

Promoting Growth Using the Clinic Budget: PSIE

Patti Johnstone, PhD, CCC-A/SLP

Mark DeRuiter, PhD, CCC-A/SLP



University Budgets: A Primer

- Budgeting, Planning, and Predictive Modeling
- By: Patti M. Johnstone & Mark DeRuiter

Disclosures

- Mark DeRuiter is employed by the University of Arizona which pays his salary. He received travel funds from the Council of Academic Programs in Communication Sciences and Disorders to attend this conference. Mark is a member of the CAPCSD of Directors.
- Patti Johnstone is employed by the University of Tennessee Health Science Center. Her cost of registration to attend this conference was paid for by CAPCSD.

Learning Outcomes



Examine current budgets for future opportunities.



Design a short-term plan for revenue and expenses.



Integrate quality clinical education experiences with increased clinic income.

Why Bother?

Being knowledgeable about the methods of gathering and presenting budget data can benefit a departmental administrator, and knowing some of the pressures on budgets at a higher “central” university level can help an administrator when compiling new budgets for consideration.

Helpful Definitions

- **Budget:** an estimate of expected income and expense for a given period in time and is a snapshot of the plan of operations based on that estimate.
- **Budget purpose:** allows for a “what if” analysis of future plans and enables monitoring of plans in progress.
- **Recurring budget:** (sometimes referred to as ongoing) is one that is intended to endure beyond the current fiscal year.
- **Non-recurring budget:** (sometimes referred to as temporary) is one that is not intended to endure beyond the current year
- **University budgets:** operating and capital.
 - Operating budget: a plan of revenue to be generated and expenditures (or transfers) from that revenue over a finite period of time (such as a fiscal year).
 - Capital budget: a plan of funding and expenditures for future buildings, major renovations, and remodeling.

Helpful Definitions

- **Revenue:** is the total amount of income that enters an organization. Revenue can exist without profit.
- **Profit:** also known as the “bottom line”, is the revenue that is left over after all of the organization’s costs have been covered. Profit cannot exist without revenue.

Current Budget Pressures

- Reduced government funding
- Changing enrollment (up or down)
- Government policy that restricts tuition increases
- Aging infrastructure: larger deferred maintenance bill
- Increased competition for talented students and faculty
- Increased demands from stakeholders for specific outcomes, including assurance of future employability
- Conflicting demands for resources that appear to be irreconcilable

Current Revenue Sources

Administrative & Academic

- Tuition
- Student Fees
- State Appropriations
- F&A (Federal Research Grants)

Clinic

- Services & Sales Income
- Student Fees
- Endowments/Gifts/Donations
- Clinic Grants
- Research Collaborations



8 Fundamentals of Integrated Planning & Budgeting

1. Identify/Recruit your champion
2. Select the key planning documents you will use
3. Determine the planning horizon (time lines) for your longer-term strategic documents and shorter-term operational documents

Annual Institutional Plan(s)

- Consolidates strategies and plans
 - States progress on strategic goals
 - Identifies capital priorities
 - Includes annual budget and forecasts
 - Includes performance measured
- Time line: Immediate (1 – 3 yrs) to midterm (4 – 5 yrs)
 - Updated annually

Faculty and Administrative Unit Plan(s)

- Operationalizes the academic plan
 - Outlines detailed objectives and strategies
 - Includes capital requirements
 - Includes budgets
- Time line: Immediate (1 – 3 yrs) to midterm (4 – 5 yrs)
 - Updated annually

Academic Plan

- Core planning assumptions
 - Academic programs
 - Research profile
 - Student numbers and mix
 - Complement to plans
- Time line: midterm (4 – 5 yrs)
 - Updated as needed (e.g. as per Administration or ASHA)

Foundational Documents

STRATEGIC PLAN

- Vision
 - Mission
 - Values
 - Strategic goals
- Time line: longer term (5 – 10 yrs)
 - Linked to such things as president's term

Long Range Development Plan (Master Plan) ➤ Time line: Long term (20 – 30 yrs)



8 Fundamentals of Integrated Planning & Budgeting

4. Decide how to engage the community
5. Understand how the institution will resource your plan
6. Identify your plan performance measures
7. Identify who will be accountable for the planning framework and who will be accountable for plan implementation
8. Determine whether you need or want to have the planning framework approved and endorsed by your institution

How do your needs align with various budget plans?

Institutional Cornerstones
 Strategic Business Plan
 Academic Plan
 Long Range Dev Plan
 Government Plan

Infrastructure Renewal

Project A	●	●	●	●	●
Project B	●	●	●	○	○
Project C	●	●	●	●	○

Functional Renewal

Project A	●	●	●	●	●
Project B	●	●	○	●	○
Project C	●	●	○	●	●

Expand Existing Programs

Project A	●	●	●	●	●
Project B	●	●	●	○	●
Project C	●	○	●	○	●

New Facilities & Programs

Project A	●	●	●	●	●
Project B	●	●	●	○	○
Project C	●	●	●	○	●

Alignment

- Direct
- Indirect
- None



Predictive Models

- Enrollment Projection Method
 - Sustainable number of students
- Tuition Model
 - Mix: State Resident versus Non-Resident
 - Mix: Full time versus part time
 - Attrition rates
 - Excess credit loads
- Clinic Revenue Projection

What We Learned from You!



Contracts – school districts



Marketing – fliers, brochures, social media, grassroots



Billing – accepting Medicare/insurance



Crowdfunding



Not charging for hearing tests

Discussion



What ideas do you have?



What has worked?

Questions You Had



What should my fees be?



Balancing teaching/clinical
education responsibilities



How can I get going without a
biller?



What data should I be collecting?



Considering expansion in the
context of hiring/salaries

Other Ideas

- Never underestimate the power of a Business School/Program consultation/Outside consultant
 - If you do this, you need to control the narrative
 - It's ok to reveal the challenges in your situation – it's why you are asking for a consult!
 - These programs can be enormously helpful with the little pieces
 - Signage
 - Marketing
 - Creative ideas

Personal Examples with Consultations



Paying for a consultation can be the first sign of budget flexibility



Consultants cause administrators to “take notice”



You can leave with a roadmap



Consider a consultation
before one is thrust upon
you

Other Ideas You Had

- Accent modification
- Renting space?
- Determining which materials might go on a general budget vs a clinic budget
 - Do all assessments need to be purchased by the clinic?



Having the Conversation

- What is the mission and vision of your administrators? How do you fit? How could you better align?
 - This last question may be a key to any budget flexibility

Having the Conversation

- When meeting with administrators, it is important to understand the elements of your budget and your data
 - Avoid needing to defer to a budget/financial person where you can
- It's perfectly ok to ask questions of the administrator
 - “Tell me how tuition factors into the equation?”

Having the Conversation

- Come to the table with a model
 - A spreadsheet can be helpful for quick manipulations of the variables
 - Use tables/figures/graphs/trendlines
 - A picture speaks a thousand words
 - Use historical data to demonstrate any growth/trends

Words of Wisdom

Spreken is zilver, zwijgen is goud

There are no silver
bullets

