



## Strategic Planning, Budget Planning, and Employee Participation

Adler University places significant value on a culture of transparency and engagement, and works to foster it on all aspects of the institution. To this end, every faculty and staff member is asked to participate in the University's budget process—which begins with the five-year Strategic Plan.

In 2015, the Board of Trustees approved the current Strategic Plan, which runs from Fall 2015 through Fall 2020. The plan is the product of participation from hundreds of students, faculty, staff, community partners, alumni, and trustees over six months to determine our institutional priorities. It reflects feedback and clarification derived from "town hall" meetings at our Chicago and Vancouver campuses.

The Strategic Plan is, by design, strategic at the highest or institutional level. In addition to clearly charting the University's direction and strategic goals, it provides the foundation for a Five-Year Forecast that addresses:

- Enrollment goals for each degree program
- Estimates for annual tuition rates
- Financial forecasts based on new enrollments, total students, and tuition and non-tuition sources of revenue
- Planned hires for new faculty and staff positions to support enrollment, programmatic, and strategic goals
- Planned non-employee costs such as technology licenses and employee benefits

The Five-Year Forecast provides the framework for the University's Annual Budgets. These processes are explained in further detail on pages 2 and 3 of this document.

Developing the Annual Budget begins every spring. In this process, Adler University employs a "zero-based budgeting" philosophy, a budgeting method that is considered a best practice. As the National Conference of State Legislatures explains, "rather than assuming the current level of funding operations as a base, zero-base budgeting theoretically begins at ground zero and builds from there." Through zero-based budgeting, every expense must be justified and explained; expenses are not automatically carried over from one year to the next.

The Finance Department provides Annual Budget planning templates to all budget managers with instructions on how to complete and return their requests for resources. All employees play a role in cost management and budgeting. Employees have the best knowledge of their jobs and areas, as well as potential cost savings and resource requirements in their areas. As a result: **Employees should discuss these ideas and resource needs with their supervisors, who in turn discuss with their supervisors and budget managers. This is critical to the process**, because Leadership Team members consult with chairs and program directors, department heads, and budget managers to understand resource requirements in supporting a final University budget.

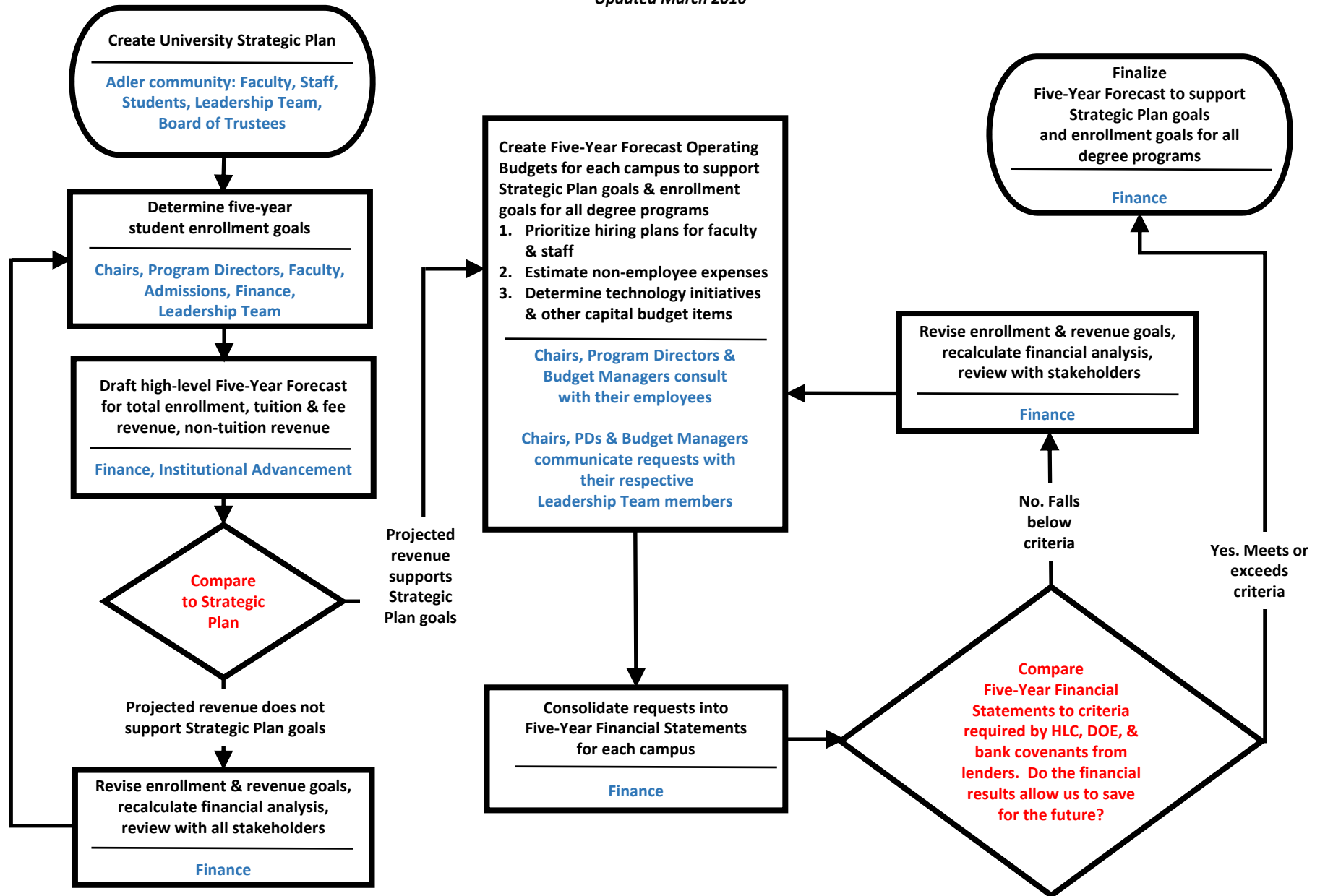
At any institution, unlimited resources would allow every department to improve how it supports and serves students. Unfortunately, it is never possible with limited resources to authorize every request for additional budget. Thus, Leadership Team members take part in considerable discussion and consultation with department heads and budget managers, and work together to prioritize requests in a way that will best serve the needs of the University as a whole. Next, the Finance Department prepares a final Annual Budget proposal that is submitted to the Board of Trustees in August. The Board approves the Annual Budget for high-level revenue goal and expenses for the upcoming fiscal year that begins September 1.

Because tuition comprises 93% of Adler University's total revenue, the Annual Budget hinges on the University's ability to achieve its enrollment goals for new students. New students are enrolled through the start of each new fall cohort. As a result, the Annual Budget is not published until enrollment goals are met or adjustments are made based on actual enrollments that are determined at "Day 10." This is the tenth day of classes and final day for students to add or drop classes for the new term, and the day on which the University's official enrollment is determined.

# Five-Year Forecast Process

Updated March 2016

Key



Key

Date
Action
Responsible

# Annual Budget Process and Timeline

Updated March 2016

