

## University Budget Development Committee

University of Wisconsin Oshkosh  
Meeting Agenda and Summary

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**Meeting Time:** 9-10am  
**Meeting Date:** Monday, 21 December 2015  
**Meeting Location:** Dempsey 236

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### Agenda

- ❖ Summaries
- ❖ Announcements
  - Refined phalanx charges (see below)
  - New phalanx deadlines – 15 January 2016
  - Peer/aspirant benchmark study
- ❖ Discussion topics
  - Next steps
    - Clarification from Chancellor
    - More discussions with UWS
    - Meet with VCs and explain UB-1
    - Progress email to campus
    - Deeper inquiry into other areas:
      - Auxiliaries
      - Foundation
      - Capital budgeting
    - Outline recommendation report contents / needs / limits
- ❖ Walk-ons

### **Refined phalanx charges:**

Please prepare a 5-10 page narrative that can be inserted into the recommendation report as part of the case-study requirement. The report should include:

- The general pros and cons of the model type.
- A case study of a success of the model type.
- A case study of a failure of the model type.
- A discussion of how the failure might have been averted.

Also produce 4-8 PowerPoint slides that summarize your narrative. Here are some universities / links to begin. Please explore as widely as you care to.

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Prepared By: Angie Metke and M. Ryan Haley  
Date Prepared: 7 January 2016

### Activity/RCM Group:

- 1) University of Pennsylvania – first to use RCM (1974)
- 2) Indiana University – first public university to use RCM (1989)
- 3) University of Michigan – troubled start, but success after modifications
- 4) Rensselaer Polytechnic Institute – tried RCM, but then switched to PBBM
- 5) Kent State University – logical peer/aspirant
- 6) Wright State University – similar to UWO in size and mission
- 7) University of New Hampshire – similar to UWO in size, lots of public info

### Performance-Based/Formula-Based Group:

- 1) University of South Carolina System (state level) – aggressive use of PBBM, which ultimately collapsed.
- 2) Tennessee - early adopter at state level<sup>1</sup>.
- 3) Portland State University – RCM-like PBBM<sup>2</sup> - useful video.
- 4) University of Cincinnati<sup>3</sup> – uses tuition revenue targets like UWS.
- 5) University of Alaska<sup>4</sup>.
- 6) University of New Mexico – ongoing, hybrid of PBBM and RCM<sup>5</sup>.

### Incremental/Zero-Based Group:

- 1) Notre Dame has traditionally been a strong advocate for IBM.
- 2) University of Pennsylvania claims it was near bankruptcy using IBM prior to starting RCM in 1974.
- 3) EAB report about use of ZBBM in higher ed<sup>6</sup>.
- 4) Colorado Mountain College<sup>7</sup> - ZBBM application at a community college.
- 5) Oregon State University – opting for rebasing but retaining IBM.

### Link to Study on Hybrid Models:

[http://www4.uwm.edu/secu/faculty/standing/apbc/agendas/11-12/upload/beyond\\_rcm-1.pdf](http://www4.uwm.edu/secu/faculty/standing/apbc/agendas/11-12/upload/beyond_rcm-1.pdf)

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<sup>1</sup> <http://www.aaup.org/article/resurgent-interest-performance-based-funding-higher-education#.VnRcdk2FO9K>

<sup>2</sup> <http://www.pdx.edu/budget/history-of-performance-based-budgeting-0>

<sup>3</sup> <https://www.uc.edu/provost/about-us/profile/business/PBB.html>

<sup>4</sup> <http://www.alaska.edu/swbir/performance/>

<sup>5</sup> [http://www.unm.edu/~budget/FY14%20Budget%20Development/RCM\\_PBB/RCM\\_PBBIntroductionDocument.pdf](http://www.unm.edu/~budget/FY14%20Budget%20Development/RCM_PBB/RCM_PBBIntroductionDocument.pdf)

<sup>6</sup> <https://www.eab.com/Research-and-Insights/Academic-Affairs-Forum/Custom/2009/08/The-Use-of-Zero-Based-Budgeting-in-Higher-Education>

<sup>7</sup> [http://www.nacubo.org/Business\\_Officer\\_Magazine/Magazine\\_Archives/April\\_2012/Starting\\_from\\_Scratch.html](http://www.nacubo.org/Business_Officer_Magazine/Magazine_Archives/April_2012/Starting_from_Scratch.html)

## Link to Delaware Cost Study:

<http://ire.udel.edu/hec/cost/>

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### Summary

*Attendees: Ryan Haley, Matt Suwalski, Reginald Parson, Jean Kwaterski, Lori Worm, Nathan Stuart, Julia Hodgen, Dean Koker*

- I. Announcements
  - a. UBDC Report
    - i. Ryan had a discussion with the Chancellor regarding requirements:
      - 1. The UBDC report will depict the general budget mechanism.
      - 2. Further detailed decisions will be made in spring.
      - 3. No final decisions will be made until after the shadow system is implemented.
        - a. Matt: Let's ensure that when we receive feedback on the shadow system in regards to the mechanism and not their allocation, tax, etc.
        - b. Nathan: We should determine a course of action if the shadow system or the full implementation of a new model is not successful.
    - ii. Ryan has begun drafting the document. What the committee would like included in the report will be the emphasis of the coming meetings.
  - b. Nomenclature
    - i. With all the different jargon used in different departments, we will need to agree on a nomenclature moving forward.
- II. Phalanx Charge
  - a. Changes:
    - i. Requirements:
      - 1. 5-10 page narrative, to be included in our report to the Chancellor, outlining:
        - a. Pros and cons of the model.
        - b. Case study of success.
        - c. Case study of failure.
        - d. Discussion of how the failure could have been averted.
      - 2. 4-8 PowerPoint slides that summarize the narrative.
  - b. Support:
    - i. On the agenda are examples of each model including a wide range of Universities which use these models.
  - c. Questions:
    - i. Nathan: Why is the Delaware Cost Study included?

- ii. Ryan: This is for looking forward on how we might approach cost assignment.

### III. Next Steps

- a. UW System Meeting coming up.
  - i. Representatives are coming to meet with Vice Chancellor Sonnleitner and Ryan to discuss possible budget model changes.
- b. UB-1
  - i. Ryan sent the presentation to the Vice Chancellors, looking for feedback; including a one-page synopsis of the model, provided by Reginald.
    - 1. Hoping to meet with the Vice Chancellors and discuss the model and any concerns or suggestions.
- c. Auxiliaries
  - i. A meeting with Matt and Jean is needed to better understand the Auxiliaries.
  - ii. Looking at where the funds come from, whether or not we could use them as a revenue-center, which funds are off-limits due to UW System policy, and how do the Segregated Fees fit into the Auxiliary process?
- d. Foundation
  - i. We need to look into these revenue sources since they are resources for departments and colleges.
  - ii. Look into how foundation funds work compared to other state resources on campus.
- e. Capital Budgeting
  - i. We need to look into this process; even if we won't be making a recommendation regarding these funds.
- f. Questions/Suggestions
  - i. Jean: I suggest we look at the spreadsheet to help us better understand some of these funds.
  - ii. Ryan: I will send out the most recent version of the spreadsheet for our next meeting.