This is the fourth monthly report of the progress on implementing the Resource Management Model. This report will provide updates on the work accomplished since the October 24th report and will also highlight the progress expected in the months ahead.

**Highlights Since the October Report**

- A contract was signed with Cognos to purchase their business intelligence software to support the data warehouse.
- The first quarterly report comparing the FY2008 restated budget to year-to-date actual revenues and expenditures was distributed.
- Seven additional datasets were made available to a subset of campus users through the Access Plus system.
- Recommendations on several key issues have been approved or are in the final stages of the approval process:
  - Assigning undergraduate student credit hours to departments and resource responsibility centers
  - Distributing tuition revenue from Study Abroad courses
  - Managing and funding graduate student tuition scholarships
  - Gathering data to distribute indirect cost revenue and the timeline for doing so
  - Managing the institutional administrative fee

These reports are one element of a communications plan that includes a Web site (see http://www.iastate.edu/~budget/over0307.shtml), monthly e-mail updates, presentations, individual sessions with deans and other administrators, and “brown bag” discussions.

Implementation is expected to extend to July 1, 2008. Decisions about detailed design of the model should be complete by December 2007 and development of supporting systems and training will continue through Spring 2008.

The implementation process for the Resource Management Model is comprised of six components, each with an overall goal and a set of specific milestones with target deadlines. The implementation team will continue to work to achieve the goals and milestones for Component A as part of the overall implementation. The goals and milestones may be augmented as implementation proceeds to respond to issues and needs that arise.

**Components of the Implementation Process**

A. Multi-year operational planning, goals and performance expectations
B. Data Warehouse development
C. Budget development processes
D. Operating cycle processes
E. Information systems development
F. Education, training and communication
The progress that has been made on all of the project components since the October report is summarized below.

**Component A: Multi-year Operational Planning, Goals and Performance Expectations**

*Overall Goal*
Assess the current planning that occurs institution-wide and consider enhancements, additions or changes to support the Resource Management Model.

*Key Milestones*
- Articulate institution-wide goals for the Resource Management Model and develop assessment metrics for the model
- Assess current planning efforts and consider a multi-year planning framework that includes goals and metrics
- Develop policies and procedures for managing Advance Commitments
- Infuse the implementation process with the concepts of an “all funds” approach to financial management
- Promote coordination among divisions
- Establish an on-going review process for the Resource Management Model

*Work Progress*
A preliminary review of existing planning activities has been done by David Maddox from BearingPoint.

A recent communication from the Executive Vice President and Provost has clarified policy issues about services provided through the allocated expense pools. The memo also initiated a process that will specifically define the services and service levels that are provided to the campus by central service providers.

*Anticipated Next Achievements*
The report on planning activities with recommendations for enhancing them to support the Resource Management Model will be completed within the next month.

Additional sessions for the deans, vice presidents, vice provost and members of the Executive Vice President’s senior staff are being planned for December 2007 and spring semester. The purpose of these sessions is to discuss policy level implications of the Resource Management Model and encourage dialogue among individual members of the group about ideas, opportunities and challenges presented by the Model.

**Component B: Data Warehouse Development**

*Overall Goal*
Provide datasets and reporting, analytic and modeling tools to support the decision-making and functioning of the Resource Management Model at all levels of the organization.
Key Milestones
- Develop technical prototype and proof of concept data warehouse model
- Acquire software tools to provide access and reporting capabilities to campus-wide data
- Design data warehouse
- Define data sets needed for the Resource Management Model
- Provide Resource Management Model data to colleges and administrative units

Work Progress
Over the last month, the following datasets were made available within the AccessPlus environment:
- Student enrollment for FY2005, FY2006, FY2007
- Student credit hours for undergraduate courses for FY2005, FY2006, FY2007 and summer term FY2008
- Student credit hours for graduate and veterinary medicine professional courses for FY2005, FY2006, FY2007
- Preliminary student credit hours for undergraduate courses for Fall 2007 (as of September 30, 2007)
- Preliminary student credit hours for graduate and veterinary medicine professional courses for Fall 2007 (as of September 30, 2007)
- Preliminary tuition assessment for Fall 2007 (as of September 30, 2007)

A contract has been signed with Cognos to purchase their business intelligence software. Four staff members from ITS are attending training this week to gain the skills needed to install and implement that software.

Anticipated Next Achievements
The target date to have the Cognos software installed is December 31, 2007. Integration of the software into the university system and training on the software will occur during the spring term.

Component C: Budget Development Processes

Overall Goal
Refine the process for developing annual budgets to incorporate the principles and goals of the Resource Management Model.

Key Milestones
- Activate advisory committee structure and process
- Develop framework for annual and multi-year adjustments to the Resource Management Fund
- Restate the FY2008 budget using Resource Management Model
- Develop process steps and timeline for annual Resource Responsibility Center budget development
• Develop process steps and timeline for annual Administrative Support Center budget development
• Redefine the role of central budget staff in the development of annual budgets and modify process steps and timeline
• Link the annual institutional budget development process to the outcomes of institutional multi-year planning
• Develop tools for projecting annual tuition and indirect cost revenue

Work Progress
Thirteen individual meetings were held over the last month with deans and vice presidents to explain the FY2008 budget restatement and respond to any questions.

A framework for making annual adjustments to individual allocations from the Resource Management Fund was developed by the Executive Vice President and Provost with input and advice from ISU Senior Leadership, the Faculty Senate and the P&S Council. The guidelines, which include a fundamental assumption, goals and priorities, for the annual distribution of the Resource Management Fund were distributed to deans, vice presidents and others involved in budget development.

An ad hoc work group is working on filling in more details on the budget development process. An on-line calendar can be found on the budget development website that provides monthly snapshots of the activities involved in developing the FY2009 operating budget using the Resource Management Model. More details will be added as they are defined.

Members of the Registrar’s Office have developed a tool to project graduate enrollment and graduate student credit hours. It is currently being reviewed and tested.

Anticipated Next Achievements
Work continues on identifying an appropriate method for projecting Summer term undergraduate enrollment and student credit hours. In addition, a process is being developed to reconcile the institutional tuition projection process with individual college projections that use the tuition attribution mechanisms of the Resource Management Model.

The budget development process and schedule is expected to be distributed by mid-December.

Component D: Operating Cycle Processes

Overall Goal
Modify policies and procedures to recognize and distribute revenues and create policies and procedures to allocate administrative expenses to support the functioning of the Resource Management Model.
Key Milestones

- Develop policy and procedures to distribute tuition revenue
- Develop policy and procedures to distribute IDC revenue
- Develop policy and procedures to allocate expense pools
- Develop procedures to distribute general state appropriations
- Develop timeline for actual distribution of resources and allocation of expenses during the operating cycle
- Simulate actual distribution of resources and allocation of expenses during the FY2008 operating cycle

Work Progress

The recommendation that describes the process for assigning undergraduate student credit hours to academic departments has been revised and is currently under review by the Provost Academic Cabinet. The revised recommendation is to utilize the existing Office of Institutional Research (IR) methodology (with some adjustments for jointly administered departments) for the distribution of tuition in FY2009. Effective FY2010, the IR methodology will no longer be used for the purpose of distributing tuition revenue and an alternative methodology will be put in place. The alternative method will allow academic departments to assign student credit hours directly to departments involved in teaching the course through the Office of the Registrar’s course offering system. The processes and system changes needed to implement this alternative methodology will be in place by early spring 2008.

The issue of how to manage the tuition revenue generated from the group study abroad program was reviewed by the Associate Deans for Undergraduate Programs. It was the consensus of this group that the current institutional group study abroad policy (the “90/10” policy) be discontinued and the tuition revenue generated from these courses be distributed using the RMM distribution parameters. It was also recommended that the decision for awarding and funding study abroad tuition scholarships become the responsibility of the colleges that offer the course. The recommendation was submitted to the Leadership and Transition Team as well as the Provost Academic Cabinet on November 26th.

The recommendation on how graduate student tuition scholarships will be managed and funded was approved by Executive Vice President and Provost Betsy Hoffman on November 19th. The recommendation is to continue with the existing policies for awarding graduate student tuition scholarships, but discontinue the central funding source of the policy. The funding for the tuition scholarship will become the responsibility of the home college of the graduate student.

Some members of the Tuition Revenue Work Group have developed a proposed method for distributing differential tuition revenue generated from upper division undergraduate engineering students and students enrolled in the Saturday MBA program. This method was applied in the FY2008 budget restatement report generated in October and again in the off-line FY2008 budget to actual report that
was generated in November. A formal recommendation documenting this method will be submitted to the Leadership and Transition Team in early December.

The Indirect Cost Revenue Work Group submitted a formal recommendation on the timeline for the distribution of actual IDC revenue during the operating cycle. The work group also submitted a formal recommendation establishing policies and procedures on how often IDC distribution data will be gathered, reviewed and changed. Both of these recommendations were submitted to the Leadership and Transition Team on November 26th and are currently under review.

The Expense Allocation Work Group’s recommendation for defining how costs associated with general university classrooms will be funded was approved by Executive Vice President and Provost Hoffman on November 19th. The costs associated with general university classrooms will be included in the Administrative Support Programs expense pool and allocated based on the resource unit’s proportion of faculty FTE.

The recommendation on discontinuing the central collection of the administrative fee was forwarded to the campus for a two-week comment period and subsequently submitted to Executive Vice President and Provost Hoffman for her approval on November 26th. The general concern that came from the campus was how individual units will continue to collect this administrative fee beginning in FY2009. If the recommendation is approved, individual meetings with each unit impacted by this recommendation will be scheduled to discuss how each unit will manage this administrative fee in the future. A central committee will also be formed to help address the process and system changes that may be needed.

Members of IT Services and central budget staff members continue to work through the details to implement the changes in how administrative systems are funded.

An off-line budget to actual report that simulated the distribution of actual revenue and expenses for the first quarter of FY2008 was forwarded to college deans and vice presidents on November 16th. Future meetings will be held with fiscal officers to discuss the effectiveness of the report and identify areas for improvement.

**Anticipated Next Achievements**

The funding structure for the administrative systems should be finalized within the next month. The Expense Allocation Work Group will then submit a formal recommendation on the IT Services expense pool and the methodology for allocating the expenses.

Members of the Operations Team will begin compiling a comprehensive policy and procedure manual to document all of the RMM implementation recommendations that have been approved. Once completed, the manual will become a reference for questions on the application of the Resource Management Model.
Component E: Information Systems Development

Overall Goal
Enhance and modify administrative systems to generate data, transactions and reports to support decision-making and functioning of the Resource Management Model.

Key Milestones
- Enhance existing financial systems to report receipt and disbursement of funds to Resource Responsibility Centers and Administrative Support Centers
- Enhance existing budget system to capture revenue projections and expenses at the appropriate level of detail
- Enhance existing financial system to analyze budget to actual revenues and expenses
- Develop programs to support calculation of revenue and expense distributions

Work Progress
Requests for system changes were formally submitted to IT Services for the existing graduate scholarship system. The changes are needed to implement the new process of managing the graduate student scholarships at the college level.

An off-line program for providing utility consumption at the primary resource unit level has been designed. This program was tested in the FY2008 budget restatement report generated in October and again in the off-line FY2008 budget to actual report that was generated in November. This off-line program will be presented to members of Facilities, Planning and Management to determine what enhancements are needed to their existing system.

Anticipated Next Achievements
Some members of the Information Systems Work Group will continue to work with IT Services to program the necessary changes to both the WebFM and on-line budget system.

The next simulation tool that will be provided to the RRC administrators will illustrate the marginal changes in revenues, direct expenses and allocated expenses from changing one of the factors that influence the RMM, such as students, faculty, staff, space, direct expenses, and utilities. For example, the tool will allow the user to increase freshmen enrollment by 30 students and add 1 faculty member to determine the marginal change in revenues and expenses. That tool will be available to deans by mid December.

Component F: Education, Training and Communication

Overall Goal
Ensure that information about the Resource Management Model and its implementation is widely available to the university community, ensure adequate opportunities for input into the implementation process, and ensure that faculty, staff and administrators are trained and prepared for the transition.
Key Milestones
- Secure consulting services and define role in the implementation process
- Facilitate and support the stakeholder analysis and risk assessment conducted by BearingPoint
- Develop and implement a multi-faceted, university-wide communication plan
- Define training needs for various faculty, staff and administrative groups, including the advisory committees

Work Progress
The working relationship with BearingPoint continues to support the implementation process.

The implementation communication plan continues with campus updates, e-mails and other correspondence.

Planning continues for workshops and seminars to support campus fiscal staff as they transition to the budgeting and financial management within the framework of the Resource Management Model.

Anticipated Next Achievements
The communication plan will continue to be followed and adjusted as necessary. Monthly “brown bag sessions” have been scheduled through the Fall and Spring terms.

Plans for a day-long workshop and shorter, more focused seminars for fiscal staff will be further developed. A schedule of events will be communicated to interested staff.