Today’s Discussion

1. Overview

2. Financial Activities Survey

3. Next Steps
1. Project Overview
# Project Overview

**Tuition Incentive Model and Operations Assessment**

The goal of the Tuition Incentive Model and Operations Assessment is to design a new approach to budgeting at NDSU and enhance the operational structure to support a new resource allocation model by the beginning of Fiscal Year 2024.

## Operational Assessment Objectives
- Clarify and document **current operations and business processes**
- Identify options for **future operational structures** that support tuition allocation model success and long-term financial needs
- Support **preparation to transition** to the future operations

## Tuition Incentive Model Objectives
- Understand the **current tuition allocation model**, benefits and drawbacks, and alignment with university goals
- Develop a customized **tuition incentive budget model** that represents the input of university leadership and key stakeholders
- Establish key **model management infrastructures** to support the new methodology

These two workstreams work in tandem to support the development of a **new resource allocation model**.
Project Timeline

The Tuition Incentive Model and Operations Assessment will create a plan for NDSU to undertake strategic readiness efforts and ensure that the University is optimally supported in the future.

**Phase 1: Pre-Project Planning**

**Phase 2: Assess**

**Phase 3: Design**

**Phase 4: Implementation Planning**

**Activity to Date**
- Conducted 40+ stakeholder interviews
- Facilitated business process mapping focus groups
- Launched and analyzed Financial Activities Survey
- Completed Funds Flow Analysis
- Consolidated General Ledger accounts to create FY21 Actuals Model

**Next Steps**
- Develop recommendations to improve business processes and the operations model for the financial organization
- Construct a roadmap and implementation timeline
- Create a FY21 Customized Model with data-driven tuition allocation
- Develop infrastructure to implement new incentivized model by FY2024

July – September Activity

October – January
The Tuition Incentive Model and Operations Assessment project engaged individuals across the community through various mediums, such as interviews and surveys.

- **3** FOCUS GROUPS
  - Group conversations with NDSU employees to discuss current state operations and opportunities for improvement.

- **33** STEERING & WORKING GROUP
  - Number of members representing NDSU academic and administrative units.

- **281** FINANCIAL ACTIVITIES SURVEY
  - Respondents to a financial activities survey to determine the financial effort managed across the university.

- **5** BUSINESS PROCESS MEETINGS
  - Sessions engaged stakeholders across NDSU to discuss current state roles, responsibilities, and handoffs.

- **30** BUSINESS PROCESS MTG PARTICIPANTS
  - Engagement and discussion with individuals from across the campus community.

Find more details online:
https://www.ndsu.edu/president/presidents_councils_and_initiatives/budget_and_financial_operations_enhancements/
These assessment tools help us understand **what** work is being done, **where**, and **how** it is being done.
2. Financial Activities Survey
The Financial Activities Survey spanned over 10 financial activity categories for 281 respondents across campus.

Sample of Financial Activities
- Financial activities for payroll and HR
- P-card purchasing
- Reviewing contracts
- General accounting
- Budgeting, treasury, and financial management

Spanned 10+ financial activity categories with 28 questions
- 311 recipients with 281 responses and achieved 84%+ response rate
- Deployed for 2.5 weeks (August 22 to September 7)

Note: Analyses on subsequent slides are based on responses from 278 individuals; 3 responses did not provide usable data.
Financial Activities Survey Response Rate

The survey achieved a 90% response rate across NDSU. The following table provides a breakdown of survey responses by division.

<table>
<thead>
<tr>
<th>Division</th>
<th>Total Survey Respondents</th>
<th>Total Survey Recipients</th>
<th>Response Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the Provost (Includes Colleges)</td>
<td>113</td>
<td>128</td>
<td>88.3%</td>
</tr>
<tr>
<td>Office of the President</td>
<td>22</td>
<td>24</td>
<td>91.7%</td>
</tr>
<tr>
<td>Vice President of Agriculture</td>
<td>40</td>
<td>47</td>
<td>85.1%</td>
</tr>
<tr>
<td>Vice President of Finance and Administration</td>
<td>87</td>
<td>90</td>
<td>96.7%</td>
</tr>
<tr>
<td>Vice President for Information Technology</td>
<td>6</td>
<td>7</td>
<td>85.7%</td>
</tr>
<tr>
<td>Vice President for Research</td>
<td>11</td>
<td>13</td>
<td>84.6%</td>
</tr>
<tr>
<td>Vice President for University Relations</td>
<td>2</td>
<td>2</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Note: Analyses on subsequent slides are based on responses from 278 individuals; 3 responses did not provide usable data. Breakdown: 2 – Office of the Provost, 1 – Office of the Vice President for Finance and Administration, representing 1.8% and 1.1% of responses collected for each division, respectively.
## Financial Activities Survey Key Components

The Financial Activities Survey – with a 90% response rate – provides detail for the opportunities by quantifying the scale, distribution, fragmentation, and consistency of administrative effort.

<table>
<thead>
<tr>
<th>Component</th>
<th>Baseline Analysis</th>
<th>Desired Insights</th>
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<tbody>
<tr>
<td>Scale</td>
<td>Determine how much is being invested in financial activity support across the University.</td>
<td>What is the effort and financial investment of activities relative to the level of service?</td>
</tr>
<tr>
<td>Distribution</td>
<td>Identify opportunities to share or flex capacity or expertise across organizational boundaries.</td>
<td>Is effort optimally distributed across the institution?</td>
</tr>
<tr>
<td>Fragmentation</td>
<td>Create alignment that provides greater focus and professionalization.</td>
<td>Do we have the right mix of specialists and generalists?</td>
</tr>
<tr>
<td>Consistency</td>
<td>Advance resource management practices that support consistent expectations and work assignments.</td>
<td>How consistent are roles that perform the same activities?</td>
</tr>
</tbody>
</table>
On average, survey respondents spend **40% of their time performing non-financial activities**, highlighting an opportunity to further **leverage financial expertise** across the University.
Over 69.1% of all financial activity is conducted in a distributed unit, which may lead to unnecessary duplication of effort and increased variation / lack of clarity around financial processes.
Financial Activities Survey Fragmentation

Financial specialists account for approximately half of all survey respondents and produce 73.6% of all reported financial activity at NDSU.

On average, specialists spend 7.7% of their time on non-financial activities, whereas generalists spend 69.6%.
Financial Activities Survey Consistency of Roles

Roles and responsibilities vary widely across the Colleges; variances may be attributed to differences in underlying support structures. The graph below highlights the differences for the College Business Officer position.
3. Next Steps
Next Steps

Huron will continue engaging with stakeholders across NDSU as well as identifying opportunities for improvement.

- **Community Engagement**: Facilitate conversations with the Faculty Senate Budget Committee, Staff Senate Executive Committee, and Student Government.

- **Business Process Mapping**: Refine business process maps through engagement with end-users and administrative leadership.

- **Operating Model**: Host workshops to design future-state operating model and associate businesses.

- **Tuition Incentive Model**: Leverage conversations and analyses to continue gathering feedback and refining the model.

Questions?

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Find more details online:
President’s Councils and Initiatives – Budget and Financial Operations Assessment