National Defense University

Board of Visitors Fiscal Update

10-11 Dec 2012

Overview

Status of Funds for Fiscal Year (FY) 13 and Future Budgets: FY14-18

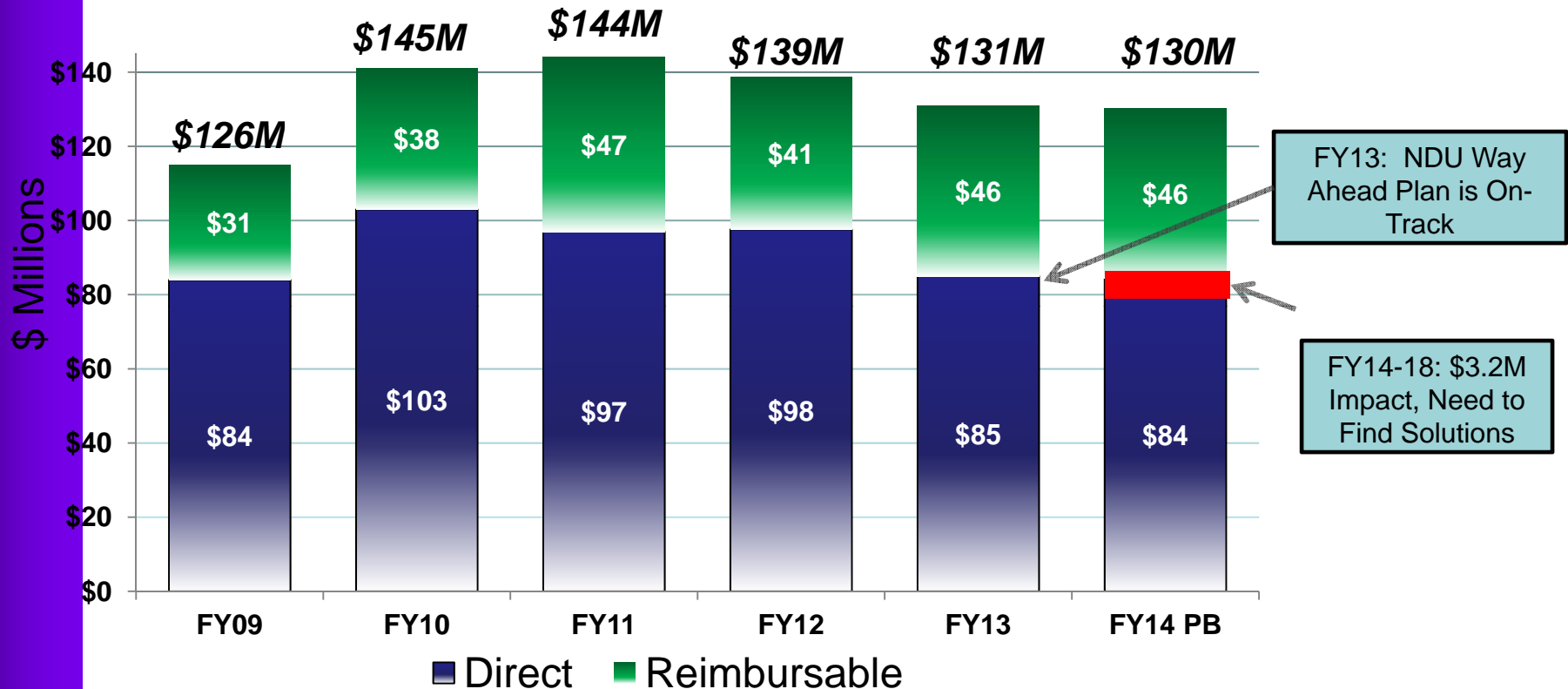Middle States Accreditation Challenge

The Journey: Future Fiscal Planning - Planning/Programming Cycle

Creating Management Structures for Priority Decisions

Request BOV Insight and Guidance

NDU Funding Challenge

FY13: NDU Way Ahead Plan is On-Track

FY14-18: $3.2M Impact, Need to Find Solutions

Direct ■ Reimbursable

– FY13: If Budget Holds, We are Solvent: CJCS Approved Plan On-Track
– FY14-18: $3.2M Disconnect Each Year, Must Find a Solution
– Unknowns: $3M Congressional Mark…Sequestration…Budget Pressure

3

Challenge: Develop a Future Year Resource Priority Decision Process Linked to the Strategic Plan

Middle States Accreditation

Excerpt From Middle States Commission on Higher Education Report, 29 Jun 12

To warn the institution that its accreditation may be in jeopardy because of insufficient evidence that the institution is currently in compliance with Standard 3 (Institutional Resources) and Standard 5 (Administration).

(1) a comprehensive technology acquisition, replacement, and operations plan, including provision for current and future technology needs and with qualified staffing for the office Information Technology , as appropriate to the institution's complexity, educational programs, and support services (Standards 3 and 5).

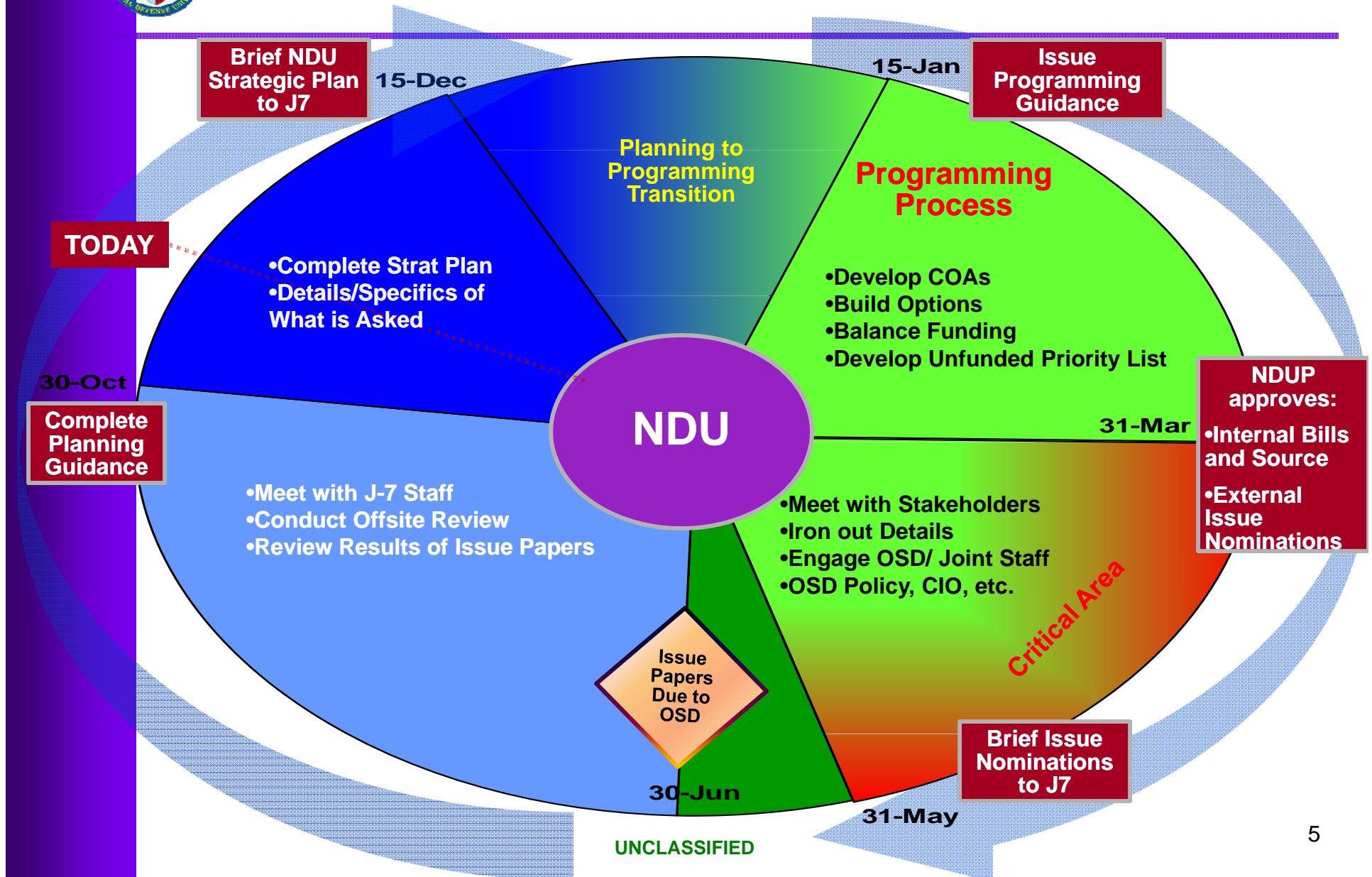(2) goals and objectives that are clearly linked to the institution's new mission (Standard 2);

(3) a multi-year budgeting process aligned with the institution's new goals and objectives (Standard 3);

(4) the use of assessment results to inform planning and resource allocation (Standard 7).

4

Show "Evidence" of Progress to Achieve Accreditation

The Journey
Fiscal Year 15 Annual Planning and Programming Cycle

Brief NDU Strategic Plan to J7

15-Dec

15-Jan

Issue Programming Guidance

Planning to Programming Transition

Programming Process

TODAY

•Complete Strat Plan
•Details/Specifics of What is Asked

•Develop COAs
•Build Options
•Balance Funding
•Develop Unfunded Priority List

30-Oct

31-Mar

NDU

Complete Planning Guidance

•Meet with J-7 Staff
•Conduct Offsite Review
•Review Results of Issue Papers

•Meet with Stakeholders
•Iron out Details
•Engage OSD/ Joint Staff
•OSD Policy, CIO, etc.

NDUP approves:
•Internal Bills and Source
•External Issue Nominations

Critical Area

Issue Papers Due to OSD

30-Jun

31-May

Brief Issue Nominations to J7

5

FY15 Programming Guidance Concept

Strategic Goals:

1. Education Leader Development

2. Scholarship

3. Institutional Enablers

4. University Transformation

Programming Guidance – Provide COAs for:

- Link Student Travel Program to Academic Goals
- Link Faculty Compensation to Academic Goals
- Develop Comprehensive Cost Per Student Model

- Integrate Research and Teaching Faculty Efforts
- Link Priority Research Program List with Direct Resource Impact
- Develop Priority Research Management System
- Expand Student Research Involvement

- Develop Virtual Library Capabilities/ Distance Learning
- IT Investment to Achieve Middle States Accreditation
- Achieve DoD Accounting Audit Compliance Requirements
- Implement Asset Management Control System
- Shutdown Legacy IT Systems

- Develop Enterprise Governance Control Structure
- Implement Common Academic Colander
- Implement Single Synchronized Grading System

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Linking Resource Decisions to the Strategic Plan

Resource Management Structures

- Develop a NDU Total Manpower Structure Including Civilian, Military and Contractor Assets
  - Create "As Is" Beginning Point For All of NDU
  - Document Approval for Adjustments to the Structure
- Develop a Faculty (Title 10) Compensation Structure Necessary to Define and Inform Manpower Structure Decisions

CURRENT

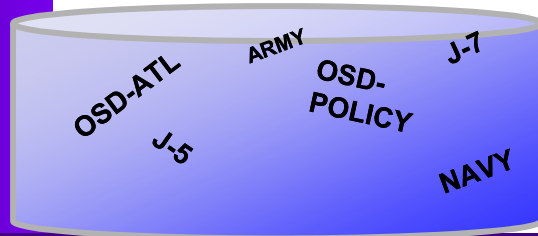| Senior Level	BAND 3
Salary Determined One Package at a Time	BAND 1 & Band 2

FUTURE

Senior Level	BAND 4
Professor Level	BAND 3
Associate Professor Level	BAND 2
Assistant Professor Level	BAND 1

- Develop a Priority, Project Based Reimbursable Workload Structure

CURRENT

OSD-ATL ARMY OSD-POLICY J-7 J-5 NAVY

FUTURE

PRIORITY	PROJECT DETAIL	BUDGET	EXPENSE
1	OSD-Policy-Detail	$ XX	$ XX
2			
3			

7

These Three Structures Impact 70% of NDU Funding (Direct and Reimbursement)
Better Structure Matches Resources to Priorities…Communicate Impacts

Request BOV Insight and Guidance

Out Year Planning/Programming Versus Day to Day Budgeting: How do You Separate Daily Spending Management with Future Resource Decisions

Faculty Compensation: How to Link Faculty Compensation to University Strategic Plan…Academic Goals…Research Goals

Information Technology Investment: How to Balance Investment in IT with Sustaining Classroom Instruction

Management and Control of Research Projects: How to Control The Research Projects You Accept While Staying True to The Strategic Plan?

Questions/Discussion???