The University of Texas at Dallas
Office of Budget and Finance

Report of the Strategic Budget and Planning Council
to the Vice President and Chief Financial Officer

Recommendations Concerning Strategic Priority Investments for 2017
March 5, 2016
March 1, 2016

Mr. Pankratz,

I am pleased to enclose the Office of Budget and Finance Strategic Budget and Planning Council’s (the Council’s) prioritized strategic initiative recommendations for fiscal year 2017. Thank you for supporting the work of the Council and for providing guidance for its initial launch this year.

I am very grateful to the members of the Council who invested their time in diligently carrying out their responsibilities on behalf of the OBF Division. They were engaged, informed, and offered sound recommendations. It has been my pleasure to facilitate the Council’s launch and to work with this devoted group.

Sincerely,

Kim Laird, Associate Vice President and Controller
Interim Chair, OBF Strategic Budget and Planning Council
Council Membership

Kim Laird, Associate Vice President and Controller (Interim Chair)
Greg Argueta, Director of Accounting and Financial Reporting
Reda Bernoussi, Associate Controller
Pete Bond, Assistant Vice President for Procurement
Adam Cantwell, Director, Payroll and Data Management
Cheryl Friesenhahn, Director, Student Financial Services
Dave Gaarder, Interim Budget Director
Nate Howe, Chief Information Security Officer
Andre Josiah, Interim Director for Contract Administration
Rafael Martin, Associate Vice President for Research
John Reeser, JSOM Director of Budgets and Financial Affairs
Debbie Reynolds, Executive Director for Procurement
Orkun Toros, Director of Finance Operations

Assisting the Council

Web Pierce, Senior Financial Analyst
Introduction

Beginning with the FY 2017 budget cycle, a strategic initiative reallocation/reinvestment component was added to the existing incremental budget process for the Office of Budget and Finance (OBF). This enhancement consists of two critical elements:

1. Creation of a Strategic Budget Planning Council
2. Establishment of an annual budget review, reallocation and reinvestment process—the Strategic Reinvestment Process

Strategic Budget and Planning Council

The Council, chaired by the Chief Budget Officer, is a deliberative body advisory to the Vice President for Budget and Finance/Chief Financial Officer (VP/CFO). The Council facilitates an environment that allows each operating unit within the OBF to engage in a process for planning and budgeting that ensures collaboration, the most effective use of resources, funding of priorities, and transparency. Internal priorities identified through divisional planning and aligned with the overall University and Division strategic plans, form the framework for recommending potential resource allocations and reallocations within the Division using a set of budget guidelines, principles, and procedures. The Council is prepared to review budget proposals by operating unit within the Division, make budgetary recommendations for developing the University’s annual budgets that address strategic priorities, obligations, and other initiatives deemed important to the University and Division’s success and future.

The Council also conducts evidenced-based analyses of the priorities and allocation requests emerging from the Division’s operating units. This vetting process provides an examination of the internal priorities within units through the lens of divisional and institutional needs, priorities, and strategic directions.

Strategic Reinvestment Process

Funding Pool

While this inaugural year of the Council is an exception, generally in the fall of each year, assisted by the Budget Office, the Council will review the results of operations for the preceding fiscal year for each department within the Division. An actual-to-budget comparative analysis will be prepared and analyzed thoroughly. Based on this financial review, recommendations are made to the VP/CFO for possible budget realignments within the Division and/or potential percentages of the total core operating budget that might be reallocated to the Strategic Investment Pool. This year, due to the late start for the Council’s activities, the VP/CFO asked the Council to forego the review of the OBF budget and focus exclusively on prioritizing proposed funding requests.
Funding Requests

Individuals within the Division had the opportunity to prepare a proposal requesting funding from the Strategic Reinvestment Pool. Proposals were circulated to Council members to review prior to the organizational meeting held February 5, 2016. Project champions presented their proposals to the Council at two meetings: the February 5 organizational meeting, and a meeting held on February 9.

The Council received eight proposals and rated each proposal based on the following five factors. A Likert scale associated with each of the four degrees of importance for each factor was used with 4 representing Critical and 1 representing Less Important.

- Mission and strategic plan
  - Critical – addresses all strategic goals
  - Very Important – addresses two strategic goals
  - Important – addresses one goal
  - Less important – does not address a strategic goal

- Financial performance
  - Critical – high positive financial return
  - Very important – positive return
  - Important – net cost
  - Less important – high net cost

- Internal competencies
  - Critical – complete infrastructure in place to support initiative
  - Very important – substantial infrastructure in place
  - Important – some infrastructure in place
  - Less important – no infrastructure in place

- Market trends
  - Critical – included in strategic plan and supported by market trends
  - Very important – supported by market plans but not in strategic plan
  - Important – included in strategic plan but not supported by market trends
  - Less important – neither in the strategic plan nor supported by market trends

- Customer impact
  - Critical – benefits the entire campus community
  - Very important – benefits multiple Divisions
  - Important – benefits the entire OBF Division
  - Less important – benefits a group or department within the OBF Division

Prioritized Recommendations

Details for each proposal received and evaluated by the Council follows the prioritized list.
<table>
<thead>
<tr>
<th>Priority</th>
<th>Proposal</th>
<th>Recurring Funding</th>
<th>One-Time Funding</th>
<th>Total</th>
<th>Dept Funding</th>
<th>Funding Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>24 X 7 Security Monitoring</td>
<td>125,000</td>
<td></td>
<td>125,000</td>
<td>75,000</td>
<td>50,000</td>
</tr>
<tr>
<td>2</td>
<td>3rd Party Penetration Testing</td>
<td>120,000</td>
<td></td>
<td>120,000</td>
<td>60,000</td>
<td>60,000</td>
</tr>
<tr>
<td>3</td>
<td>SciQuest Sourcing Module</td>
<td>33,208</td>
<td>17,934</td>
<td>51,142</td>
<td>17,934</td>
<td>33,208</td>
</tr>
<tr>
<td>4</td>
<td>OnBase Software Enhancement</td>
<td></td>
<td>10,000</td>
<td>10,000</td>
<td></td>
<td>10,000</td>
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<tr>
<td>5</td>
<td>BPA Training</td>
<td>20,000</td>
<td></td>
<td>20,000</td>
<td>10,000</td>
<td>10,000</td>
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<tr>
<td>6</td>
<td>CI Team Training</td>
<td>10,000</td>
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<td>10,000</td>
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<td>10,000</td>
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<td>7</td>
<td>OBF Technology Architect</td>
<td>75,000</td>
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<td>75,000</td>
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<td>75,000</td>
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<td>8</td>
<td>Computer Upgrades</td>
<td>1,000</td>
<td>22,000</td>
<td>23,000</td>
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<td></td>
<td><strong>Total</strong></td>
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<td><strong>434,142</strong></td>
<td><strong>162,934</strong></td>
<td><strong>271,208</strong></td>
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</table>

**Proposal Details**

<table>
<thead>
<tr>
<th>Proposal</th>
<th>24 x 7 Security Monitoring</th>
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</thead>
<tbody>
<tr>
<td>Department</td>
<td>Information Security</td>
</tr>
<tr>
<td>Submitted by</td>
<td>Brain McElroy</td>
</tr>
<tr>
<td>Presented by</td>
<td>Nate Howe</td>
</tr>
<tr>
<td><strong>Summary</strong></td>
<td>The enemy never sleeps. Attacker probe UT Dallas systems and networks at all hours of the day and night - even during breaks. In order to ensure timely response to potential incidents and attacks, the ISO seeks to outsource routine monitoring tasks to a Managed Security Services Provider (MSSP) who can provide 24 x 7 coverage. During the remaining portion of FY2016, ISO plans to spend up to $75,000 to engage a firm to provide baseline services. Costs are expected to increase as the ISO adds services, or as the network grows or becomes more complex. For FY2017 and onward, ISO seeks matching funds up to $50,000, as needed to meet these cost increases.</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Criteria</th>
<th>Mission/ Strategic Plan</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Financial Performance</td>
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<tr>
<td></td>
<td>Internal Competencies</td>
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<tr>
<td></td>
<td>Market Trends</td>
</tr>
<tr>
<td></td>
<td>Customer Impact</td>
</tr>
<tr>
<td><strong>Score</strong></td>
<td>2.62</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>13.86</td>
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</table>

**Council Comments**

This is an important initiative that will benefit the entire University. It will be important to collaborate with UTS to leverage economies of scale and ensure adequate coverage for all systems, including PeopleSoft.
### Proposal

**3rd Party Penetration Testing**

<table>
<thead>
<tr>
<th>Department</th>
<th>Information Security</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submitted by</td>
<td>Chaney Edwards</td>
</tr>
<tr>
<td>Presented by</td>
<td>Nate Howe</td>
</tr>
</tbody>
</table>

**Summary**

In order to prevent costly security breaches, it is critical to identify and remedy weaknesses before an attacker does so. The Information Security Office seeks to engage an external firm to conduct penetration tests against UT Dallas networks and systems.

During the remaining portion of FY2016, ISO plans to spend at least $60,000 to engage a firm to do an initial set of tests and assist with formulating remediation plans. For FY2017 and onward, ISO seeks a matching $60,000 to conduct additional tests.

<table>
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<th>Market Trends</th>
<th>Customer Impact</th>
<th>Total</th>
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<tbody>
<tr>
<td>Score</td>
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<td>2.08</td>
<td>2.62</td>
<td>2.85</td>
<td>3.38</td>
<td>13.47</td>
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</tbody>
</table>

**Council Comments**

This is an important initiative that will benefit the entire University. It will be important to collaborate with UTS to leverage economies of scale and ensure adequate testing for all university web sites, including (eventually) 3rd party-hosted sites. Suggestions were made that perhaps students might be used to conduct some testing.

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### Proposal

**SciQuest Sourcing Module**

<table>
<thead>
<tr>
<th>Department</th>
<th>Procurement Management</th>
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<tbody>
<tr>
<td>Submitted by</td>
<td>Pete Bond</td>
</tr>
<tr>
<td>Presented by</td>
<td>Pete Bond</td>
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</tbody>
</table>

**Summary**

The University of Texas at Dallas implemented multiple SciQuest modules (Spend Director, Requisition Manager, Order Manager, Settlement Manager and Contract Manager) in 2011 in conjunction with the implementation of the PeopleSoft Finance/HCM ERP. The SciQuest modules are referred to as "eProcurement" and are used for all requisition and purchase order activity as well as much of the receiving and invoice reconciliation for an integrated (3-way match) process. Currently, competitive bidding is conducted independent of eProcurement using word and excel documents. The incoming bids and proposals are collected manually and entered on to an excel spreadsheet. All documents related to the competitive bidding process are attached manually to the eProcurement record so the full record is viewable.

This proposal requests the purchase and implementation of SciQuest's Sourcing Module which will integrate the competitive sourcing process to the existing eProcurement platform and eliminate most all of the manual functions related to sourcing. This Sourcing Director Module is currently used by the UT System Supply Chain Alliance as well as MD Anderson Procurement.

<table>
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<th>Customer Impact</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score</td>
<td>2.69</td>
<td>2.38</td>
<td>2.46</td>
<td>2.92</td>
<td>3.00</td>
<td>13.45</td>
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</table>

**Council Comments**

With the requirements of SB 20 expanding the need for a fully competitive bid process, effective and efficient bid management and evaluation is critical.
Proposal | OnBase Software Enhancement
---|---
Department | Procurement Management
Submitted by | Debbie Reynolds
Presented by | Debbie Reynolds
Summary | Procurement Management recently transitioned all of the manual paper invoices to electronic format. Currently, more than 85% of invoices are being routed through Outlook. As of January, 2016, we are utilizing On Base workflow to route those documents through the payment process, making On Base our document repository for all payment related items. In order to be more efficient, we need software to assist in automation of documents from Outlook into On Base with the least manual effort.

The benefits to both the Procurement area and the rest of the University are substantial from an efficiency and practicality standpoint. We all receive a great many documents via email. This will provide significant potential process improvements for Admissions, Financial Aid, Registrar, and other departments that are using OnBase to process documents.

Criteria | Mission/ Strategic Plan | Financial Performance | Internal Competencies | Market Trends | Customer Impact | Total |
---|---|---|---|---|---|---|
Score | 2.46 | 2.38 | 2.46 | 2.62 | 2.46 | 12.38 |
Council Comments | With receipt of up to 175 invoices per day, this enhancement will greatly improve the efficiency of the AP team.

Proposal | Business Process Analyst Training
---|---
Department | Financial Management Services
Submitted by | Reda Bernoussi
Presented by | Reda Bernoussi
Summary | A critical initiative in the strategic consolidation of business process analysts (BPA) at the University is training. This training involves providing the BPA team with the skills necessary to effectively implement process and system enhancements. While the existing training program has allowed existing knowledge and skills to be shared between the team members, there is a need to hire outside help to provide training in some areas critical to the effectiveness of the BPA team, such as PeopleSoft FMS and HCM workflow, BI Publisher, etc.

Criteria | Mission/ Strategic Plan | Financial Performance | Internal Competencies | Market Trends | Customer Impact | Total |
---|---|---|---|---|---|---|
Score | 2.62 | 2.08 | 2.62 | 2.38 | 2.46 | 12.16 |
Council Comments | This training approach could benefit the entire university. Suggestions made for the OBF to collaborate with other divisions in planning and funding training initiatives.
Proposal | Training for Continuous Improvement Team
---|---
Department | Finance Operations
Submitted by | Jessie Dantzler
Presented by | Orkun Toros
Summary | The Continuous Improvement Team (CI Team) is an integral part of the continuous improvement program. The CI Team will be the engine for change and walk the project teams through a continuous improvement framework to find the best solution for the business problem assigned to them.

In order to do that successfully, the CI Team will first need to be trained and become experts in a continuous improvement methodology. The team will start searching for vendors in the market soon and prepare an analysis once pricing and scope of training is received.

Criteria | Mission/Strategic Plan | Financial Performance | Internal Competencies | Market Trends | Customer Impact | Total
---|---|---|---|---|---|---
Score | 2.62 | 2.15 | 2.38 | 2.23 | 2.23 | 11.61
Council Comments | Suggested the CI team reach out to the JSOM for training assistance from faculty members expert in CI.

Proposal | Hire an OBF Technology Experience Architect
---|---
Department | Information Security
Submitted by | Nate Howe
Presented by | Nate Howe
Summary | UT Dallas provides a plethora of technology solutions: Shared mailboxes, helpdesk ticketing systems, document workflow systems, and more. Information Resources has recently purchased a new service desk application, and ISO is purchasing a suite of GRC tools. Likewise, communications methods have expanded beyond the traditional e-mail and phone calls: instant messaging, video conferencing, Short Message Service (SMS), and more should be taken into consideration when discussing how OBF interacts with our customers.

ISO proposes creating a new position that would work closely with OBF’s front-line support staff, business process analysts, and IR to identify ways to leverage the available technology solutions or develop new ones (SharePoint, web forms, etc.) to improve customer service and internal efficiencies.

Criteria | Mission/Strategic Plan | Financial Performance | Internal Competencies | Market Trends | Customer Impact | Total
---|---|---|---|---|---|---
Score | 2.15 | 1.54 | 2.00 | 2.23 | 2.15 | 10.07
Council Comments | The Office of Research has established a similar organization. Before action is taken on this initiative, it will be important for the VP/CFO to define the long-term vision for this function.
Proposal: Computer Upgrades

Department: Budget and Resource Planning
Submitted by: Web Pierce
Presented by: Web Pierce

Summary:
In an effort to increase the speed at which work is done, I am proposing all existing computers in the division, as well as all future computer purchases, have the hard drive and memory upgraded. Currently most computers operate with a HDD (Hard Disk Drive), and 4 GB of RAM. With the increasing demands of newer software and more powerful systems, this is inadequate. The newer technology of SSD (Solid State Drives) allows for boot times and program load times that are exponentially quicker. The cost is relatively small per employee (~$100) bringing the total cost to roughly $15K - $20K (150-200 employees). Some employees have this upgrade so the exact number is difficult to calculate. Also, replacement computers in the future will cost a bit more ($50-$100) in order to include the upgraded parts.

<table>
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<tbody>
<tr>
<td>Score</td>
<td>1.85</td>
<td>1.54</td>
<td>2.38</td>
<td>1.92</td>
<td>1.85</td>
<td>9.54</td>
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</table>

Council Comments:
Existing computer refresh programs should take care of this need in the long term. In the short term, suggest working with Don Davis’s team on upgrades and with the OBF division in establishing an adequate standard for new computers/laptops to ensure user productivity.