

Executive Summary: Campus Shared Services Implementation Team Budget Analysis with Savings Projection

Projected Sources & Uses of Funds to Implement Shared Services and Savings Estimate with NPV sensitivity

Allow Operational Cost in Implementation Budget? **Yes**
 Rounding? **On** Sig. Digits: **10,000**

Summary by Funding Source

Summary	Projected Cost: CSSI & Application Support Expense				Total Projected Cost (1)		Funding Source: OE Approved, Proposed, & Placeholder Budgets (2)					Total Funding Sources		Incremental Request (3)		
	CSSI Expense	Application Support Expense	Used Furniture	New Furniture	Total Cost: Lower Range	Total Cost: Higher Range	CSSI Budget	Application Support Budget	OE Placeholder CSSI Budget	Analysis & User Experience	End User Support & Provisioning	Total OE Approved	Proposed & Placeholders	Total Funding Source	Lower Range	Higher Range
FY 2011	80,000	-	-	-	80,000	80,000	490,000	-	-	181,000	-	490,000	181,000	671,000		
FY 2012	3,950,000	390,000	-	-	4,340,000	4,340,000	1,150,000	440,000	-	625,000	630,000	1,590,000	1,255,000	2,845,000		
FY 2013	9,090,000	230,000	1,400,000	3,500,000	10,720,000	12,820,000	-	150,000	5,000,000	2,102,000	470,000	150,000	7,572,000	7,722,000		
FY 2014	2,470,000	-	-	-	2,470,000	2,470,000	-	-	-	1,921,000	430,000	-	2,351,000	2,351,000		
FY 2015	1,010,000	-	-	-	1,010,000	1,010,000	-	-	-	921,000	470,000	-	1,391,000	1,391,000		
FY 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total	16,600,000	620,000	1,400,000	3,500,000	18,620,000	20,720,000	1,640,000	590,000	5,000,000	5,750,000	2,000,000	2,230,000	12,750,000	14,980,000	3,640,000	5,740,000

(1) Actual and Future Expenses are projected to range from \$18,620,000 to \$20,720,000; range depends on the type of furniture used in the future Shared Service office space.

(2) Total Approved Funding (CSS Implementation + Application Support Center) is \$2,230,000; the sum of \$12,750,000 represents OE Proposals or Placeholders that may or may not be currently funded by OE.

(3) Total incremental, net OE Funding request range; positive value indicates a surplus and no additional funding other than the Approved, Proposed, and Placeholder budgets are required; negative value indicates a funding deficit.

Projected Expense Source by Sub-Project

Summary	Core Team	Impl. Resources	Application Support	IT Infra	Space	Other: Not Attributed to Projects	Total
FY 2011	60,000	-	-	-	-	20,000	80,000
FY 2012	1,480,000	1,470,000	390,000	860,000	110,000	30,000	4,340,000
FY 2013	1,650,000	1,710,000	230,000	3,470,000	2,240,000	20,000	9,320,000
FY 2014	1,650,000	450,000	-	50,000	310,000	10,000	2,470,000
FY 2015	820,000	140,000	-	-	40,000	10,000	1,010,000
FY 2016	-	-	-	-	-	-	-
Sub Total	5,660,000	3,770,000	620,000	4,380,000	2,700,000	90,000	18,620,000
Total				<i>Used Furniture</i>	<i>1,400,000</i>		18,620,000
				<i>New Furniture</i>	<i>3,500,000</i>		20,720,000
	30.4%	20.2%	3.3%	23.5%	22.0%	0.5%	0.0000
	27.3%	18.2%	3.0%	21.1%	29.9%	0.4%	

Projected Expense Source by Category

Summary	Labor	Consultant Fees	Software	Hardware	Hardware Maintenance	Office Space	Supplies	Travel	Training	Other	Total
FY 2011	60,000	-	-	-	-	10,000	-	-	-	10,000	80,000
FY 2012	2,090,000	1,170,000	410,000	290,000	20,000	160,000	40,000	10,000	120,000	30,000	4,340,000
FY 2013	3,930,000	510,000	1,360,000	910,000	50,000	2,260,000	40,000	20,000	210,000	30,000	9,320,000
FY 2014	1,940,000	10,000	-	-	40,000	310,000	20,000	20,000	110,000	10,000	2,460,000
FY 2015	890,000	10,000	-	-	20,000	40,000	10,000	10,000	30,000	10,000	1,020,000
FY 2016	-	-	-	-	-	-	-	-	-	-	-
Sub Total	8,910,000	1,700,000	1,770,000	1,200,000	130,000	2,780,000	110,000	60,000	470,000	90,000	18,620,000
Total						<i>Used Furniture</i>	<i>1,400,000</i>				18,620,000
						<i>New Furniture</i>	<i>3,500,000</i>				20,720,000
	47.9%	9.1%	9.5%	6.4%	0.7%	22.4%	0.6%	0.3%	2.5%	0.5%	0.0000
	43.0%	8.2%	8.5%	5.8%	0.6%	30.3%	0.5%	0.3%	2.3%	0.4%	

Projected Savings (4)

Summary	Census Estimation			Activity Survey Estimation		
	CSS Projected Cost	Baseline Projected Cost	Annualized Savings	CSS Projected Cost	Baseline Projected Cost	Annualized Savings
FY 2011	-	-	-	-	-	-
FY 2012	-	-	-	-	-	-
FY 2013	13,000,000	11,500,000	(1,500,000)	17,400,000	15,800,000	(1,600,000)
FY 2014	39,000,000	34,500,000	(4,500,000)	52,200,000	47,400,000	(4,800,000)
FY 2015	78,800,000	78,800,000	-	90,700,000	90,800,000	100,000
FY 2016	72,700,000	79,200,000	6,500,000	83,200,000	91,600,000	8,400,000
FY 2017	70,400,000	82,000,000	11,600,000	82,000,000	94,800,000	12,800,000
FY 2018	71,800,000	85,000,000	13,200,000	83,600,000	98,200,000	14,600,000
FY 2019	74,300,000	88,000,000	13,700,000	86,500,000	101,700,000	15,200,000
FY 2020	76,800,000	91,100,000	14,300,000	89,500,000	105,400,000	15,900,000
Total	496,800,000	550,100,000	53,300,000	585,100,000	645,700,000	60,600,000

(4) Annualized, projected savings are based on the high-level operating model. Further refinements to the savings, pricing, and funding model are underway and due to be reported during Q4 FY 2012.

Net Present Value Cash Flows

Summary	OE Net Investment		Projected Savings	
	Lower Range	Higher Range	Census Estimation	Activity Survey Estimation
	FY 2011	(80,000)	(80,000)	-
FY 2012	(4,340,000)	(4,340,000)	-	-
FY 2013	(10,720,000)	(12,820,000)	(1,500,000)	(1,600,000)
FY 2014	(2,470,000)	(2,470,000)	(4,500,000)	(4,800,000)
FY 2015	(1,010,000)	(1,010,000)	-	100,000
FY 2016	-	-	6,500,000	8,400,000
FY 2017	-	-	11,600,000	12,800,000
FY 2018	-	-	13,200,000	14,600,000
FY 2019	-	-	13,700,000	15,200,000
FY 2020	-	-	14,300,000	15,900,000
Total	(18,620,000)	(20,720,000)	53,300,000	60,600,000

Net Present Value Summary

Rate	NPV: Census Data		NPV: Activity Survey Data	
	Lower Range	Higher Range	Lower Range	Higher Range
	0.0%	34,680,000	32,580,000	41,980,000
1.0%	26,127,220	24,088,981	32,221,419	30,183,179
2.0%	19,170,607	17,191,730	24,267,908	22,289,031
3.0%	13,511,757	11,589,959	17,783,212	15,861,415
4.0%	8,909,809	7,042,916	12,495,771	10,628,879
5.0%	5,169,952	3,355,893	8,185,822	6,371,763
6.0%	2,134,312	371,112	4,675,168	2,911,967
7.0%	(325,298)	(2,039,523)	1,819,033	104,807
8.0%	(2,313,151)	(3,980,199)	(500,426)	(2,167,474)
9.0%	(3,914,221)	(5,535,806)	(2,379,303)	(4,000,889)

Multi-Year Sustainable Funding Model and Budget

A negative balance reflects a deficit.

Campus Shared Services							
Implementation							
Funding Model: Sources <i>(Sums will round to nearest \$1,000)</i>	PROJECTED					Cumulative Total	Annual Run Rates
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY14-15		
OE Funding (Approved CSSI)	\$80,000	\$2,150,000	\$0	\$0	\$0	\$2,230,000	\$0
OE Proposal (Business Analysis Proposal)		\$2,190,000	\$3,560,000	\$0	\$0	\$5,750,000	\$0
OE Proposal (End User Support Proposal)		\$0	\$2,000,000	\$0	\$0	\$2,000,000	\$0
OE Proposal (NEW: Shared Services, LOW)		\$0	\$5,160,000	\$2,460,000	\$1,020,000	\$8,640,000	\$0
OE Proposal (NEW: Shared Services, HIGH)		\$0	\$7,260,000	\$2,460,000	\$1,020,000	\$10,740,000	\$0
Other (specify)						\$0	\$0
Total funding (Low)	\$80,000	\$4,340,000	\$10,720,000	\$2,460,000	\$1,020,000	\$18,620,000	\$0
Total funding (High)	\$80,000	\$4,340,000	\$12,820,000	\$2,460,000	\$1,020,000	\$20,720,000	\$0
Savings Analysis (See Attached)						\$0	

LINE ITEM DESCRIPTIONS

Briefly describe the sources and uses specified below. Explain significant changes over time.

Run Rate: After implementation, no future OE funding is required
Funding will be provided from on-going operation of Shared Services
Note: Timing of Funding is based on projected expenses and not original OE projection or proposal(s)

Expenses <i>(Sums will round to nearest \$1,000)</i>	PROJECTED					Cumulative Total	Annual Run Rates
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY14-15		
Salaries (Loaded @30%)	\$60,000	\$2,090,000	\$3,930,000	\$1,940,000	\$890,000	\$8,910,000	\$0
Supply & Expense	\$0	\$40,000	\$40,000	\$20,000	\$10,000	\$110,000	\$0
Software licenses/upgrades/maintenance	\$0	\$410,000	\$1,360,000	\$0	\$0	\$1,770,000	\$0
Hardware purchase and refresh	\$0	\$290,000	\$910,000	\$0	\$0	\$1,200,000	\$0
Hardware maintenance	\$0	\$20,000	\$50,000	\$40,000	\$20,000	\$130,000	\$0
Contract/consulting services (non-salary)	\$0	\$1,170,000	\$510,000	\$10,000	\$10,000	\$1,700,000	\$0
Office space	\$10,000	\$160,000	\$2,260,000	\$310,000	\$40,000	\$2,780,000	\$0
Training & Travel	\$0	\$130,000	\$230,000	\$130,000	\$40,000	\$530,000	\$0
Other	\$10,000	\$30,000	\$30,000	\$10,000	\$10,000	\$90,000	\$0
Used Furniture			\$1,400,000			\$1,400,000	\$0
New Furniture			\$3,500,000			\$3,500,000	\$0
Total expenses (Low)	\$80,000	\$4,340,000	\$10,720,000	\$2,460,000	\$1,020,000	\$18,620,000	\$0
Total expenses (High)	\$80,000	\$4,340,000	\$12,820,000	\$2,460,000	\$1,020,000	\$20,720,000	\$0

FUNDING LESS EXPENSES (Low)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FUNDING LESS EXPENSES (High)	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Carryforward (Low)		\$0	\$0	\$0	\$0
Cumulative Total (Low)	\$0	\$0	\$0	\$0	\$0

Carryforward (High)		\$0	\$0	\$0	\$0
Cumulative Total (High)	\$0	\$0	\$0	\$0	\$0