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EDUCAUSE Webinar: Budget Fundamentals for the First-Time Manager
Thursday, April 23, 2020
1:00PM – 2:00PM Eastern
Welcome to today’s EDUCAUSE Webinar: Budget Fundamentals for the First-Time Manager. This is Shana Campbell, Manager of Professional Learning at EDUCAUSE, and I’ll be your moderator for today’s event.

You are probably familiar with the interface for our webinar, but here are a few reminders. We hope you’ll join us in making this session interactive. Use the chat window on the left side of the screen to submit questions and to share resources and comments. We will be pausing for Q&A throughout the presentation; so we encourage you to type your questions into the chat during the webinar. If you’re tweeting, please use the tag #EDUCAUSEwebinar. If you have any audio issues, click on the link in the lower left-hand corner of the screen. And, at any time you can direct a private message to “Technical Help” by clicking in the top-right corner of the Chat window. A drop-down menu will appear where you can select “Start Chat With” and “Hosts.” The session recording and slides will be archived later today on the event site.

And now, let’s turn to today’s presentation. As the landscape of higher education continues to evolve as a result of COVID-19, the implications to financial budgets remain uncertain. This webinar will provide you with an overview of institutional budgets, and what type of impact it has for new managers navigating uncharted challenges. As a first-time manager, it's important to have the foundational tools to excel in your new role. During this program, you will discover why it's important to understand common sources and uses of funds in your department. You'll also uncover how to use the budget process to support strategic goals and why an understanding of the budget process can help you respond to changes in your department, at your institutions.

We are delighted to be joined by Ed Hudson, Chief Information Security Officer at California State University, Office of the Chancellor. Since 2009 Ed has held roles both on campus and at the Chancellors Office, leading efforts to define and implement system wide information security strategy, change management efforts and allocating appropriate resources, and leading information security investigations and efforts across the CSU. Before joining the CSU, Ed held various senior leadership roles responsible for responding to and leading complex investigations into external and internal computer security incidents with Fortune 500 companies, in addition to 15 years as a police officer, detective and investigations supervisor. Ed was a founding member of the Northern California High Tech Crimes Task Force. He has also served as faculty director for the EDUCAUSE Management Institute Program.
As well as Tara Hughes, Interim Assistant Director of Strategic Communication and Student Success Chatbot, at California State University, Channel Islands. Tara joined the staff in 2014, where she developed and implemented a shared services center that acts as the campus’ first tier of support for a growing list of services including IT, HR, Student Business Services and campus main line calls. In her current role, Tara is contributing towards the effort to improve retention of enrolled students at CSUCI. She is leading the work on establishing procedures for the campus chatbot, building the bot knowledge base and creating effective campaigns, as well as collaborating with various groups across campus to discuss communication strategies and how the bot can enhance current practices. Tara holds a Bachelor’s degree in Counseling and a Master’s Degree in Public Administration with a concentration in Leadership from California State University San Bernardino. She is an EDUCAUSE Leading Change Institute Fellow (2019), and a graduate of EDUCAUSE Management Institute (2018) and the Disney Institute (2015).

"Thank you for joining us here today. And with that, let’s begin.

>> ED HUDSON: Good morning, everybody. This is Ed. I really appreciate folks taking the opportunity to get away from your various cat yoga and sheltering at home. As I look through the participant list today, I can’t tell where everybody’s from, but I see that we have a pretty good representation. So, we have a few polls that we’re going to bring up today to help us get an idea of who’s attending, and what kind of institutions that there are. Jamie if you could pull the first one of those up, that would be terrific. So, let me see here — Sorry about that. So we’re looking at our agenda today, I jumped ahead. Thank you for bearing with us as we get this going. We’re going to talk about some basic budgeting terminology, we’re going to talk about budget fallacies and things to avoid. Some of the frameworks for how you can create a narrative for those non-IT constituencies that you have across the campus and talk to them about IT funding. And we’re going to talk a little bit today about how the Covid-19 factors are impacting budget. So if we look at our first audience pole. One thing we are asking is what type of institution do you work for? Do you work for a private, a public, a for profit? Should be able to see the results coming in, it looks like a large number are from public institutions. And some private. We will give this a couple of minutes for these to come on in. And looking at the numbers we have still got a few people that are still responding. Fantastic. I’m going to go ahead and move to the second pole now. When we look at that, what we’re asking is: Talk about one source of fund at your institution. This is our question number 2. And question number 3: name one use of your funds in IT at your institution. You can see the answers coming up here tuition, state funding, endowments, student tech fees. So looking, I think we have a fairly good understanding of some basic budgeting here, because when you look at what’s the use of funds at your institutions salaries, consultant, research, salary seems to be right there at the top. Yeah, we will give it another couple of minutes there. Looks like we’re starting to top out. And I’m just going to do a sound check really quick. Somebody had asked if they had lost me. Can everyone hear me okay? Alright, Jamie can hear me alright. Let’s move on to the next slide and Jamie if you could put those poles off to the side that would be great. Let’s talk a little bit about where funds come from. If you’re from a public institution, a large bout of ours for the California State University,
come from the state general revenue fund. So we’re largely dependent on the legislature and the governor. Other funds come from income tuition and fees. Those are the things that obviously students are paying, and the fees they pay for various services. Some organizations are fortunate enough to get endowments, gifts, and grants. And then you can have self-supporting funds that come from the agency, and then obviously the bond revenue. And these are used normally to fund larger scale development at an organization. One of our campuses has a huge project going on right now, where they have actually taken over a former NFL stadium. And there will be a lot of bond money coming from that because that’s obviously a huge cost to the organization. Let me talk about where those funds go to. So as we get all of those millions, and millions of dollars hopefully that come in. Where do those go, and how are those dispersed across the institution? On average, about 75%, three quarters of what we bring in go to those personnel costs as salaries for faculty and staff. Tara will talk about the difference between those. Obviously a large amount goes to financial aide for our students. Lastly, debt servicing. We will talk about what that is. So to further, you know, get us all on the same sheet of music, I will ask Tara to talk about budget terminology and various terms we will use throughout the presentation today. Tara?

>> TARA HUGHES: Thank you, ed. Good morning, everybody. I'm really excited we have such a great turnout. Thank you for taking time out of your busy schedules to join us today. There is a lot of budget terminology like ed said so we are on the same page. Review. Terminologies budgeting is a planning process and something that occurs annually and annual budgets that have to get planned and approved far in advance of the new fiscal year beginning. Really, that requires each individual who is assisting and preparing a budget to anticipate what their program needs are going to be many, many months in advance. And I think that when we are thinking about budgeting, it is important to consider the fact there is rarely a magic cure all or silver bullet, if you will, when thinking of budgets. Over a period of time to get where your program currently is, whether it is good or bad. It will equally take a series of good decisions over a period of time to get to where you want to go. That kind of planning is incredibly critical to be able to accomplish whatever goals your program and organization have. So if you are new to a program, it will take some time to get acquainted to what the program fees are. And to make any kind of well-informed budgetary decisions and in order to get really familiar with that and familiar with your university's budget processes, you want to make friends. You want to make friends with your finance teams in both your specific program area and organization and with the university at large. I know at least for the Cal State system, our university has our central budgeting office and each of the divisions and departments have a finance person that oversees budgets. It is important to be able to know centralized budget area and folks that work there as well as being acquainted with folks that work specifically on your budget. Accounting is really just tracking what we are spending as we are spending it. I think, you know, it is important to be able to be really diligent with your accounting because if you are able to track what you are spending as you are spending it, it gives you a lot more flexibility to be nimble and make pivots if things change. In my previous role when I was overseeing our help
desk and our call center, I managed a number of student assistants. I had to approve their time every month. So because our budget may fluctuate over the fiscal year depending on what things look like, I had to be nimble enough to make pivots or adjustments if the budget situation changes. I had an idea for what kind of coverage we needed to plan for and have in the month of August. I knew it was going to be a much busier month as we started our fall semester and also knew that the beginning of January or end of December was going to be really, really low. To be able to at least have an idea what my needs were and knowing if I could -- if I needed to go leaner, I knew periods of time I could go leaner with my staffing and assistance and I could track my expenditures as we are doing our salary. It is really important for being able to make sure that you are spending as you forecasted and you have to make a pivot and you are able to do so successfully. I'm seeing that maybe people can't hear me anymore. Can I get a check or can people hear me?

>> ED HUDSON: I'm hearing you fine, Tara.

>> TARA HUGHES: Awesome. Ed, we were talking the other day about examples of accounting in your area. You had a great example where you measured event per second.

>> ED HUDSON: Yeah. Thank you, Tara. This is when landscape guy decides to come by and do the trimming. I will try to talk over that and beg your indulgence from everybody. One thing that is really interesting for us is when we are planning. An example that Tara is talking about is we have a technology we are billed by depending on events per second. Looking at how to track the expenditures, one thing we have to look at and forecast is what the level will be from each of the 23 campuses. We have to take into account where that will happen and peak. Obviously, in the fall, when we are going through registration or going through times of high traffic volume at a campus maybe during finals week. Those will be really high. We need to be able to track and account for that. That also helps us then forecast where it will happen. Then during the summer, obviously, those events per second and EPS will be lower then and during the holiday. Having an understanding how it works and impacts your budget and accounting for that has proven to be really important for us. Otherwise, we would have anticipated a much larger bill at the end of the quarter.

>> TARA HUGHES: Thank you. So accounting is also really helpful, again. No matter what we are doing, whether it is budgeting or anything you do in your job, you want to be on good terms with people; right? There are lots of good reasons why. You want to be not just on good terms with your finance people who are helping with the planning of your budget but also with accounting people. You want to do accurate check-ins and make sure spending is going the way that you think it is going and your logs are matching up with what is happening in the central accounting area. Again, being familiar with accounting folks in your unit and central part of the university as well is really critical. I think it is building the relationships and in the different sectors. It helps you have a better lens of the university as a whole; right? To see where do I fit in? Where does my program add and contribute and fit into the mission of the organization. It
helps to be able to advocate for your program in a more meaningful way and helps you to be able to understand how if your program has an impact on another unit and how those potentially have an impact on one another that you are able to advocate for those partners as well. There is a real good and take that occurs when you have that ability to have those relationships and have that lighter lens because of the connections. Discretionary budget is your actual budget you are given but subtracted from that are things you have to pay for. Those are our non-negotiables. I did not have as much of a discretionary budget. It wasn't really something I had to worry too much about. It was student salaries and the main thing I had to worry about in my previous goal. Discretionary budget is over in flexibility of determining how to use those funds. If it gets to a point there has to be either reallocation of funds or if there is any kind of fiscal crisis, which I think we are on the brink of seeing what kind of impact COVID-19 will have on our budget. A discretionary budget will often times be one of the first places that will be taken. An encumbrance will be anything that is an ongoing either a contractual obligation. Do you have other examples? We definitely have more discretionary budget than I have had to worry too much here.

>> ED HUDSON: One thing to look at here is subtract encumbrances of budget. In your example on the next slide, they are things you have to do because of legislative requirements and contractual obligations. You might look I have a $2 million budget and I subtract all that out and see what is left and find I have actually probably only 8 or 900,000 that is for travel and maybe periodicals and training for my team and things like that, that, you know, I think right now as you mentioned are things and the first things I look at to see where can I reduce that cost. When my boss comes to me and says, hey, we need to do a budget reduction exercise, those are things I look at first, that discretionary amount where I can say clearly right now, travel part of my budget, which is discretionary is lower than I had for this year, obviously. I don't think we will do a lot of travel for the rest of the fiscal year. They are areas to travel back into the larger departmental budget for me personally.

>> TARA HUGHES: Yeah. Thank you. You could have a million dollar budget. For those not acquainted with how the budget gets parsed out, it might seem you have a million dollars to work with and when you take away all obligations that are encumbrances you might have only $800,000 that gives you anything to work with that flexibility. Difference between overall and discretionary budget can sometimes be really significant. Then --

>> Can you hear me?

>> TARA HUGHES: Yeah.

>> SHANA CAMPBELL: There was a question related to the budget. I wanted to see if we can get from Andrew asking about any tips in terms of thinking cyber security funds with businesses and nontechnical sponsors.
>> ED HUDSON: I will take that. Building relationships across the campus and outside of IT as a new manager and even if you have been a manager for a little while and growing in your career, having the understanding of the business needs, I call it casting a wider net across the academy and across your institution. And understanding where their needs are and how they talk. So, for instance, when I sit down and I'm looking for those -- to advocate for the things I want to spend money with, if I can talk about how not just that this reduces our risk about you what is the impact to the organization of the reduction of the risk. I will give you an example that if we use a fishing simulation across the service of CSU and my boss comes to me, hey, what is our validation for using this I can look to how that reduces our insurance cost by insurance carrier and look at reduction of number of fishing incidents we had this last year and what we expanded on that and to try to offset. I think if you can talk about where increases efficiency and decreases cost in other areas, you will have a better chance of advocating for that with non-technical people.

>> TARA HUGHES: That was a great answer. I learned a lot. Thank you, Ed. I will review operational and capital expenses. I want to be really sensitive to our time. I know we have a couple other questions that I want to make sure we get to. Operational expenditures will typically be provided to you on an annual basis. They would include expenditures like your personnel as well. I think Kendra actually asked about contractual obligations and doing things like existing software and licensing and maintenance fees and [Indiscernible] for existing employees and capital expenditures are long-term investments typically for a new building or major renovations. I know for our university, if it is not a new building, it is a renovation we have to do because we occupied buildings that were old and run down. When we look to these capital expenditures, it is on renovating and updating our buildings, so they are up to code. Until we can do that, they are unreasonable for us. IT, it will have a little of both; right? It will have your capital expenses and also have your operational expenses. I am giving a pause real quick. We are getting a lot of discussion. So great. Thank you guys for being so engaged. So that leads us to another really important facet of budgeting that was frankly a little bit newer to me until I started to have to worry about it, which is the difference of permanent funding versus temporary funding. Permanent money is ongoing and it fits within the budget of the base operating budget. That is money that is always having to be used and accounted for. Temporary money, it is one time. It means it can be very flexible. Temporary money can come from grants or gifts or one-time appropriations. The difference would be in my -- when I first started working at our university, I was under permanent funding as a staff member. When I moved into a management role a couple years ago, that role was still kind of being defined. That came from temporary money. Every 6 months, it was kind of reviewing whether that role was still providing the service that was desired. Was it meeting expectations that they had? Renewing if it was still seen as a need. In my current role, my funding for my salary actually comes from a grant that is also temporary money. I think as a manager, having the understanding of the difference between permanent and temporary funds is important for a couple different reasons. One is the basic fundamental, you know, mass of it all; right? Understanding that some money is going to be like a special one-time gift that you want to make sure you use wisely. You won't get that money back again necessarily
next year. Also, because as a manager, if you have people who are some salaried from permanent money and some who have their salary paid for from grants or temporary money, you know, that even has an implication in terms how that can impact the way that they think about their job and work and role. It can definitely create anxiety in terms of if I don't know what will be funding my role when that contract expires because it is coming from temporary money, that could be very stressful. Even as a manager, being aware of impact of the different monies even on your personnel and how it might influence the way that they approach the work that they do is really important. Then budget debts. I have to be honest. This is a little bit of a newer terminology for me. Budget debts if you think about it is operating dollars not encumbered at the end of the year. If you have anything that is not left over, it is definitely something that can build up. You might have a lot of it leftover. You might just have a little bit leftover. I know there was 1 year where we had a lot of money left over. It was kind of a panic feeling of oh, no. If we don't spend enough money, we won't get the same budget next year; right? It goes back to making sure you are tracking your funding and your sending appropriately and your accounting is pretty on target and you are not leaving that to, you know, a month before the end of your fiscal year where you are needing to close out your budget. If you have a little bit leftover, that can give you the opportunity to either share with other units or figure out creative ways to use it. I will hand it over to Ed once we take some questions. I think we may have at least one.

>> ED HUDSON: Yeah.

>> SHANA CAMPBELL: Thank you, Tara. The question from Taylor is how do you deal with depreciation of capital and level budgeting and is that something that is left to central accounting.

>> ED HUDSON: This Said. Great question. Lots of conversation in the chat. Question is to be answered. In case folks are just listening in and maybe not have seen that, there is some great chat there. Felix actually answered this. It is that typically the issue of depreciation is not always handled at the departmental level. We will be aware of it. Central accounting usually handles and projects for that. When there is a major expenditure like that, that is a capital coming under cap X funds they will bake that into total cost ownership we will talk about in a few minutes here. Typically as Felix noted IT and budgeting questions revolve around services and contracts and how you project for that. I love Taylor you should have committed before doing capital expenditure. Most of the time capital expenditures don't happen without that really happening and being taken into account and folks will be there helping to project out what that will be. It is a really good discussion. I really appreciate that. It lends into budgeting fallacies and it is a good time to talk about as we get into here the impact of COVID-19 and what is going on right now and fits into this slide we planned before this all happened about the planning fallacy in which case you make a plan that is on your best-case scenario and look at budget for last several years and figure out projections and where you want to go and strategic plan what you will do for the next 18 months or 2 or 3 years and assume outcome or budget will follow your plan. This is when you should know better. Because when this was what they call a black swan event. If you have never heard of that term, it was believed there was no such thing as a black
swan ever. Until somebody actually saw one. When we look at black swan events, things like 9/11 and worldwide pandemic are things we didn't really or couldn't have really foreseen. A couple years ago in part of the emergency operation center, we had a table top exercise involving half of the workforce being out due to the flu. They had it or somebody had it. This caused us to re-think things. It has an inverse impact into our budgeting when we look at these incredible new expenditures that came within just a couple weeks that I know within the CSU and is similar to all institutions that are represented today and looking at how we get into devices like Chrome books how do we get Web Cams and headsets and transition workforce and faculty to an at-home environment that came out with a lot of expenditure we really didn't anticipate even out of the discretionary budget and I plan every year I have a bit of a fund to assist the campuses when they have an event. You know, a hacking event or a sort of date or privacy exposure that doesn't account for this. This is -- you know, it is good to have in mind. And look at what is the likelihood I will have. Some sort of event and obviously this one was really unforeseen. Be aware what the cascading impacts will be. If we have expenditures and state you are operating in has those expenditures and dependent on state-level funds and gifts and endowments and understanding how that will be and how we will all be impacted by that. Probably for I think quite a period of time to come. We are talking about the new normal but also what is new normal going to be and budgeting? We will have costs right now getting people to telecommute and work from home and move instruction into a vert environment and there will be ongoing costs for that. Next thing to talk about is hidden cost fallacy which happens when you ignore common hidden costs ignore opportunity cost of labor when choosing to produce software in-house. You might decide you will build this. We will build our own application and do whatever in-house rather than go out and buy it. Look at what is your technical debt and what is the cost of actually building that application and maintaining the application and moving forward as opposed to purchasing it as a service or actually purchasing the software. One of the things I have seen right now is that I have vendors that come to me and say we will offer you this for free. They look at it as a loss/lead type of event they can get into us. I think they are trying to help and they hope that the product will stick and we will want to use it. There is nothing that is free and hidden costs if I decide right now to implement a new technology there is cost of supporting technology and cost of training new people on the technology and implementing new technology and making sure new technology or whatever it is will work for us. Sometimes if people look at that it is for free it is for me and they don't stop to think of hidden costs that come down the road. Other thing is sunk cost fallacy you can't quit because of time and money that is sent. We had a good example CSU a few years ago prior to coming to headquarters we invested in a large GRC technology and spent a bit of money. When I came in we had a really hard time implementing technology and had a hard time getting it adopted by various campuses and there was this concern that we really can't quit it. We already spent all this money. Ultimately about 6 months into it I had to go to my boss. Look. I realize we spent several hundred thousand dollars but we are P not getting it adopted it will cost several hundred thousand more time to put a fork in it wasn't a bad decision up front and circumstances changed and now is not the time for us to keep doing what we are doing. Those are sometimes difficult conversations to have if you are the one that advocated for a solution. Imagine me going back to CIO I know I asked you for $100,000. At the time it was
great but now I'm realizing it is not what we should be doing. We don't want to pour good money after bad. Those are better conversations to have than being afraid to go to your boss and say this is not working and I recognize this as a manager. I see a couple questions. I will pause for a minute and ask tuition revenue take a hit and universities are you making in security plan to shave costs? We are really looking at what is the return on investment? I will work on it in a minute. Return on investment could be reduction of risk and efficiencies and where we can do better and save money and make things work more quickly and more efficiently. So it is a weighing process now and difficult one. We don't know what the future will hold. David asked have you witnessed investment in partners rather than pure technology? I would tell you I'm not sure, David. I will ask you to type in exactly what you mean with that. I will go on and come back if I could get a little more clarification on that would be helpful. One of my favorites up here talks about the sunk cost fallacy where economics of project have changed and they want to shut it down. Boss said put money down and now wasted and tongue and cheek what if we stop later? Trick is to never finish the project. We have seen those projects that just go on and on and on. In change management one thing we talk about is we build a lot of ships that sit in the harbor and don't get used. I think a responsible IT manager has to be willing to look all the time and say is this a good use of our funds. If public institution, these are taxpayer monies and we have to be good stewards of those. I want to talk about how you create that narrative. I think Tara will talk about building those relationships we talked about across the campus and how you go about doing that.

>> TARA HUGHES: Thank you. I think whatever budgetary needs you have, you have to be able to share the story about how you will spend those and how that will impact your department or your division and the university as a whole. Is it contributing to the strategic initiatives or contributing to the mission of your organization? I think the other thing to think about as you create a narrative is to always be keeping in mind that throwing money at something does not solve a problem. This is where good leadership is essential. The impact that you can have on how you use your funds can be both positive and negative. That really comes down to looking for ways to be very thoughtful and specific in how you will spend the money and not just asking for the money because everyone is asking if for money and I need to get my piece of the pie or whatever that might look like. You want to make sure you understand what is the story I'm telling. So the numbers that were just part of the budget. The really important thing you have to do to move forward is to know how to communicate with people who make decisions and people who are involved as stakeholders. For myself, when I was working in business and finance at our university, I learned so much about communicating budgetary requests in pretty much every way imaginable it seems and I had people that responded to raw data. When we met I need today have all raw data and spreadsheets to look at that. That is what makes sense to them and what gave us the platform to have meaningful conversations in how we were going to move forward with whatever our program goals were. I had other individuals who really responded to graphs. They wanted more of a visual representation and some people really wanted PowerPoint presentations. You have to be able to be nimble with being able to make sure you are communicating in such a way that it is effective and meaningful to the person you are speaking
with. You understand your program and your area probably better than anybody else. And so both the -- we will get into this. Both qualitative and quantitative data is important. It is your job to be able to convey this to the decision makers and to your stakeholders. So Ed mentioned return on investment or ROIs. That is in higher education that was the acronym; right? ROI, it is return on investment which is tangible result of the investment that you made. It will give you a measurable improvement; right? These are quantitative results; right? You can measure them in productivities and costs and revenue and enrollments and retention and graduation rates, et cetera. You know, again, when I was working in business and finance, if it wasn't enough to have a compelling story. I had to explain in my budget requests what our ROI would be. If I was given the funding, I had to be able to then report on that return on investment to see if it matched what I said it would give us. Right? That is where the accounting came back in. It wasn't just enough to be able to do one part. All of the things have to really work together. Ed actually has really helpful comments on total cost of ownership.

>> ED HUDSON: Thanks, Tara. I have to pay Dave as my straight man. Can you pay on investments in partners rather than pure technology and example he asked about was smaller weaker less robust software compare to vendor less reliability towards you amidst regular and current and irregular scenarios. Talking about total cost of ownership not talking about I just spent 5,000 or $10,000 when you look at TCO. Those are from large scale and maybe not necessarily capital but large scale operational costs that we have to look at, say, this will cost us $10,000 up front to buy and maintenance will cost us a certain amount per year and support will cost us a certain amount per year and you have sometimes hidden costs of actual what we call technical debt of people actually supporting the project. If you have a software or solution or whether software is a service or platform and you actually have an on-premise solution that you are constantly having to seek support from the vendor or partner and going back. There is a cost to that. You have to be able to go in and tell yourself, you know, what I said earlier for free it is for me. Challenge with that is how will you support that on the back end? Do you have maybe one throat to choke euphemism that people use when something goes back bad. Right now in light of COVID, one thing we looked at is if we make a move that I mentioned earlier from this platform to another platform costs for free and examples on that and make slide as available and look at that and say what will this cost me over a period of 5 years I bought this technology solution that will cost us 5 years that is not just 10,000 a year or 50,000. You will have cost of ongoing maintenance and licensing and support and what will happen at the end of that if you have a WiFi solution across the campus and understand that well in 5 years there will be -- if we change vendors, there will be an incredible cost what they call a Fork lift upgrade changing that from one provider to another and may be good reasons to do that but something to keep in mind when you go through and make those decisions. Tara, back to you.

>> TARA HUGHES: Thank you.

>> ED HUDSON: Sorry about that.
TARA HUGHES: No. Next focus is value of investment and some refer to this as return on mission. This is more of the qualitative stuff; right? It is intangible. Benefits are still there and they do exist. It is faculty or staff morale and loyalty to institution and student morale and what is the effect on reputation. These are things that are really hard to measure. They are there and you definitely want to make sure you keep them in mind and pay attention to those. And then benchmarking. You have to be able to make a budget case and point to how other schools compare and sometimes that is a really effective way when making a budget request to say, you know, this other public university that is similar-sized to ours, this is what they are doing and how they are spending those funds. You know, a lot of leaders in higher education are keeping track of the peer schools. It is great and definitely means we are not operating in silos. We can learn from each other. You want to use that to your advantage. Nobody wants to be behind the curve. I say too it is good to be ahead of the curve too if doing innovative things and don't have peer institutions to compare to. That is good to create benchmarking and keep that in mind even where you are on that spectrum. You get a better sense of that when you are looking at your peer institutions. If you are ahead of the curve, it is something to really be able to highlight when you are making the budgetary requests to be able to say, look. This is a really innovative thing we are doing and no one else is doing it and this is where I think we can really be a leader. Again, networking and building relationships and get to know counterparts at your peer school. This is, I think, one of the most helpful things you can do not just for benchmarking about that is part of it. For your own development and growth of your own program and be able to understand what are pitfalls other areas are running into and learning from their experiences as well. There is an idea of run grill transform and they are different activities within your budget planning; right? One would be keeping your operations going. You are trying to keep things functional. It is plumbing, if you will. It is making things so everything is discontinuing as needed. Growing would be activities really looking to make improvements. On your current functions, making them better. You know, spending is not always guaranteed either due to economic reasons or maybe it is temporary funds. It is really in your best interest to assess and identify areas and processes that are redundant or inefficient or effective or necessarily inexpensive and gives you the opportunity to be innovative and looking for the improvements and really sets you up for when things are going well, it gives you cushion; right? If there ends up being cutbacks in any future state you are more well-prepared to handle those. You have already been looking to make those decisions when you didn't have to do it in a way that under special conditions or because it was more detrimental. You were looking already to make improvements and efficiency and transform. These are things that are really aiming to make a transformative change and implementing business intelligence for the first time. As I said before, this is the part of being ahead of the curve; right? That is a hard place to be if you cannot benchmark that. But I would say that, again, even taking a step back from the numbers portion of it. Thinking about this as a leader in your institution and in your area. This is where you want to have your elevator pitch ready. You always want to be prepared to explain what you or your department or program, what do you do and why is it important? What are the outcomes that you are currently working on and looking forward to seeing as a result; right? You need to find ways to explain it in a way that is relatable. Don't use acronyms or abbreviations or terminology that may be unintentionally
excluding people you are talking to. You want to really find a way to share this exciting transformative activity that you are really pursuing. You want to be able to help those people understand why they should care too. When you are building the relationships, that is where you will get people to maybe get excited with you and maybe they become unintentional advocates for what you are trying to do as you make transformative changes in your organization. Using this language of run, grow, transform, when using this in the budget process, it can help connect IT spending to strategic initiatives to the institution. It is at our university something that we are asked to do from the top-down and from a really broad view all the way down to, you know, your very small programs and how is what this program is doing and how is that contributing to the mission of the university to achieve student success or improve our graduation rate by 2025; right? If I can connect what I'm doing to that mission, that will be that much more powerful in terms of any budget requests I'm making. At least there is a clear connection between what I'm doing and how it is benefiting the university. You want to focus on outcomes not just inputs. These clearly identify partners and beneficiaries as we run, grow, and transform. You are not an island, so chances are you are not doing these things alone. Also, this process really helps to analyze multi-year budget plans; right? You can then start to make a comparative analysis from year-to-year and also to think much more broadly and you are casting a wider net. So --

>> ED HUDSON: Before we can get to that if we can back up a second. There is a question in the poll. I will get this so wrong. Adelle regarding run, grow, and transform and level of risks that the institution is willing to accept. Do you want to take that or I can?

>> TARA HUGHES: Feel free to give your contribution. I think we heard me talk a lot.

>> ED HUDSON: Great. It is a great question. Level of risk that an organization is willing to take on really impact it. When you talk about the run perspective, you know, that is really your day-to-day what is happening. If you want to grow and transform you want an organization that is willing to take on risk. Right now with COVID-19 we have taken on and not just cyber security risk we have to think differently and have to consider a different perspective and bringing a little back to information security, there is two types of us and what I call abominable snowman and no innovation that is how people perceive us sometimes and then we are a partner which is important for all of us in IT. I would say we were like plumbing and wiring inside of the walls. We were there no matter whether you wanted an outlet on the ceiling or sink up high and we would build it and to code. That belies the value of IT across the board and we have to be partners with organizations and have that wider perspective as Tara talked about and be able to understand what the organization tries to do allows you to look at the risk and yeah we will take on a little more risk and goal is to take on the organization and to grow we have to be willing to do that. With that, I want to go to the last poll here and we will ask what is the percent of central IT budget in your institution that is spent in the activities that will run and grow and transform it. Jamie, can you put that back up? Thank you very much. While you are filling that out, I want to talk a little about the next steps. One thing can you do as a new IT manager is talk to your Supervisor about had how budgeting process has works and we haven't gotten into zero-based
budgeting for example. You want to understand what is the budget process your organization uses and create yourself a list of potential funding needs in your particular unit to manage one to 3 years and candidates reduction of elimination if you can go to your boss hey I think we can do better and be efficient and considering sunk cost fallacy is influencing thinking and sticking with something for fact we are staying with it. Another great thing I can't advertise enough peers benchmark data and Educause has great process for this to get to know counterparts and how people are doing things for organizations they are measuring and a couple questions we can't get to and Melinda asked how do you tees out benefits and retention and investments which is a hard thing to do. If you look at what your peer organizations are doing you will find great data and information which helps you support your efforts. At your own organization. This is what a similar-sized campus with similar-sized funding is doing. We talked about a little bit of the things here, I think. You know that we can do. We are getting towards the end of our time. Slides will be available for you. Shana will have information on that and upcoming budget course. I want to thank everybody for amazing attention during this challenging time and feel free to reach out to me or Tara directly. I will put my e-mail in the chat and feel free to shoot me a note. I'm happy to continue the conversation. Shana?

>> SHANA CAMPBELL: Thanks so much ed we have upcoming budget course to continue this conversation creating bow out and creating sustainable business model in response to COVID this is a course such as a webinar like this and will occur during May 26th date. Feel free to register and the link will be in the chat. On behalf of EDUCAUSE and speaker today thank you for joining us and we thank you for the questions and engagement. Before you sign off today click on session evaluations that you will find in the chat window. Know your comments are important to us. We tend to do it once a year. I think it is certainly more important as we navigate these uncharted waters with COVID and what it will look like beyond for all your institutions. Session recording and presentation slides, they will be posted to the event site. That link is over in the chat as well. Feel free to share the resources with your colleagues. Then, finally, please join us for the next EDUCAUSE webinar May 19th 1:00 p.m. eastern transforming orientation from on the ground to online creating engaging experience. This is Shana Campbell, thank you for joining us today for the EDUCAUSE webinar.

>> ED HUDSON: Have a great day

End of Webinar