

University Budget Development Committee

University of Wisconsin Oshkosh
Meeting Agenda and Summary

Meeting Time: 1-3pm
Meeting Date: Monday, 1 February 2016
Meeting Location: Dempsey 236

Agenda

- ❖ Summaries
 - ❖ Discussion topics
 - Early reactions to UBDC Report
 - FAQ – version 12
 - Gainsharing
 - LC presentation
 - Guests?
 - ❖ Walk-ons
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Summary

Attendees: Ryan Haley, Matt Suwalski, Jean Kwaterski, Reginald Parson, Julia Hodgen, Nathan Stuart, and Bill Wacholtz

- I. Announcements
 - a. Report Responses:
 - i. Majority of positive responses.
 - ii. Concerns:
 1. Curriculum oversight.
 2. Small colleges with fixed costs and accreditation.
 3. Data culture.
 - iii. Differential Tuition could remedy most of the concerns.
 - b. Leadership Council Presentation.
 - i. February 10th – thirty minute time slot.
 - c. Breakfast Forum Debriefing.
 - i. Most questions were brought forward by the Chancellor.
 1. Budget cut question.
 - a. We need to emphasize the new model will not make budget cut decisions but will facilitate the process.
- II. Leadership Council Plan – Review PowerPoint
 - a. Suggestions:
 - i. Bill: Try to stay away from going into too many details regarding the revenue.

Prepared By: Angie Metke and M. Ryan Haley
Date Prepared: 10 February 2016

- ii. Nathan: Collapse the time-lines into one.

III. Financial Statements

- a. We will wait to present these until we have actual data to work with.
 - b. Cost Centers:
 - i. Bill: I have dissatisfaction regarding the level of service people receive from cost centers. What would the repercussions be if they don't provide the specified level of service?
 - 1. Ryan: We talk about this in the FAQ about financial repercussions, reprimands, and/or dismissals.
 - ii. Divisible cost centers will be charged out to the RGU's, Indivisible will be charged out to the Central funds.
 - iii. Billing the divisible cost centers:
 - 1. Nathan: There are three approaches to this:
 - a. All non-RGU costs go to an RGU.
 - b. Pick one divisible cost center and flow it to the next level; like a waterfall.
 - i. Jean: Who is above the waterfall?
 - ii. Nathan: If we use HR, HR will be the top they charge out, then move to Facilities; they charge out to the Colleges and units but they don't charge to HR.
 - iii. You put the divisible indirect cost unit which will have the largest impact on the University at the top.
 - c. Matrix
 - 2. Ryan: We will need to eventually decide on either option one or two. We may need to trade off some precision to get the needed level of transparency.
- c. Limits on Savings – What happens when a college exceeds its savings limit (in our example 12% prior year expenditures)
 - i. Matt: If Central is getting everything they need and the College makes extra, the College should keep the extra and do with what they want; that is the true practice of an ABBM model.
 - ii. Ryan: Some areas may struggle to make their 5% minimum and others will find it easy to exceed their 12% maximum.
 - 1. Matt: At that point wouldn't you readjust the tax rate and check variables? Is the role of the model to manage the politics or the function?
 - a. Ryan: Good point, Matt.
 - 2. Bill: If we have this scenario, isn't it within the Dean's autonomy to determine what they do with their extra reserves?
 - a. Ryan: Yes, it's the Dean's purview but what happens if we get a culture of "have's" and "have-nots?"
 - 3. Nathan: So we are questioning whether or not to put a cap on success. Wouldn't this inadvertently lead to destroying the incentives of this model?
 - a. Ryan: Not if we share the gains.
 - 4. Ryan: We need to remember that we are part of a community and need to share the benefits.

IV. Greatest Concerns/Pushback regarding UBDC

- a. Concerns:
 - i. One college will succeed and the other(s), presumably theirs, will languish.
 - 1. Underfunded colleges.
 - 2. Tenure track faculty will be phased out.
 - 3. College decline.
 - ii. The use of revenue and cost being associated with higher education.
 - iii. Incentives will lead to changes in curriculum.
- b. Why can't we keep IBM and make it more transparent?
 - i. Nathan: The only thing not transparent with IBM is why these decisions are made.
 - ii. Bill: If it was a really doable system why are so many people looking to change?
 - iii. Ryan: In a perfect world IBM could be transparent but in practice it never looks like what it is. ABBM promises transparency in the front end and seems to actually deliver it.

V. Open Forums – Do we want them right away or wait until we have feedback from governance groups?

- a. Jean: I think we should offer them because not everyone goes to governance meetings.
- b. Ryan: We could also offer preliminary listening sessions with only feedback and questions – no presentations.
 - i. Nathan: This is what we did with the financial practices study group. We could pick people who are primarily within the budget areas and who will be affected the most.
 - ii. Jean: This would be beneficial because there will be large differences between the Academic and non-Academic questions raised.
- c. Bill: Listening sessions would give us insight on the mood of the campus.
- d. Ryan: We will offer listening sessions and then anyone who can is encouraged to talk with different groups about their opinions and insight into the proposed recommendation.