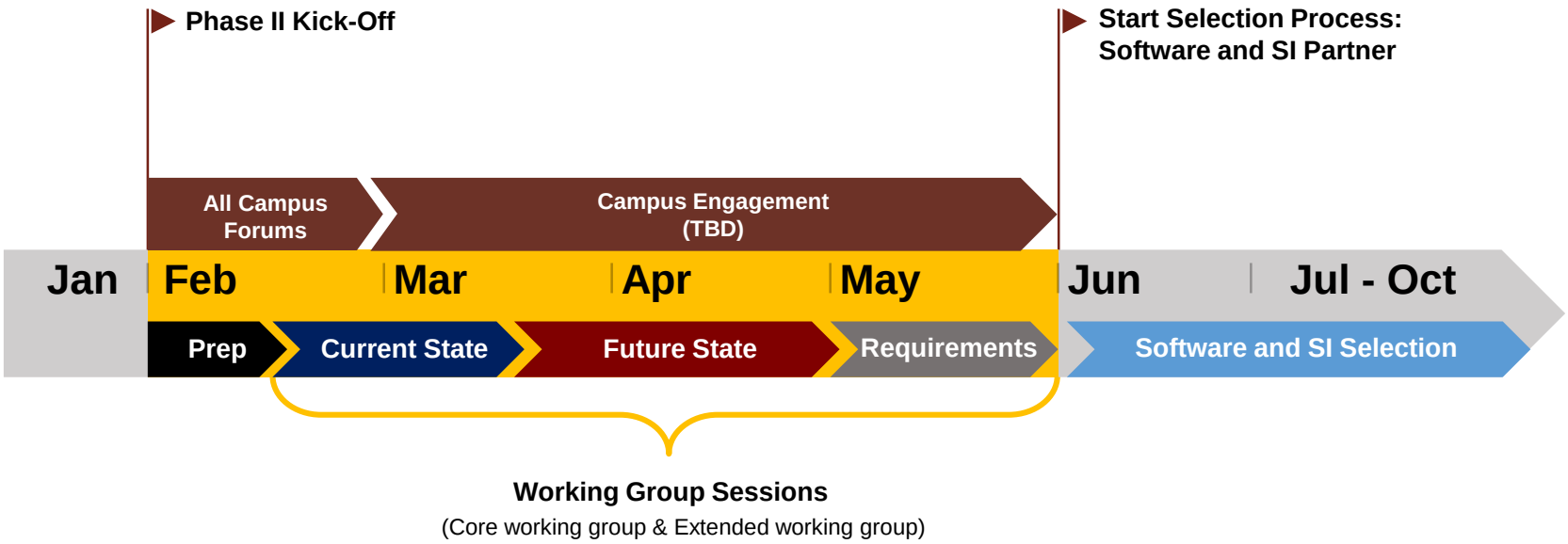
Governance



Functional Areas

AT THE FOREFRONT UChicago Medicine

Pre-Implementation Timeline



Working Group Approach

Prep

- **Complete information request:**
  - ✓ opportunities for improvement
  - ✓ existing pain points
  - ✓ metrics around current processes

Develop

- **Core Working Group sessions**
  - ✓ Identify current state gaps and pain points
  - ✓ Define future state design and requirements
  - ✓ 6-10 members

Validate

- **Extended Working Group sessions**
  - ✓ Validate and provide input on exceptions
  - ✓ Approx. 20 members

Finalize

- ✓ Deliverables confirmed
- ✓ Summary submitted

Expected Time Commitment:

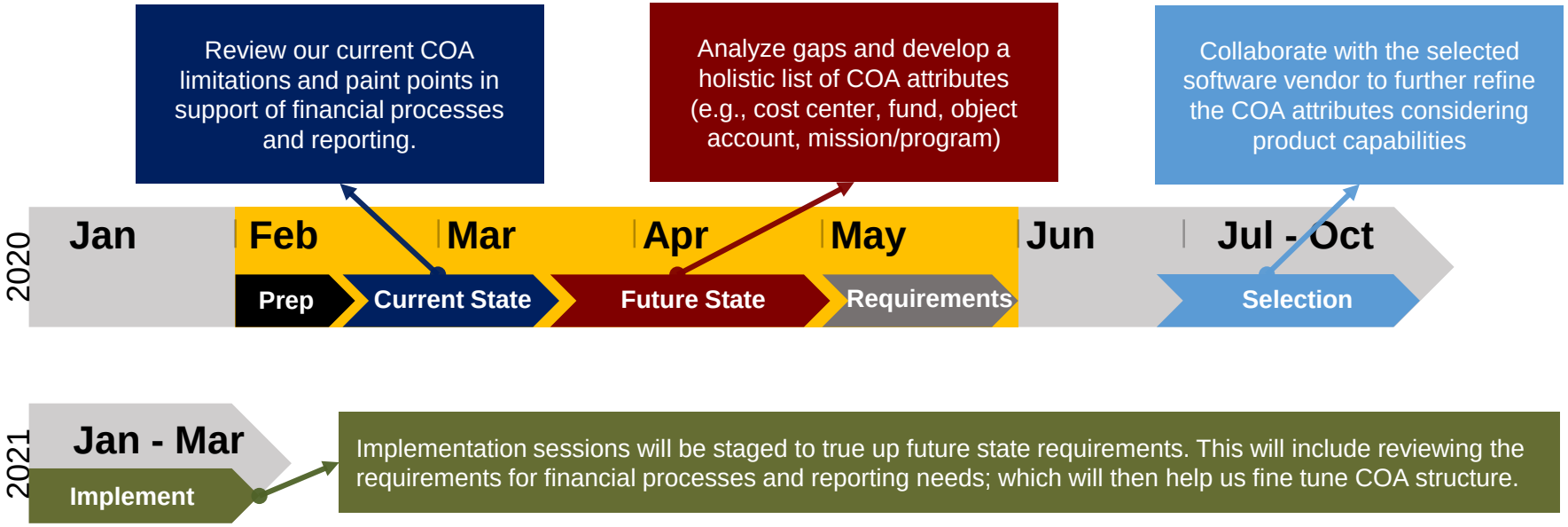
Current state (February) – 1-2 full days

Future state (March – May) – 1-2 full days

Requirements (May) – 1-2 full days

Chart of Accounts Redesign (COA) Approach

The redesign of the University and UCM COA is likely to have outsized impact on the enterprise going forward. This portion of FST will be a complex, multi-layered process, which will continue to evolve over the next 12-14 months:



2020 Milestones

- Phase II Kickoff – February 2020
- Conduct working sessions to document current state processes/systems and develop future state requirements – February 2020 through June 2020
- Select cloud-based ERP system – July/August 2020
- Select implementation partner – October 2020
- Obtain board approval of implementation phase – November 2020

QUESTIONS?

Budget Office

FY21 IT ALLOCATION
RECAP

JANUARY 21, 2020

Why are we allocating IT Services costs?

As IT Services works with partners across the University to consult on the use of technology, customize solutions to meet the needs of the community, and deliver services, it is essential that technology spending and decision-making reflect cross-functional thinking.

The IT allocation is a new funding model for Information Technology that will:

- increase transparency about the cost of delivering IT for the University;
- help structure better spending decisions at the business unit level; and
- serve to better align unit revenue and central expenses.

IT allocation base

In order to establish the base for the IT allocation, IT Services conducted a review of its service lines to identify which services are widely provided and thus should be converted into the IT allocation and billed in a consistent manner to all University units. A few examples of services moving into the IT allocation base include*:

- Voice & Voice Circuits
- Zoom
- Data Center Hosting
- Audio Visual Services

Once the service lines to be converted into the IT allocation were identified, IT Services conducted an analysis of actual expenses incurred to deliver these services over a three-year period (FY17-FY19). **An average of those three years of actual expenses establishes the base for the IT allocation.**

**See the FAQ Addendum posted on the Budget Office's site (*https://budgetoffice.uchicago.edu/resources-reports/it-allocation/ *) for a complete list of services being converted into the IT allocation.*

IT allocation method: considerations

Various allocation methodologies were considered to determine how best to distribute the IT allocation base to University units.

Here's a snapshot of some of the metrics that were gathered and considered:

Allocation Metrics								
a)	b)	c)	d)	e)	f)	g)	h)	i)
FY19 Undergraduate Progress Units from SIA	Students, AQ2019 census (including non-degree seeking)	Total student number (undergrad + grad + non-degree)	Faculty FTES from Workday as of 10/31/19	Staff FTES from Workday as of 10/31/19	Other FTES from Workday as of 10/31/19	Total FTEs, 10/31/19 (includes: academic, faculty, postdoc, staff, temp; excludes: student, seasonal)	Research Base, 3-yr average	FRP, 3-yr average
350	1,501	1,851	80.05	130.00	211.90	421.95	3,500,000	89.5
14	168	182	17.50	62.50	31.60	111.60	0	6.1
86	300	386	89.00	33.50	5.11	127.61	611,005	15.3
1100	15	1,115	111.00	151.87	33.56	296.43	7,587,054	13.0

The Budget Office and IT Services had a goal of choosing an allocation methodology that was fair, transparent, sustainable and, at the same time, not overly complicated. Ultimately the group determined that a combination of the **total student number** and total employee full-time equivalent (**FTE)** was the optimal methodology, as these metrics were deemed to be the most significant and clearest drivers of total IT service costs and can reliably be obtained from existing University reports.

IT allocation method: FTE + student count

In order to apply this methodology of using both FTE and student count numbers, the following calculation was used.

Calculation:

1. The FTE per unit was based on data pulled from Workday in November 2019 (reflecting end of October 2019 FTEs). FTE numbers include **faculty, staff, academic, postdoc, temp and academic temp** employee types. Note that student worker and seasonal FTEs are excluded from the FTE count in this allocation.

2. The student count per unit reflects the sum of two data points:

    - **Autumn Quarter 2019 census data** was used to determine graduate and non-degree seeking student enrollment by unit; and

    - Student progress units from the **College tuition allocation course details report** from SIA was used to determine undergraduate student enrollment by unit.

3. Based on an analysis of the population served by all service lines falling under the IT allocation,

    - **87%** of services serve a general population; total FTE counts will be weighed at this percentage;

    - **13%** of services uniquely serve a student population; total student counts will be weighted at this percentage.

Unit financial impact

Each unit will be allocated the full cost of its calculated share of the IT allocation, based on the method described in the previous pages. However the actual financial impact of this cost will not exceed 1.5% of the unit's base, as achieved through a budget target adjustment.

Below is an example of how this IT allocation method would be applied to a unit:

Calculation of FY21 IT Allocation	%	Weight	Amount (%/$)
I. Allocation Metrics			
FY20 unit total FTE as %age of total University	2%	87%	2%
FY20 Autumn Quarter unit student count as %age of total University	4%	13%	1%
II. Unit Impact of IT Allocation			
Unit share of IT allocation base			**$ 1,500,000**
FY21 net impact of recharge changes			(150,000)
FY21 budget target adjustment			(350,000)
FY21 IT allocation (incremental costs) at 1.5% of FY20 budget			**$ 1,000,000**

The IT allocation total that will be billed to the unit in Q1 of FY21.

The recharge delta, described on page 9.

The unit's budget target adjustment.

The incremental cost to the unit, equal to 1.5% of its base.

Resources

Additional materials:

- Refer to materials in your unit's shared drive including your unit's detailed schedule, FAQs, IT Services brochure, and IT Service Descriptions
- Budget Office website:

  https://budgetoffice.uchicago.edu/resources-reports/it-allocation/
- IT Services website: https://its.uchicago.edu/
- Your budget analyst or email the Budget Office at budgetoffice@uchicago.edu
- Questions for IT Services can be directed to it-allocation@uchicago.edu

Budget Office

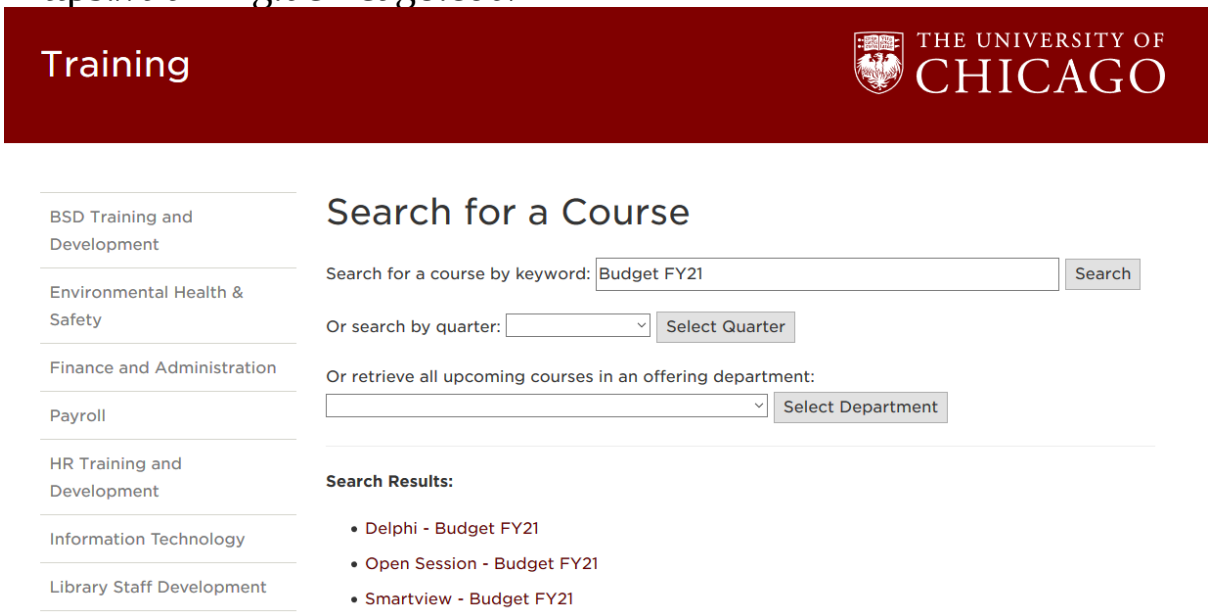
FY21 BUDGET TRAINING

FY21 Budget Training

Delphi	Time	Location
Session 1	February 19, 10:00 – 11:30 am	Crerar, Room 007
Session 2	February 20, 1:30 – 3:00 pm	Drexel, Room 146
Session 3	March 3, 1:30 – 3:00 pm	Crerar, Room 007
Session 4	March 4, 1:30 – 3:00 pm	Drexel, Room 146
Session 5	March 11, 10:00 – 11:30 am	Crerar, Room 007
Session 6	March 12, 10:00 – 11:30 am	Crerar, Room 007
Smartview	**Time**	**Location**
Session 1	February 25, 10:00 – 11:30 am	Crerar, Room 007
Session 2	February 26, 10:00 – 11:30 am	Drexel, Room 146
Session 3	March 10, 1:30 – 3:00 pm	Drexel, Room 146
Session 4	March 18, 10:00 – 11:30 am	Drexel, Room 146
Open Session	**Time**	**Location**
Session 1	March 31, 10:00 – 11:30 am	Drexel, Room 146
Session 2	April 1, 2:00 – 3:30 am	Crerar, Room 007
Session 3	April 2, 2:00 – 3:30 pm	Crerar, Room 007

Sign Up

Training site
https://training.uchicago.edu/



Delphi Training
http://training.uchicago.edu/course_detail.php?course_id=1918

Smartview Training
http://training.uchicago.edu/course_detail.php?course_id=1919

Open Session
http://training.uchicago.edu/course_detail.php?course_id=1920