



November 13, 2020

Board of Deans and Chancellors
Vice Presidents
Vice Provosts
Unit Administrators

RE: FY22 Annual Review Materials and Process

Dear colleagues,

This letter marks the official start of the fiscal year 2022 (FY22) annual review process—a nine-month budget development and holistic assessment effort that involves deans, faculty, staff, and students. Through this process, we will be working to support institutional and unit-specific strategic goals, while reckoning with and mitigating significant resource constraints as a result of the COVID-19 pandemic. We will make the most out of this planning cycle, and take comfort in a familiar process that enables good decision making, even when the future is not clear. As usual, the result will be a new institutional operating budget for the Board of Regents' consideration, one that will also incorporate a new state biennial budget from the 2021 legislature.

Guiding Principles for Budget Development

Phase I budget reductions prompted shared conversations around values and areas of our University's operations we need to protect, and even expand, while contracting elsewhere. We ask that units incorporate the principles that were shared with faculty and student leadership to guide planning and budgeting efforts. In summary, those principles are as follows: serve students; preserve quality of academic programs and focus on areas of excellence for research, scholarship, and service missions; respond to funding reductions through an equity lens; support critical health and safety requirements and required compliance activities; review mission-critical administrative services and resist cost shifting; consider shifting to new administrative models now; and provide clear information and be consistent.

That said, we will continue to focus our attention on important and ongoing strategic areas for the University including supporting the University's Race & Equity Initiative and Diversity Blueprint goals; long-term planning for compensation and critical health and safety needs on our campuses; continuing Finance Transformation implementation; further developing the Population Health Initiative; and addressing deferred maintenance and capital infrastructure and development needs. We are also continuing work to review our Activity Based Budgeting (ABB) model, which will inform upcoming planning efforts, as will our ongoing work to identify, mitigate and resolve operational deficits.

There is no doubt that we are navigating unprecedented times given the COVID-19 pandemic, associated revenue constraints, and political division and uncertainty. Thank you for your hard work responding to these challenges through thoughtful planning and resource deployment, and for

ensuring we continue to promote access and excellence across our campuses throughout the process. I look forward to continuing to work with you on this difficult, but important task.

Timeline & Submission Process:

The first step in the annual review process is for all academic and administrative units to complete a suite of materials (outlined broadly in this letter) in preparation for meetings. Like last year, your reports to OPB will be due February 1, 2021, and “annual review meetings” will be held the last week in March through the first full week of April. Please hold time on your calendars now for these meetings. For additional details regarding the annual review and budget development timeline, please see the calendar at the end of this letter.

Completed materials must be submitted on or before Monday, February 1, 2021, using an online submission tool available on OPB’s [FY22 Annual Review Materials website](#). Please consider this a hard deadline. Extensions will only be granted in extreme circumstances.

Like last year, all submissions must be made through the online survey tool provided by OPB. OPB has pre-populated certain information in the Excel templates and will be sending customized templates to each unit in the next few days. You will be able to upload completed Excel workbooks and completed Word narrative response templates directly into the online submission tool.

Overview of Materials:

In preparation for FY22 annual review meetings, you will provide both quantitative and qualitative information regarding your unit, including changes to revenues or expenditures; faculty or staff FTE and workload; student experience; and finally, how all of these elements affect or are hindered by your space assignment(s).

We will ask that you provide two years of actual revenues and expenditures, and four years of detailed financial plans (i.e., fiscal vitality reports). You will be required to review these reports in detail in order to summarize the good and bad news for your unit(s), and specifically identify mitigations for trend lines that result in structural or operational deficits. All units will be asked to summarize employee growth or contraction, hiring trends and strategies, and to consult with faculty and student councils. Finally, all units will be asked to describe what choices they would need to make to absorb further losses of budget authority and other revenue streams. In addition to these core questions, I will ask each unit to complete a detailed schedule of carryover usage plans and provide a brief explanation for each change.

Academic units will, once again, be asked to recommend preliminary tuition rate changes, and respond to a number of prompts related to peer comparisons, student debt impacts, student enrollment changes, and the impact of not changing tuition rates. Academic units on all campuses with a significant undergraduate population will also be asked to respond to questions about undergraduate enrollment capacity planning. Finally, at annual review meetings, academic units should be prepared to discuss expected hiring requests and their budget implications. Academic

units will also provide confirmation that students and faculty leadership had an opportunity to review and shape the overall annual review submission.

Please note, requests for Provost Reinvestment Funds will only be considered on a temporary basis and requests must be submitted through the [Request for Provost Reinvestment Funds](#) form on OPB's website.

Reminders and Resources:

As a reminder, please be as succinct as possible in your responses; bullet points are encouraged rather than extensive prose. Submissions must originate from a unit's dean, chancellor, vice president, or vice provost.

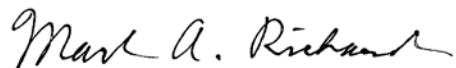
A variety of resources are available to help units complete this work in the allotted timeframe:

- A Word template, process guide, central assumptions, and other tools and reference materials will be available on OPB's [FY22 Annual Review Materials website](#).
- OPB will hold two Q&A sessions, via Zoom, to discuss and answer questions about the annual review process and templates (note that no formal presentation will be delivered). These sessions are open to anyone, and will be held on the following dates/times:
 - Friday, December 4th 11am - 12pm
 - Friday, January 8th 12pm – 1pm
- In addition, historical responses to similar questions from previous years are available by fiscal year and by unit on OPB's [Annual Budgets website](#).

Should you have any questions about this process, please contact [Jason Campbell](#).

Thank you for your hard work on this important process.

Sincerely,



Mark A. Richards
Provost and Executive Vice President for Academic Affairs
Professor, Earth and Space Sciences

cc: Ana Mari Cauce, President
Sarah Norris Hall, Vice Provost for Planning and Budgeting