New budget model: guiding principles

• Create structures that encourage revenue generation, innovation and collaboration.
• Link academic authority and financial responsibility.
• Enhance the student learning experience and further our research agenda, especially related to translational, interdisciplinary, and pan-university research and scholarship.
• Attract, retain and support talented faculty and staff.
• Nurture academic integrity, excellence and effectiveness.
• Promote our mission of service to the city, region and world.
• Ensure budget model system and corresponding elements endorse collaboration rather than competition.
Timeline: change in slow motion

2017
Kickoff & committee creation

2018
Committee research & model development

2019-20
Test and training

FY 2021
Go live
# New budget model: task force members

<table>
<thead>
<tr>
<th>Karen Abel</th>
<th>Warren Doucet</th>
<th>Sara Maher</th>
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*Task Force leads*
Timeline: change in slow motion

- **2017**: Kickoff & committee creation
- **2018**: Committee research & model development
- **2019-20**: Test and training
- **FY 2021**: Go live
Adapting to WSU’s unique needs

• Support the Strategic Plan.
• Provide schools/colleges/divisions with better data to make timely, responsive resource decisions.
• Focus on long-range planning.
• Enable strategic decisions with a focus on return on investment.
• Encourage and reward revenue generation and cost-effectiveness, given limited resources.
• Design incentives that encourage ownership at the unit level to appropriately leverage the tuition and fees allocation structure, enable revenue growth, positively impact faculty through more flexibility to increase resources, and enhance the student experience while helping expedite their progress to degree.
<table>
<thead>
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<th>Wayne State University</th>
<th>Kent State University</th>
<th>Temple University</th>
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<tr>
<td>Operating Budget</td>
<td>$645M (FY18)</td>
<td>$666M (FY16)</td>
<td>$1.3B (FY16)</td>
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<tr>
<td>Allocates Tuition Revenue to Units?</td>
<td>All</td>
<td>Some</td>
<td>All</td>
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<td>Undergraduate Tuition Revenue Allocation Weighting</td>
<td>75% SCH 25% FTE major</td>
<td>80% SCH 20% FTE major</td>
<td>100% allocated by major, then transferred to college of instruction at set SCH rate</td>
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</table>
| Tuition Revenue Allocation Basis | To be determined       | Current-year actual enrollments | • UG summer tuition, GR/PROF tuition-CY actuals  
• UG fall/spring tuition- PY actuals |
| Allocates State Appropriations to Units? | State Appropriations will be directed to non-revenue generating units | Some                  | None              |
| Allocates Central Overhead Costs to Units? | Based on unit expenditures and space (sq. ft.). % TBD. | All indirect costs covered centrally | 14 overhead cost pools allocated using 1-5 different drivers per pool |
| Central Strategic Funding Methodology | Determining methodology to create strategic initiative pools for the President, | Off-the-top           | Back-end charge; proportionate to unit share of direct expenditures |
Other Revenues and Incentive Methodology

• Facilities & Administrative Cost Recovery
  • Recommendation is to provide 100% of the F&A Recovery to the School/College/Division that generates the revenue

• Incentive/Performance Methodology
  • Interdisciplinary activities (research, teaching, etc.)
  • Student Success
Timeline: change in slow motion

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Next Steps...
<table>
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<tr>
<th>Date</th>
<th>Milestone</th>
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<tr>
<td>2/28/2018</td>
<td>Draft Recommendations Due to Steering Committee</td>
<td>Task Forces</td>
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<tr>
<td>4/4/2018</td>
<td>Begin Gathering Campus Feedback on Preliminary Conclusions</td>
<td>Steering Committee, Core Team</td>
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<td>• 4/4/18: Academic Senate Presentation</td>
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<td>• 4/18/18: Town Hall</td>
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<td>• Summer, 2018: Deans Council</td>
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<td>• September/October, 2018: Individual School/College Meetings</td>
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<td>• Ongoing: Website Input Sought</td>
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<td>10/30/2018</td>
<td>End Gathering Campus Feedback on Preliminary Conclusions</td>
<td>Steering Committee</td>
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<td>7/30/2018</td>
<td>Pro Forma Development with 2017 Data</td>
<td>IR, C&amp;IT, FBO, Provost’s Office</td>
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<tr>
<td>12/15/2018</td>
<td>Finalize RCM-Based Budget Model</td>
<td>Steering Committee</td>
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New Budget Model Town Hall Meeting

Hosted by
The RCM Task Forces

Wednesday, April 18
11 a.m. - Noon
150 General Lectures

Please join us for an update on the university’s new budget model based on Responsibility Center Management. Members of the RCM committee — comprised of stakeholders from every corner of campus — will be on hand to answer questions about the budget model and its transition process.

We encourage you to submit your questions ahead of time when you RSVP.

RSVP Now

The entire committee looks forward to seeing you there and sharing this important information with you.
For updates, training and more, visit:

rcm.wayne.edu

Questions