Pennsylvania's State System for Higher Education

Charge for Finance and Administration Working Group

November 12, 2020

Overview

The framework for the Working Groups (WG) includes:

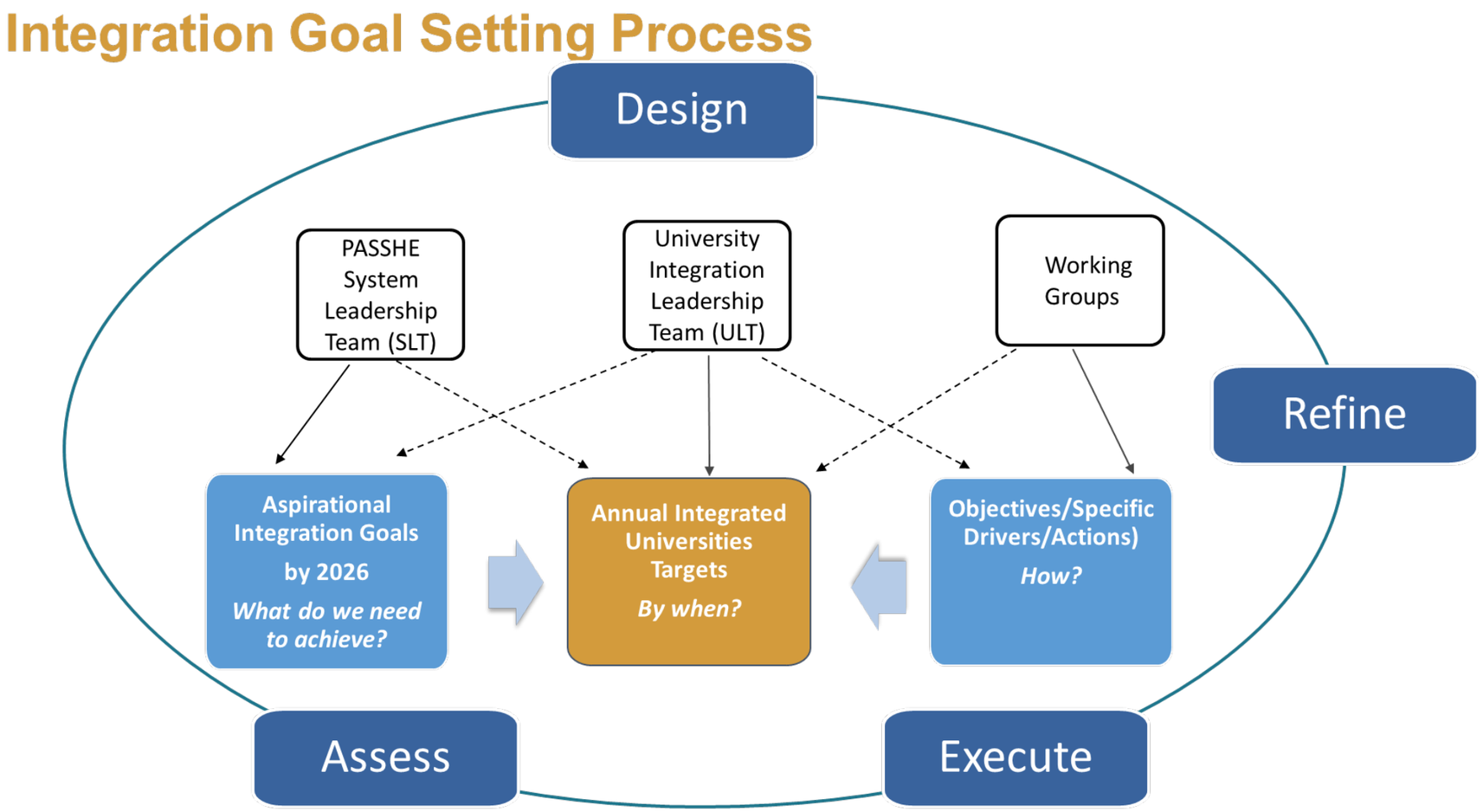
- Integrations Overall Charter – Provides the purpose and organizational structure for the overall Integrations initiative, including Integration Guidelines with Guiding Principles.
- Working Group Charter – Defines the roles and responsibilities of the Working Groups and articulates the purpose, goals, principles, scope, roles, and deliverables with which the WGs are charged.
- Working Group Charge (this document) – Includes specific milestones, questions, and goals to be addressed by each WG specifically.

WG Deliverables and Timing

Timing	Deliverable	Details
11/18/20	**Consultation Plan** – Determine who to consult with, how, and how WG consultation aligns with initiative-level consultation	See *Consultation Plan template* provided on SharePoint.
12/4/20	**Critical Path August 2022 –** Confirm the critical path milestones and define the critical path steps and timing to meet critical path milestones for Fall 2022 (what must be done by August 2022 for successful launch and how long will it take)	See *Critical Path Milestones* and *Critical Path Steps template* provided on SharePoint.
12/11/20	**Aspirational Goals and Annual Targets –** Aspirational goals to accomplish by 2026, and define annual integrated institution targets to evaluate progress	See below and *Goals/Targets template* provided on SharePoint.
1/8/21	**Priority 1 Questions (First Draft) –** Use above to filter, prioritize, and develop draft recommendations for Priority 1 questions (i.e., key questions to define the future state) and accompanying organizational charts and impact analysis	See below, *Priority 1 Recommendations template*, and *Organizational Chart template* provided on SharePoint.
1/15/21	**Priority 2 Considerations for 2022-2026** – Outline considerations for what can be done after August 2022 and how it can be sequenced (i.e., known prerequisites)	See below and *Priority 2 Considerations template* provided on SharePoint.
2/12/21	**Priority 1 Questions (Second Draft)** -- Update recommendations, incorporating feedback from Systems Leadership Team (SLT) on First Draft	See above.
3/12/21	**Priority 1 Questions (Final Draft)** – Update recommendations, incorporating feedback from SLT on Second Draft	See above.

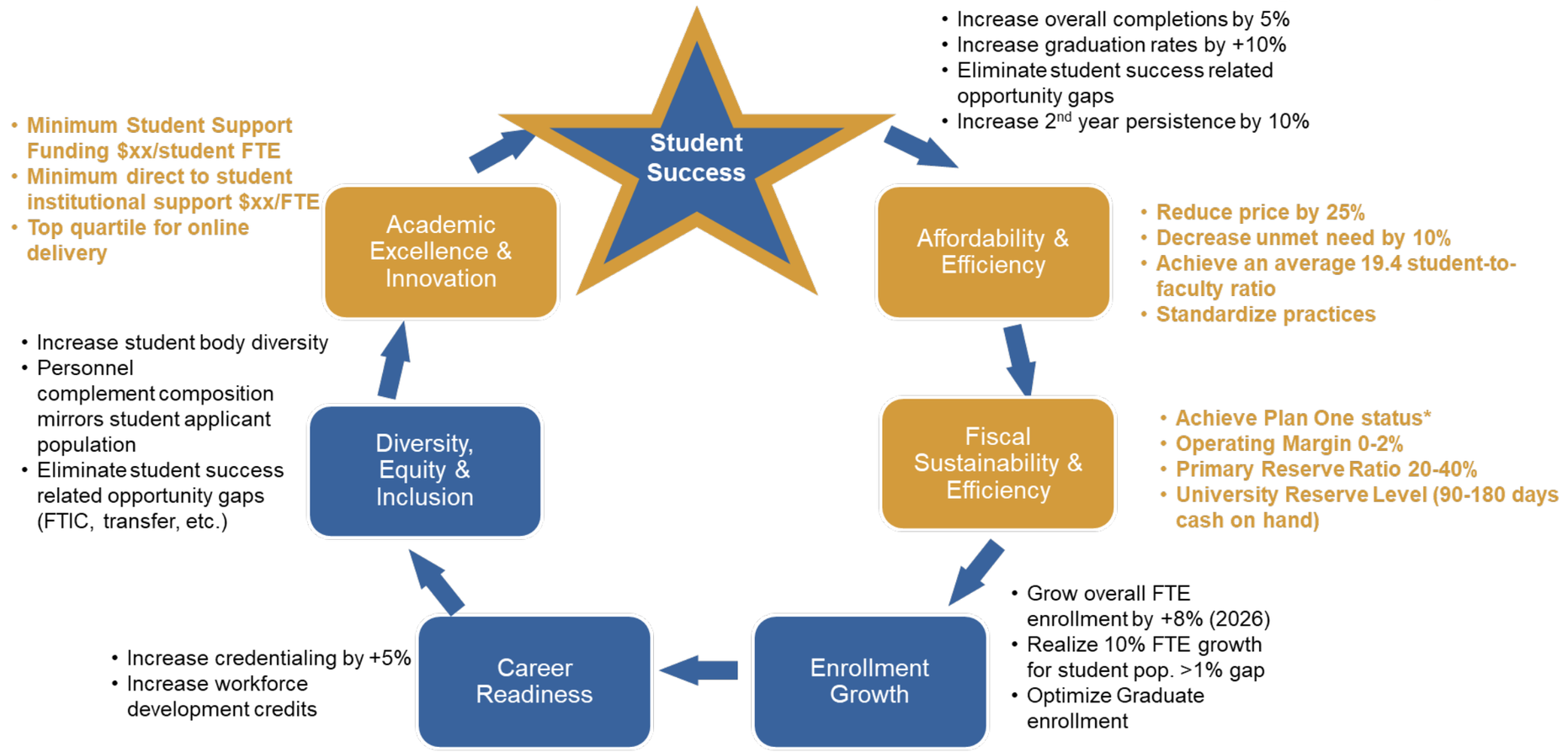
Goal Setting

Related to the aspirational goals provided in the Integrations Initiative Charter, define annual integrated institution targets against which to evaluate progress.



The overall integrations-level aspirational goals are included below and within the Integrations Initiative Charter. Address the highlighted goal(s) applicable to your WG.

Goals Relevant to Finance and Administration Working Group



Integration Overarching Considerations

- What is the current resource inventory for the area (people, facilities, technology, policies)?
- What elements can be integrated into a singular structure for performing the necessary functions (and, as an exception, which require joint and concurrent delivery models)?
- What data do we have regarding existing functions in this area? What data will inform decisions?
- What are the qualitative considerations related to integrating this function?
- Have we kept the guiding principles, goals, and objectives in mind in our efforts?
- What input from other working groups is critical to forming alternatives and recommendations?

For Each Recommendation, Assess the Impacts

- People – Student, faculty, staff, governance (e.g., trustees, organizations) – individuals impacted by the change and any know required activities to support the change (classification, side letter changes, training etc.)
- Process – Policy, procedures, contracts, partnerships, etc., that support the current state which would have to be changed to support the recommendation
- Technology – Systems, support, applications that support the recommended changes and if any updates would be required
- Finance – Required funding to implement or lead to a cost savings
- Physical Assets – Physical assets (buildings) that would be impacted by recommendations
- Compliance and Legal – Federal, state, and local laws, regulations, and other requirements that would need to be changed to implement the recommendation
- Community – Known community stakeholders impacted by the recommendation
- Benefits – Anticipated benefits associated with the recommendation – linked to goals and objectives, if possible
- Risk – Known risks associated with implementation of the recommendation

Use the considerations and questions below to discuss, prioritize, and develop draft recommendations for Priority 1 questions to define the future state and impact analysis.

	High-Level Areas of Consideration	Questions to Inform Recommendations
Finance and Administration Working Group	• Common budgeting processes • Financial projections/forecasts by campus and consolidated • Accounting/financial reporting • Procurement/purchasing (Eastern Region Procurement Office) • Business operations and policies/procedures • Student billing • Safety and risk management • Contract Management • Debt & Asset Management • Right to Know • Ancillary operations (duplicating, mailroom, receiving, etc.)	**Priority 1 Questions – Critical Path (What design assumptions must be determined for the combined function/one University?)** 1. Assess pre-integration progress relative to meeting staffing and financial sustainability goals outlined in the CPP. 2. Work with the enrollment management work group to develop realistic enrollment projections – this is critical for projecting future revenue. 3. Identify the best path for student information system integration/implementation to facilitate a smooth student lifecycle (admissions, registration, billing, and financial aid) 4. Assess current pricing to determine integrated pricing and changes necessary for August 2022 (short-term). 5. Identify current budget processes (base budgets, carryforward, personnel vs. operating, plant, etc.) and develop a structure to support the mission and priorities of the integrated entities. 6. Identify all areas where a shared services structure and/or outsourcing makes sense in terms of level of service delivery, efficiency, and cost savings. 7. Review current Administration and Finance organizational structure to determine what can be integrated vs. what needs to stand-alone and remain on each campus. 8. Determine cadence for briefing campus governance groups and Councils of Trustees on budget projections and changes to organizational structure. 9. How do we most effectively get to a consolidated financial statement/proforma of financial position? 10. What other considerations are needed when thinking about the go-forward budget and three-year financial plan for the combined entity? (e.g., ideal staffing ratios, potential compensation adjustments, etc. through partnership with HR/Labor relations working group 11. How do we ensure compliance reporting requirements are handled go forward (e.g., accounting, student accounts, environmental health and safety, construction project reporting/accounting, grants reporting, etc.)?

	High-Level Areas of Consideration	Questions to Inform Recommendations
		12. How do we assess debt levels and obligations of each university as well as affiliates and develop a plan for effective debt management including opportunities to restructure and reduce debt service? 13. Which are State versus System owned assets? What is legal requirement? 14. In what areas might it be possible to consider alternative methods of service delivery (e.g., shared services, third party)? 15. What other deadlines and time dependent issues need to be addressed by August 2022? **<u>Priority 2 Considerations – Implementation Considerations and Any Known Prerequisites</u>** • Develop a long-term integrated pricing/financial aid strategy to maximize both recruitment and retention (fall 2023). • Develop a repository of divisional reporting requirements. • Develop an implementation plan for each Administration and Finance unit, after optimal organizational structure is identified (priority 1) including the development of position descriptions and compensation reflective of newly defined duties, etc. • What existing vendor relationships can to be optimized (e.g., insurance and benefits, auxiliary operations, etc.)? • How do we identify opportunities to renegotiate contracts from a larger scale advantage perspective, including those included in other working groups? • What stand-alone systems not supported by IT need to be evaluated? • How do we plan for variance in the chart of accounts? • What standards are needed relative to environmental health and safety policies, plans, training? • What contact with PA state auditors or regulatory agencies is required? • What are the key factors that should be measured for flash reports to review integration success and how often should those be reported? • Is there a report that can be delivered to the other working groups to assist them in determining the level of their achievement of goals related to the complete integration? • What synergies and expansion of expertise can be gained by combining public safety departments? • What administrative infrastructures and reporting need to be created for non-financial functions/requirements (e.g., Clery, Drug Free Schools, Title IX, etc.)?