

## **Budget Model Steering Committee Charge**

### **Goals:**

To recommend a hybrid budget model that provides

- Predictable base funding to units
- Resources to advance strategic initiatives and provide essential university-wide support services
- Incentives to reward unit level success and fuel the development of new programs and revenue streams balancing achievement of core values that are not revenue-generating

### **Guiding Principles:**

The development, implementation and continuing assessment of the new hybrid budget model will be guided by the following principles:

- Creates incentives at all levels of the University that
  - Increase academic quality and excellence
  - Promote financial sustainability and fiscal responsibility
  - Promote harmony between
    - Instructional, research and service missions of the University
    - Different levels/units of the University (College/Department/Center; academic/administrative etc.)
- Encourages innovation and entrepreneurship throughout the University
- Provides transparency, clarity and predictability at all levels of the University
- Can be easily understood, is easy to implement and operate and is flexible
- Can operate in all cycles of the economy whether robust or downturn
- Creates a sufficient strategic pool of resources, above the base, to support new initiatives
- Builds an environment of inclusive excellence

### **Assumptions:**

- The work of this committee is separate from the anticipated work of the Operational Excellence steering committee that will be formed in the spring, although recommendations of this group will inform the work of the Operational Excellence Steering committee, especially relating to base budget allocation process.
- Base funding allocations to units will be evaluated annually as part of the regular budget process, and will change related to a combination of the following:
  - Operational efficiencies are recognized, through reorganization or other
  - Transfer of strategic to base allocation
  - Reduction due to external environment, including but not limited to, state allocation changes
- Additional incremental administrative staffing needs are planned to be funded by savings obtained from operational efficiencies realized in those functions by reorganization across units wherever possible.
- Savings realized from instructional efficiencies will be redeployed toward enhancement of academic programs (or creation of new programs) in further support of the strategic goals.

### **Deliverables:**

1. **Define the parameters of strategic pool allocation for new initiatives.** Some questions to consider include:
  - What will be funded from strategic funds? One time, recurring needs?
  - What is the right size of the strategic pool? Is strategic pool size the same annually, or is it defined as some percentage of available funds?
  - At what levels should pools be created: President, Provost, EVP, Deans or just one central pool? How do these relate?
  - How are strategic funds allocated?
    - Competitive applications for targeted areas
    - Annual budget presentations
    - Who decides
  - Consider that there may be sufficient strategic initiatives already in process/under consideration, especially given the faculty hiring plans already in motion. Do we identify short term plans for the next few years and propose a new process for additional revenue generated later?
2. **Compile recommendations from the Undergraduate, Graduate, Special Revenue Generation and Research Incentive subcommittees to generate incentive plans by fund**
  - Incentives should complement each other, and relate logically to strategic pool allocation recommendations.
3. **Recommend overall budget process, helping to guide answering the following questions:**
  - How does strategic pool relate to base budget? At what point is a strategic initiative part of the base budget and how does this fit into base budgeting exercise?
  - How do incentive funds enable strategic initiatives and/or operating expenditures?
  - How do we deal with negative externalities, including state budget uncertainty, enrollment changes or other potential threats?
4. **Recommend campus reporting plan to enhance transparency regarding budget allocation process, assign accountability for goal realization and analyze return on investments**
  - What performance metrics indicate success toward goals for each theme?
    - increasing graduation and retention rates,
    - Increasing diversity and diverse population success rates, etc.
    - Increasing efficiency of course delivery, balancing with quality
    - Increased national rankings (US News, Money etc)
5. **Steering committee co-chairs will provide updates to the Chairs' Caucus, Faculty Senate (including Senate budget committee), President's Executive Committee and President's Roundtable, as well as final report of recommendations to the President, Provost and EVP.**
6. The Budget Office will create a website that will contain the Budget Process updates as well as final report and other related information.

### **Process and Timeline:**

- The steering committee will meet bi weekly.
- December 2017:
  - Steering Committee Charge issued by President, Provost and EVP

- Subcommittee Support Staff kick off meeting
- January 2018:
  - Steering Committee bi-weekly recurring meetings will commence
  - Subcommittee Charges to be issued
  - Subcommittee weekly recurring meetings will commence
    - written reports are due to the Steering Committee each Friday outlining:
      - 3 main topics of conversation
      - items the steering committee should help direct
- Winter 2018: President's Executive Council, Roundtable, Senate, other public forum updates monthly or as needed.
- Spring 2018: new budget model recommended to President, Provost and EVP.
- Ongoing:
  - Continue to work to evaluate budget model impact and recommend appropriate refinements to optimize outcomes
  - Continue to work with units to achieve operational efficiencies over 3-year period.
  - Continue to work with units and budget office regarding standardization of budget definitions, procedures, policies and common reports across colleges and units, and creation of budgeting system.