The University will transition to activity-based budgeting in conjunction with budget development cycles.

**Conceptual Study**
- President’s statement of purpose
- President’s core principles
- Higher Education benchmarking
- Conducted financial reporting needs analysis
- Reconciled initial common data set for modeling – financial actuals
- Supported change preparedness assessment: academic & service
- Steering Committee task force reports on key issues:
  1. Financial reporting, System Preparedness and Training
  2. Communication & Change Management
  3. Revenues & Incentives
  4. Cost and Service Level Architecture
  5. Decision-making, Governance and Policy Making

**Design Phase 1:**
- Model options for revenue attribution & cost allocation
- Steering Committee decisions on revenue and cost
- Draft required governance, decision-making, and policies
- Develop short term & seek long term data and reporting solutions
- Propose phasing, hold harmless, operating support guidelines

**Design Phase 2:**
- President decides initial revenue and cost allocation methodologies
- Complete development of initial tool for scenarios illustrating model; conduct testing
- Set initial processes, policies, reporting & system solutions
- Begin process-planning for for long-term data and reporting solutions
- Develop scenarios for new financial model according to phasing, hold-harmless and related guidelines.

**Design Phase 3:**
- Begin planning budget process changes for transition to new model, while developing FY14-15 budget using traditional process
- Test new model scenarios with stakeholders using historical data
- Adjust model methodology for fairness and consistency
- Initiate process for identifying and implementing long-term data and reporting solutions
- Develop scenarios for new financial model according to phasing, hold-harmless and related guidelines.

**Implement Phase 1:**
- Move to robust scenario planning and tracking tools for new model
- Complete FY14-15 budget development in traditional process; beginning July 1, map to new activity-based budgeting as framework of record for rest of FY, including hold-harmless provisions
- Familiarize all affected constituencies with new model
- Finalize planning process, policies, reporting, & system solutions and begin implementing
- Monitor new model for effectiveness, efficiency and fairness

**FY2013-14 Budget Development Cycle**
**FY2014-15 Budget Development Cycle**