

Strategic Integration 2:

Develop and implement a comprehensive financial management structure for the entire System that enhances transparency, enables appropriate fiscal control, and advances comprehensive intra-system collaboration. New model review September 2014; implementation in FY15.

Close the Structural Budget Gap

- ***Financial Sustainability Target 1:*** Reduce the current structural gap with year-over-year gap reduction that eliminates it entirely through a combination of expense reductions and revenue growth by FY19. Four year plan due in FY15. Revised budget calendar for FY16 complete July 2014.

Implement a Sustainable Financial Model

- ***Financial Sustainability Target 2:*** Achieve year-over-year improvement in the System Core Financial Ratios through FY19 with a goal of consistently exceeding the low benchmark for the Composite Financial Index. Where Board sanctioned activities require compromising these financial ratios, there must be an approved investment plan with a build-back strategy.

Ensure Investment Resources

- ***Financial Sustainability Target 3:*** Establish and maintain a BOT-directed strategic investment pool equivalent to 5% of the annual E&G state appropriations derived exclusively from Administrative Review savings by FY17. A plan for use of available FY15 funds is ready for BOT review July 2014.