Spring/Summer 2014
- Former Chancellor Wells begins the process
January 2015: CSG – Budget Structures
- Chancellor Leavitt continues the process
April 2015: White Paper
April/May 2015: Presentations
September 2015: UBDC Charged
Should we change budget structures?

If yes, then we are to:

- identify a prospective budget model family
- present several case studies about the prospective budget model family, including a failure
- outline a specific prospective model
Some of the Why: Challenges

- Perennially declining State support
- No general tuition setting authority
- Four-year tuition freeze
- Very low tuition within UW System
- Faculty/staff salaries
- Time to graduation
- Enrollment needs
- Workplace morale
- Opaque financial rudder
- Do more with less
Budget Structure Levels

Governor + Legislature

Board of Regents

Campuses

Colleges/Units

Departments
Alphanumeric Revenue Cocktail

UW Oshkosh Mission
102 = State Subsidy (GPR) + Tuition

PR = Program Revenue; e.g.,
- Differential Tuition
- Cost Recovery Revenue

Other; e.g., Foundation, Indirect Cost Recovery, Financial Aid
“Operation Bedrock” - blueprinting current budget model
  - “All funds” approach
  - Spending laws and rules
  - Budget 101
  - Nomenclature
  - Transparency
- Status: Ongoing and time consuming, but essential
- More UBDC information and feedback options at
  - UBDC Website
Q1: SHOULD UW OSHKOSH CONTINUE TO USE THE CURRENT INCREMENTAL BUDGET MODEL AS IT CURRENTLY OPERATES AT THE UNIVERSITY TO COLLEGE/UNIT LEVEL?

Q2: WHAT INFORMATION DOES THE UBDC NEED TO ANSWER THIS QUESTION?
Incorporate simplicity, transparency, flexibility, and accountability
Incentivize revenue generation, cost controls, and innovation
Align with mission, shared governance, and student success
Allow for efficient changeover (if applicable)
Balance the economic and academic aspects of higher education
Support academic freedom
Support our commitment to liberal arts and professional studies
Encourage enrollment growth
Focus on the university-to-college/unit level
Consider all forms of revenue and costs
Incremental Budget Management (IBM)

- Centralized – allocation determined by university and sent to colleges/units
- Mostly a cost-only allocation
- Prior allocations have heavy influence
- Allocations are adjusted via increments
2014 COLS Allocation

+/- Increment (central)

2015 COLS Budget

Mission centricity?

Enrollment growth?

Faculty/staff costs?

Incentives?

Revenue?

Workload?
IBM: Some Advantages

- Relatively easy to administer
- Traditionally popular in higher education
- Induces stability in year-to-year funding
- Few metrics to create and argue
IBM: Some Disadvantages

- Problematic incentives concerning...
  - innovation
  - controlling costs
  - growing enrollment
- Can induce imbalanced workloads
- Often opaque
- Reallocations are painful, often perceived as zero-sum-games based on influence and deals rather than transparent metrics
Cost Recovery Programs (CRPs); e.g., CAPP, Remedial Math, EMBA
- Activity-based model (RCM)
- Segregated fees and differential tuition
  - Zero-based model
- Reeve Union (e.g., this room)
  - Formula-based model
- Tuition revenue target (BOR level)
  - Performance-based model
Current tuition target = 60 million
If we exceed 60 million, we keep the excess
If we are below 60 million, we are responsible for the shortfall
All “standard” undergrad and graduate programs contribute to the target
PR does not contribute to the target
(Performance-based model)
Cost Recovery Programs (CRPs)

- Tuition revenue target = 60 million
  - All standard undergrad and graduate programs
- CRPs can’t usurp students from tuition target
- Proposals need approval at several levels
- WISDM account for CRP
- (Activity-based model)
Cost Recovery Program Flow

Revenue - Costs = Net Revenue

- 60% to Central
- 40% to Unit
Submit detailed budget request (e.g., career services)
Reviewed by relevant committee
Available funds determined
Allocation amount determined
Repeat process each year
Used to enhance scores of student-based programs
(Zero-based model)
Submit room request
Add amenities (e.g., microphone, laptop)
Pay set price per room and per amenity
Total bill created and charged
(Formula-based model)
Outside UBDC Purview

- Strategic planning
- Strategic realignment
- Current budget cuts
- Intra-college and departmental issues
**Possible Timeline (if we change)**

- Recommendation by 31 January 2016
- Spring/Summer 2016: Prepare for shadow implementation
- Fall 2016 – Spring 2017: Shadow budget
- Spring 2017 – Summer 2017: Adjustments
- Fall 2017 – Spring 2018: Run live, monitor, adjust
- August 2018: UBDC dissolves
Questions for You

- What are your experiences trying to understand the budget model?
- What is causing anxiety?
- What do you not want to happen?
- What do you “dream of” in a budget model?
- What do you want us to explain next time?