

UW Oshkosh Operating Budget Manual

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Revision History

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Acronym Definitions

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- AQI: Academic Quality Indicator
- APC: Academic Polices Committee
- ARU: Academic Revenue Unit
- BPC: Budget Process Committee
- COB: College of Business
- COEHS: College of Education and Human Services
- COLS: College of Letters and Science
- CON: College of Nursing
- CRP: Cost Recovery Program
- CU: Cost Unit
- FTE: Full-Time Employment Equivalent
- GPR: General Purpose Revenue
- HR: Human Resources
- MOU: Memorandum of Understanding
- OBAM: Operating Budget Allocation Model
- PR: Program Revenue
- RU: Revenue Unit
- SCH: Student Credit Hours
- SLA: Service Level Agreement
- SSRU: Self-Supporting Revenue Unit
- UBDC: University Budget Development Committee
- VC: Vice Chancellor

1.0 Introduction and Overview

An annual budget request is a forecast of revenues and expenditures for the coming fiscal year. A budget model is a system for setting initial levels of expected revenues and expenditures for the various parts of the university. The Operating Budget Allocation Model (OBAM) described herein aspires to meet this need, and in doing so efficiently, transparently, and rationally serve the academic mission set forth by UW System and UW Oshkosh. OBAM's purview is the university-to-college/unit level; budget structures below dean and dean-equivalent levels are not in OBAM's direct purview. While subjacent budget layers would likely benefit from a budget structure that efficiently meshes with OBAM, choosing to do so (or not) remains their prerogative. A concise history of OBAM's development process appears in Appendix A.

1.1 Budget Model Goals

OBAM revolves around six primary goals; specifically, OBAM aspires to:

- G1. establish incentives for innovative activity leading to revenue generation
- G2. establish incentives to manage scarce resources
- G3. include mechanisms to encourage inter-unit collaborations
- G4. improve the operating budget allocation process by presenting financial data in clear, consistent, and transparent formats so the campus community can understand the financial condition of the university
- G5. improve budgetary understanding to improve budget forecasting and financial planning
- G6. ensure that colleges/units and central administration each maintain savings and strategic funds to support the college/unit and university mission

1.2 Budget Model Guiding Principles

OBAM builds on six guiding principles; specifically, OBAM should:

- P1. rely on strong shared governance and financial planning mechanisms to ensure that the budget model balances academics and economics
- P2. be as simple as possible to facilitate comprehension, administration, oversight, and improvement
- P3. produce results that are perceived as rational and consistent with the core values and mission of the institution
- P4. encourage behaviors on the part of faculty and staff that support college/unit and institutional missions and priorities
- P5. include feedback mechanisms to ensure that users have input into service levels and costs of central services
- P6. rely on strong performance management practices to hold unit heads accountable for performance on key strategic job dimensions

1.3 Purview and Basic Operation

Figure 1 summarizes the general sources of revenue that UW Oshkosh uses to operate. All rectangular fields depicted in figure 1 are within OBAM's purview; the remaining encapsulated fields are effectively financial pass throughs (e.g., financial aid passes directly to students) and are therefore outside OBAM's purview. A funding source is considered within OBAM's purview if UW Oshkosh has some discretion over how said funds are dispersed.

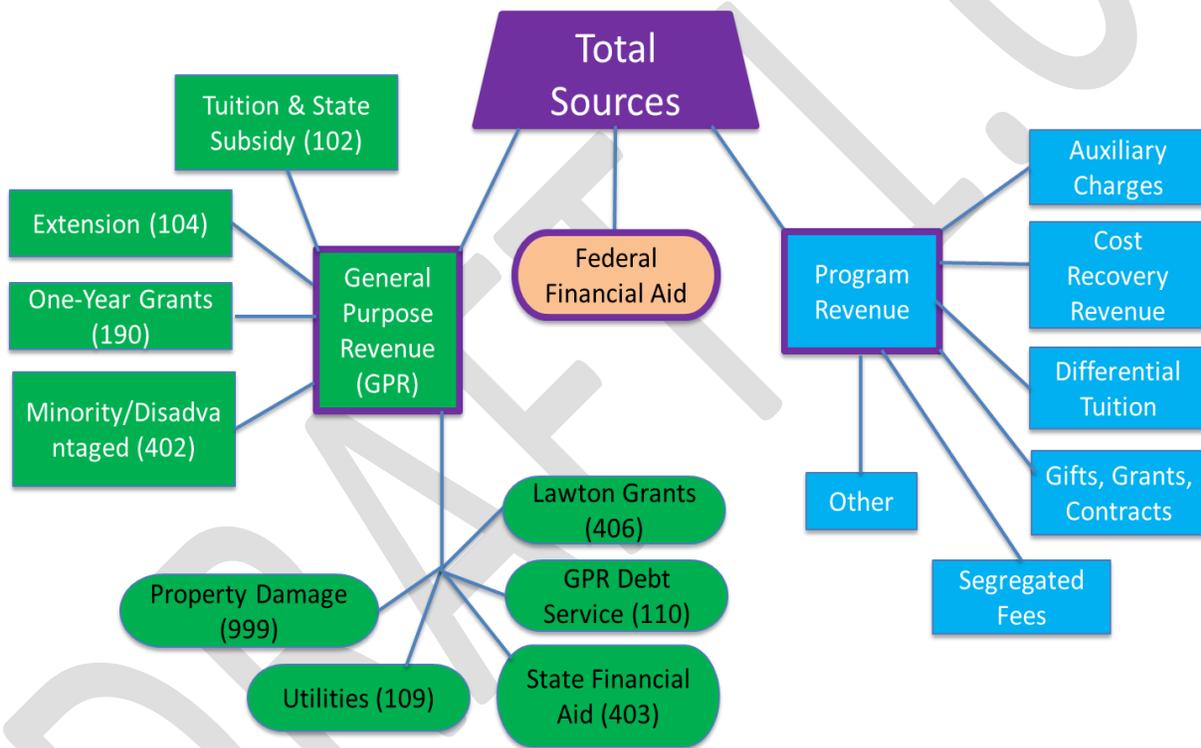
General Purpose Revenue (GPR) accrues in nine distinct accounts, as follows.

- GPR accounts inside OBAM's purview:
 - GPR-102 (general purpose operations)
 - GPR-104 (UW Extension programs)

- 121 ○ GPR-190 (UW System one-year grants)
- 122 ○ GPR-402 (minority & disadvantaged programs)
- 123 • GPR accounts outside OBAM’s purview:¹
- 124 ○ GPR-109 (utilities)
- 125 ○ GPR-110 (GPR debt service)
- 126 ○ GPR-403 (State student financial aid)
- 127 ○ GPR-406 (Lawton minority undergraduate grants program)
- 128 ○ GPR-999 (property damage reimbursement)

129 The five GPR accounts delimited as “outside OBAM” are funded by UW System or the Department of
 130 Administration on a “sum sufficient” (full coverage) basis for these devoted purposes; i.e., UW Oshkosh
 131 cannot repurpose these funds.

132 **Figure 1: Sources Overview**



133
 134
 135 GPR-102 has various nuanced sub-components and limitations issued by UW System including:

- 136 • **Salary Cap:** A maximum amount that UW Oshkosh can expend on salaries.
- 137 • **Fringe Allocation:** An amount of money transferred from UW System to cover GPR-based fringe
- 138 benefits at UW Oshkosh; this subset of GPR-102 is earmarked and therefore cannot be repurposed
- 139 by campus. Any unspent GPR-102 fringe funds return to UW System.
- 140 • **Tuition Target:** This is dictated by UW System to UW Oshkosh. If it is not met, then UW Oshkosh
- 141 is responsible for the amount of the financial shortfall.

¹ Again, these funds are considered outside of OBAM’s purview because they are fully earmarked for specific purposes when they arrive on campus. Note, however, that these “pass throughs” will nonetheless appear on certain units’ financial statements, where appropriate, so that all dollars that flow to UW Oshkosh are accounted for; see section 2.5.

- 142 • Student Technology Fee: A tuition surcharge used to fund enhancements to computer resources
143 and services to students. These funds are disbursed through the Student Technology Fee
144 Committee at the time specified in the Annual Budget Request Timeline.
- 145 • COB Surcharge: A fee charged to business graduate students.
- 146 • Supplies and Expenses: These funds are for paper, teaching supplies, travel, etc.
- 147 • Capital Expenditures: These funds are for supply- and expense-like purchases that exceed \$5,000.
- 148 • FTE Cap: This limits the amount of Full Time Equivalent employment that UW Oshkosh can hire
149 using GPR-102 funds.

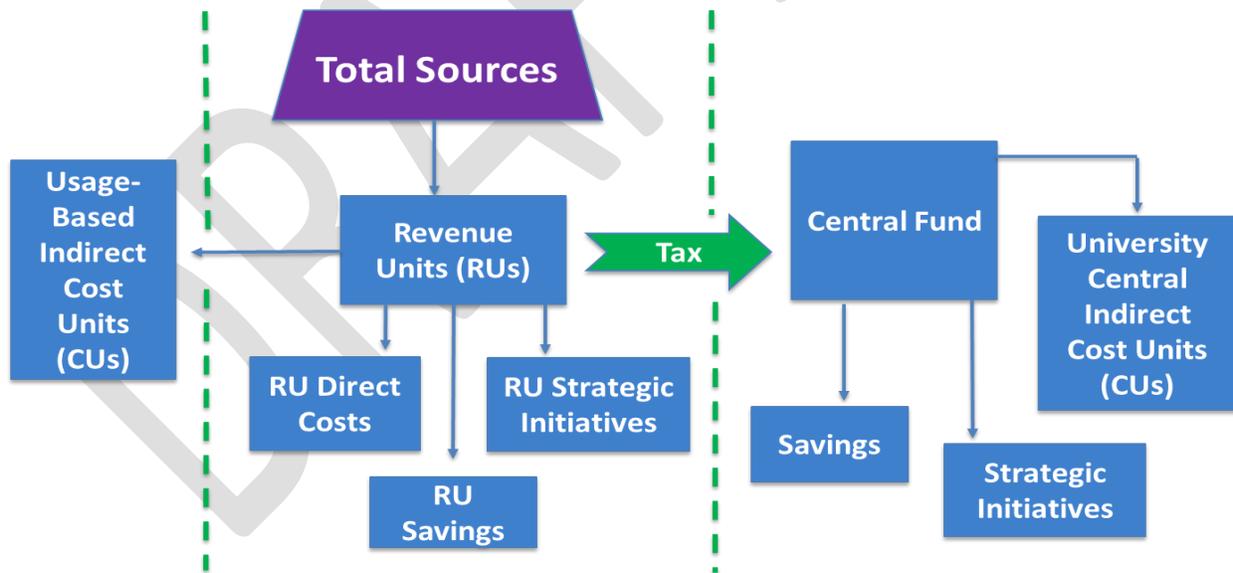
150 These items need to be navigated when budgeting for and expending GPR-102.

151 In contrast to GPR, all types of Program Revenue (PR) are within OBAM’s purview, though many of these
152 sources also have varying degrees of restrictions (e.g., Segregated Fees are collected for specific activities).
153 PR accrues to and remains at UW Oshkosh based on its own actions; therefore, PR is logically within
154 OBAM’s purview, subject to existing PR restrictions. Here are the main types of PR within OBAM’s
155 purview.

- 156 • Auxiliary charges
- 157 • Cost recovery revenue
- 158 • Differential Tuition
- 159 • Gifts, external grants, contracts
- 160 • Segregated Fees
- 161 • Other

162 In general, OBAM flows as depicted in figure 2.

163 **Figure 2: OBAM Schematic**



164
165 Each arrow in figure 2 represents a flow of money. Primary revenue (i.e., GPR and PR) flows into the
166 Revenue Units (RUs), each of which then disperses money to cover its own direct costs, savings, and
167 strategic funding. The Usage-Based Indirect Costs from all parts of the university are covered, via cost
168 assignment processes, using a flow of money from the RUs. Similarly, a tax levied on the RUs flows money
169 from the RUs to the Central Fund, which in turn disperses money to central savings, the central strategic
170 fund, and to University Central costs (which are, by definition, not usage-based).

171 Several specific features are worth emphasizing:

- 172 1. Revenue flows to the RU that is most directly responsible for its generation.
- 173 2. Some costs are assigned to RUs in portion to their use of said cost area. Indirect (or overhead)
- 174 costs covered in this way are referred to as “usage-based.” Only RUs pay usage-based costs.
- 175 3. Some costs are assigned to RUs irrespective of their use of said cost area. These are referred to as
- 176 “University Central” costs, and they are paid using the Central Fund. Only RUs are taxed to
- 177 populate the Central Fund.
- 178 4. Every college/unit budget will be summarized with a basic financial statement that includes
- 179 Sources of Funds (revenues) and Uses of Funds (expenses). Examples of these financial
- 180 statements appear in Appendix B; these will be described extensively during the OBAM training
- 181 sessions. There are approximately 50 units on campus; some are RUs and some are Cost Units
- 182 (CUs).
- 183

184 **1.4 Annual Budget Request Timeline**

185 A key element of any well-functioning budget model is an Annual Budget Request Timeline that sets forth

186 a calendar of budget-related events that need to unfold in sequence throughout the fiscal year. The steps

187 (who, what, when, to whom, etc.) used for developing budget requests and allocations for a given fiscal

188 (academic) year appear in the Annual Budget Request Timeline below.

189 The following campus committees administer the budget events housed in the timeline:

- 190 • Allocations Committee
- 191 • Differential Tuition Committee
- 192 • Student Technology Fee Committee
- 193 • Segregated Fee Committee
- 194 • Chancellor’s Budget Group

195 These committees, and their budget decisions, are sequenced in the budget request timeline to ensure

196 that UW Oshkosh’s campus-wide budget request reaches UW System by March/April each year.

197 **Annual Budget Request Timeline**

- 198 • **August** – RUs and CUs meet with Administrative Service Budget Planners for end-of-year summary
- 199 Budget planners in Administrative Services provide coming fiscal year template and budget
- 200 requesting instructions, and answer questions regarding prior year actuals
- 201 ○ **Players:** RUs, CUs, and Budget Planners from Administrative Services
- 202 • **October** – The Differential Tuition Committee receives budget requests from units funded by
- 203 Differential Tuition; approvals issued by the Mid-November.
- 204 ○ **Players:** The Differential Tuition Committee and unit representatives making Differential
- 205 Tuition budget requests
- 206
- 207 • **October** – The Student Technology Fee Committee receives budget requests from units for projects;
- 208 approvals issued by Mid-November.
- 209 ○ **Players:** The Student Technology Fee Committee and unit representatives making Student
- 210 Technology Fee requests.
- 211
- 212 • **Early November** – The Allocations Committee meets to consider Segregated Fee budget requests;
- 213 approvals issued by Mid-December
- 214 ○ **Players:** The Allocations Committee and student organization representatives making
- 215 Segregated Fee budget requests

- 216
- 217 • **November/Early December** – CUs meet with Budget Planners from Administrative Services to
- 218 develop budget requests for their units
- 219 ○ **Players:** CU budget personnel and their supervisors; Budget Planners from Administrative
- 220 Services
- 221
- 222 • **1 January** – Written CU budget requests submitted to Chancellor’s Budget Group and BPC
- 223 ○ **Players:** Chancellor’s Budget Group, BPC
- 224
- 225 • **Mid-January** – CU budget requests presented at CU Event (“CU Saturday”)
- 226 ○ **Players:** CUs, RUs, Chancellor’s Budget Group, BPC
- 227
- 228 • **Early February** – CU budget requests clarified and approved by Chancellor’s Budget Group
- 229 ○ **Players:** CUs, RUs, Chancellor’s Budget Group, BPC
- 230
- 231 • **Early February** – Segregate Fee Committee meets to consider Segregated Fee funding requests;
- 232 approvals issued by Mid-February
- 233 ○ **Players:** Segregated Fee Committee and Segregated Fee requesters
- 234
- 235 • **Late February** – Auxiliaries determine rates for next fiscal year
- 236 ○ **Players:** SSRUs and Budget Planners from Administrative Services
- 237
- 238 • **Late February** – RUs submit budget requests to the Budget Planners in Administrative Services
- 239 ○ **Players:** RUs and Budget Planners in Administrative Services
- 240
- 241 • **February/March** – RUs present budget requests to Chancellor’s Budget Group
- 242 ○ **Players:** CUs, RUs, Chancellor’s Budget Group, BPC
- 243 •
- 244 • **Late March** – RU budget requests clarified and approved by Chancellor’s Budget Group
- 245 ○ **Players:** CUs, RUs, Chancellor’s Budget Group, BPC
- 246
- 247 • **April** – Budget requests submitted to UW System
- 248 ○ **Players:** Budget planners in Administrative Services and UW System
- 249
- 250 • **May/June** – Meetings with RUs and CUs to relay UW System budget approval details
- 251 ○ **Players:** RUs, CUs, and Budget Planners in Administrative Services
- 252

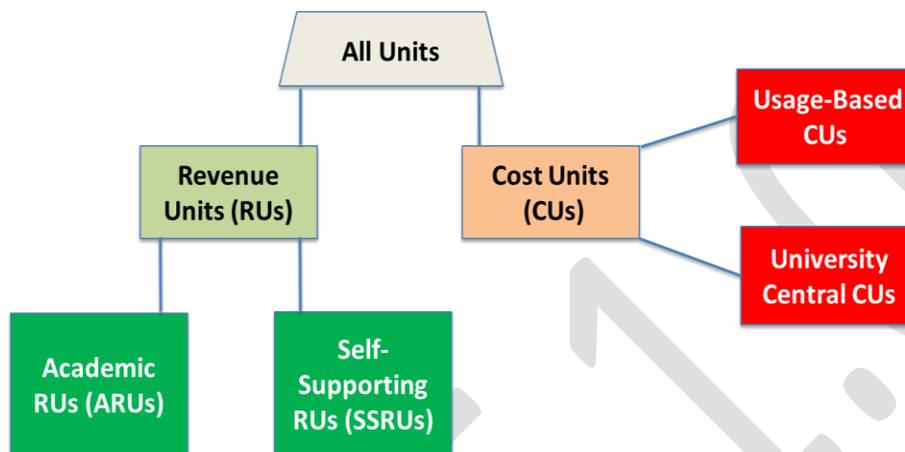
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2.0 Taxonomy of Units

254 OBAM classifies each funded unit within its purview into one of four categories, depicted in the four
255 terminal rectangles in figure 3.

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Figure 3: Unit Taxonomy Schematic



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2.1 List of Academic Revenue Units

258 Academic RUs (ARUs) offer instruction to students and are empowered to grant degrees and
259 certifications. They are the primary generators of tuition revenue via standard programs and Cost
260 Recovery Programs (CRPs).² The ARUs are:

- 262 ● College of Business
- 263 ● College of Education and Human Services
- 264 ● College of Letters and Science
- 265 ● College of Nursing

266

2.2 List of Self-Supporting Revenue Units

267 Self-supporting RUs (SSRUs) are units that generate revenue equal to or in excess of their costs through
268 sales of products and services to students and other members of the university community. SSRUs may
269 also receive revenue in the form of Segregated Fees. The SSRUs are:

- 271 ● Bookstore
- 272 ● Children’s Learning and Care Center
- 273 ● Dining
- 274 ● Health Center
- 275 ● Lifelong Learning and Community Engagement
- 276 ● Oshkosh Sports Complex
- 277 ● Parking Operations
- 278 ● Reeve Union and Titan Card
- 279 ● Residence Life and Gruenhagen Conference Center
- 280 ● Segregated Fee and Allocation Management
- 281 ● Student Recreation and Intramurals

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2.3 List of Usage-Based Cost Units

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² Most, but not all, CRPs are housed within an ARU.

284 Usage-based indirect (or overhead) CUs are units that (1) do not regularly generate enough revenue to
285 cover their costs, (2) provide support services for one or more RUs, and (3) have an easy-to-apply usage
286 metric for dividing their costs among the RUs served. Service Level Agreements (SLAs) among usage-
287 based CUs and RUs detail the service level (quantity, quality, turnaround time, etc.) the CUs deliver given
288 the funding provided by the RUs.

289 Many of the usage-based CUs costs can be assigned using one of OBAM's two primary metrics: Full-Time
290 Equivalent Employment (FTE) % share and Student Credit Hours (SCH) % share.

291 FTE % Usage Metric

- 292 • Administrative Services Office (includes Audit, Financial Services, Student Financial Services,
293 and Budget and Planning)
- 294 • Affirmative Action
- 295 • Center for Excellence in Teaching and Learning
- 296 • Faculty Development
- 297 • Governance units (includes Faculty Senate, Senate for Academic Staff, and University Staff
298 Council)
- 299 • Human Resources
- 300 • Information Technology
- 301 • Student Affairs Office (includes Enrollment Management Office)
- 302 • University Marketing and Communication
- 303 • University Police

304
305 SCH % Usage Metric

- 306 • Academic Affairs (includes American Democracy Project, Campus Sustainability, Provost Office)
- 307 • Academic Support (includes LGBTQ Resource Center, Native American Advisor, Women's
308 Center)
- 309 • Admissions
- 310 • Career Services
- 311 • Center for Academic Resources
- 312 • Counseling Center
- 313 • Dean of Students
- 314 • Financial Aid
- 315 • Graduate Studies Office
- 316 • Honors College
- 317 • Intercollegiate Athletics (includes Sports Camps)
- 318 • Library
- 319 • Math Lab
- 320 • Office of Institutional Research
- 321 • Office of International Education
- 322 • Project Success
- 323 • Reading Study Center
- 324 • Registrar
- 325 • Testing Center
- 326 • Undergraduate Advising Resource Center
- 327 • University Studies Program
- 328 • Writing Center

329

330 Several usage-based CUs do not fit well within the two primary metrics listed above and therefore require
331 different usage measures. Table 1 lists these CUs and the corresponding measure.

332

Table 1: Additional Usage-Based CUs and Metrics

Document Services	% total expenditures
Facilities (includes Central Stores and Environmental Health and Safety)	% assignable square feet
Grants Office	% of external grant dollars
Postal Services	% total expenditures

333

334 **2.4 List of University Central Cost Units**

335 University Central CUs are units that (1) do not regularly generate enough revenue to cover their costs,
336 (2) provide support services for one or more RUs or serve a strategic role for advancing the university's
337 mission and objectives, and (3) do not have an easy-to-apply usage measure for dividing their costs
338 among the RUs. The University Central CUs are as follows:

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- Alumni Relations
- Alumni Welcome and Conference Center
- Business Success Center
- Campus Operations (Municipal Fees, Insurance, etc.)
- Central Savings
- Campus Strategic Initiatives
- Chancellor's Office
- University Advancement

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2.5 Pass Through Accounts

349 Sources depicted as capsules in Figure 1 are generally considered to be “pass through”; monies that arrive
350 on campus for fully earmarked purposes and which cannot be repurposed by UW Oshkosh. Even though
351 these sources are “outside of OBAM” UW Oshkosh must still account for them, ensuring that they are
352 received and disbursed properly. The Budget Office will ensure that this happens in a logical manner. For
353 example, GPR-109 will be assigned to Facilities as a source of funds, but then will also be assigned to
354 Facilities as an offsetting use of funds, such that the source minus the use equals zero; i.e., a pass through.
355 GPR-110, GPR-403, GPR-406, GPR-999, and Federal Financial Aid follow an analogous pattern.

356

357

3.0 Revenue Assignment

359 Revenue is assigned to the college/unit that is most directly responsible for its generation within OBAM's
 360 purview. In cases where the source of revenue is unclear, a logical and transparent revenue-sharing rule
 361 is developed and implemented via a Memorandum of Understanding (MOU).

362 Here are several general features of the revenue-assignment process:

- 363 1. GPR-102 is allocated to the ARUs, mindful of the nuances disclosed in the discussion of figure 1.
- 364 2. Some types of PR (e.g., graduate enhancement fees) accrue to ARUs whereas others accrue to the
 365 auxiliary enterprises that generate the service associated with the charge (e.g., housing and dining
 366 charges to students).
- 367 3. PR from CRPs accrues to the college/unit that houses the CRP. Sharing rules, detailed in MOUs
 368 between college/unit heads, are meant to bridge cases where non-standard revenue sharing is
 369 logical.
- 370 4. Restricted revenues that the university receives for earmarked purposes (e.g., Segregated Fees,
 371 Differential Tuition) accrue to the corresponding units in accordance with the governing statutes
 372 or agreement; Appendix C has links to these policies.

3.1 Undergraduate Tuition and State Subsidy

374 OBAM assigns GPR-102 revenue to the ARUs: x% of GPR-102 revenue is allocated based on the ARU's %
 375 share of total SCH while (1-x)% of GPR-102 revenue is allocated based on the ARU's % share of majors
 376 within a graduating class. The percent shares of total SCH and graduated majors are two-year moving
 377 averages. The schematic below distinguishes between budget decisions made by university leadership
 378 and OBAM's revenue-assignment process.
 379
 380

Issue	Nature	Responsibility
Determine % GPR-102 allocated by SCH	Budget decision	Chancellor
Apply % SCH GPR-102 allocation rule	Budget model process	BPC

381

382 It is easiest to understand the revenue-assignment process by way of example.

383

384 GPR-102 Assignment Example: Suppose GPR-102 is \$100 million, and that four colleges
 385 exist. Assume that the Chancellor has determined that 50% of GPR-102 will be allocated
 386 to the ARUs based on SCH % share and therefore the remaining 50% of GPR-102 will be
 387 allocated based on Graduated-Majors % share.³ The chart below contains the SCH % and
 388 Graduated-Major % Shares for each college. The GPR-102 allocations for each college
 389 appear in the right-most column. The GPR-102 allocation for College A, for example,
 390 would be computed as $(0.15) * (\$50 \text{ million}) + (0.21) * (\$50 \text{ million}) = \$18 \text{ million}$.

391

College	SCH % Share	Graduated-Majors % Share	GPR-102 Allocation
A	15%	21%	\$18 million
B	12%	22%	\$17 million
C	66%	43%	\$54.5 million
D	7%	14%	\$10.5 million

³ The 50/50 rule is used in this example, but may not be the final split chosen by the Chancellor.

392 SCH and Graduated-Majors % Share are metrics for two mission-centric goals: producing educational
393 experiences class time and degree completions. The revenue-sharing rule helps encourage the production
394 of both SCH and majors.⁴

395

396 **3.2 Graduate Tuition and State Subsidy**

397 The assignment of non-CRP graduate tuition, while done separately from the undergraduate calculation
398 above, follows the same procedure described in section 3.1 for undergraduate GPR-102.

399 **3.3 Cost Recovery Program Tuition**

400 Programs designated as CRPs under the prior budget model will retain that designation under the first
401 incarnation of OBAM.⁵ CRPs are assigned 100% of the tuition they generate. Relationships between CRPs
402 and standard programs should be governed by MOUs when needed.

403

404 **3.4 Special Course Fees**

405 Special course fees are assigned directly to the college/unit that generates them.

406 **3.5 Indirect Cost Recovery Payments**

407 External grants often include Indirect Cost Recovery payments. To incentivize external grant activity,
408 100% of these funds are assigned directly to the college/unit that originated the grant.

409 **3.6 Segregated Fees**

410 Segregated Fees are paid by students for earmarked purposes (e.g., Reeve Union, Student Recreation)
411 and as such are assigned directly to the areas specified in their governing documents; see Appendix C.

412 **3.7 Differential Tuition**

413 Institution-wide Differential Tuition is tuition that is added to the base tuition level set by the Board of
414 Regents to supplement services and programming for students within that institution above and beyond
415 existing activities supported by GPR-102 and PR funding.⁶ Like Segregated Fees, these are restricted
416 funds earmarked for specific purposes by the Student Compact and UW System policies. Differential
417 Tuition is assigned to those units that have been approved through the Differential Tuition process.

418 **3.8 Financial Aid**

419 Financial aid will be regarded as a financial pass through in OBAM, from aid sources to students, unless
420 otherwise restricted by UW System rules or statutes.

421 **3.9 Auxiliary Charges**

422 SSRU revenue includes, for example, university dining meal plans, residence hall room rates, parking
423 fees, conference center fees, student union fees and athletic fees. Auxiliary revenue is assigned to the
424 SSRU most directly responsible for its generation.

425 **3.10 Other Revenue**

426 Other revenue is assigned directly to the college/unit that is most directly responsible for its generation.
427 Where ambiguity arises, MOUs should be employed in a transparent fashion.

428

⁴ If 100% of GPR-102 was assigned by SCH production, then ARUs would compete heavily for SCH with less regard for majors. Conversely, if 100% of GPR-102 was assigned by major production, then ARUs would compete heavily for majors with less regard for SCH. Thus, the sharing rule is a compromise that attempts to even-handedly incent colleges to value both SCH and majors.

⁵ Criteria may be developed by the BPC to ascertain if CRPs should be converted to standard programs.

⁶ Definition of Institutional-Wide Differential Tuition https://www.wisconsin.edu/budget-planning/download/tuition_/tuition_policy/differential_tuition_policy/Institution-Wide%20Differential%20Tuition.pdf

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4.0 Cost Assignment

430 To create an environment conducive to the efficient use of resources, OBAM endeavors to charge units
431 for the costs of the resources they use. Cost assignment occurs according to the procedures described
432 below. There exist three main approaches to cost assignment: direct, step (waterfall), and reciprocal.
433 OBAM uses the direct method, which is the simplest and therefore the most logical within a shared
434 governance organization. The schematic below distinguishes between budget decisions made by
435 university leadership and the OBAM process.

Issue	Nature	Responsibility
Choice of cost assignment method	Budget decision	Chancellor
Implementing the chosen cost method	Budget model process	BPC

436

4.1 Direct Costs

437 Direct costs include those costs that occur within a unit due to the activity of the unit. Examples include:
438

- 439 ● Employee salaries
- 440 ● Supplies and expenses
- 441 ● Travel
- 442 ● Employee development, training, and recognition

443

444 Direct costs are assigned to the unit within which the direct cost is generated.

445

4.2 Usage-Based Cost Units

446 Most CU costs can be assigned to RUs based on an easy-to-apply and logical metric, which mirror each
447 RU's use of the CU services; see section 2. Each usage-based CU submits an annual budget request in a
448 zero-based or incremental fashion, accounting for the expected demand for its services. Budgeted
449 amounts are determined for each of these areas as per the Annual Budget Request Timeline, and
450 benchmarking is used to contextualize budget levels. The schematic below distinguishes between budget
451 decisions made by university leadership and the OBAM process.
452

Issue	Nature	Responsibility
Determine CU budget levels	Budget decision	Chancellor
Ensure approved CU costs are allocated using OBAM metrics	Budget model process	BPC

453

454 The costs of some usage-based CUs are assigned to all RUs while the costs of other usage-based RUs are
455 assigned only to the ARUs. This distinction exists because some usage-based CUs are only used by
456 academic areas. Human Resources, for example, serves all areas of campus, and therefore its costs are
457 assigned to all RUs (by FTE % share). The Provost's Office, in contrast, focuses on academic activities and
458 so its costs are assigned only to the ARUs (by SCH % share). Here are examples of each.

459 All-RU Cost Assignment Example: Suppose the Human Resources budget is \$1 million
460 and that there exist four ARUs (A-D) and two SSRUs (E and F). The chart below shows
461 how the \$1 million in Human Resources costs would be assigned to the six RUs using the
462 FTE % share metric.

463

RU	FTE % Share	Cost Assignment
A	15%	\$150,000
B	12%	\$120,000
C	50%	\$500,000
D	7%	\$70,000
E	10%	\$100,000
F	6%	\$60,000

464

465 ARU-Only Cost Assignment Example: Suppose the Provost's Office budget is \$1.5 million
 466 and that there exist four ARUs. The chart below shows how the \$1.5 million in Provost
 467 Office costs would be assigned to the four ARUs using the SCH % share metric.

Academic RU	SCH % Share	Cost Assignment
A	15%	\$225,000
B	12%	\$180,000
C	66%	\$990,000
D	7%	\$105,000

468

469 In some cases, the costs of usage-based CUs are assigned using metrics other than % FTE or % SCH. One
 470 such example is Facilities, the costs of which are assigned by % of square footage. Table 1 lists the usage-
 471 based CUs with cost assignment metrics other than % FTE or % SCH. To preserve simplicity and
 472 transparency, OBAM keeps the number of metrics as small as possible.

473 Facilities Cost Assignment Example: Suppose that the Facilities budget is \$5 million and
 474 that there are four ARUs (A-D) and two SSRUs (E and F). The chart below shows how the
 475 \$5 million in Facilities costs would be assigned to the six RUs using the ft² % share metric.

RU	ft ² % Share	Cost Assignment
A	15%	\$750,000
B	14%	\$700,000
C	48%	\$2,400,000
D	7%	\$350,000
E	12%	\$600,000
F	4%	\$200,000

476

477 **4.3 University Central Cost Units**

478 University Central consists of two types of accounts. The first type consists of CUs that support the
 479 University's mission, but which cannot be easily assigned to the RUs based on usage. The second category
 480 consists of reserve accounts for specific University-level purposes, such as the Tuition Target Shortfall
 481 Fund (part of Central Savings) and the Chancellor's Strategic Initiative Fund.

482 University Central CUs are funded via tax assessments on the RUs; see figure 2. Each University Central
 483 CU submits an annual budget request in a zero-based or incremental fashion. Budgeted amounts are
 484 determined for each of these areas at the time set forth in the Annual Budget Request Timeline, and
 485 benchmarking is used to contextualize budget levels.

486 The total funding needed to cover University Central CUs and University Central Funds is used to
 487 compute the various tax rates for the academic year. The default tax base for these calculations is
 488 aggregated gross revenue (all source types) for all RUs.

489 Chancellor’s Office Cost Assignment Example: Suppose that the Chancellor’s Office
 490 budget is \$900,000 and also assume that the aggregate gross revenue for all the RUs is
 491 \$150 million. The necessary tax rate is simply \$900,000 divided by \$150 million, as
 492 summarized in the chart below.

Budgeted Amount	\$900,000
Tax Base (Gross Revenue)	\$150 million
Resulting Tax Rate	0.6%

493
 494 The schematic below distinguishes between budget decisions made by university leadership and OBAM’s
 495 U-Central process.

Issue	Nature	Responsibility
Determine U-Central CUs budget levels	Budget decision	Chancellor
Compute U-Central tax needed to support U-Central CU budget levels	Budget model process	BPC

496
 497 4.3.1 Tuition Target Shortfall Fund

498 UW Oshkosh is expected to generate a minimum amount of standard (non-CRP) tuition, referred to as
 499 the Tuition Target. If UW Oshkosh generates less than the target amount, it must send an amount equal
 500 to the shortfall back to UW System. Conversely, if UW Oshkosh generates more than the target amount,
 501 UW Oshkosh retains the windfall. The purpose of the target is to ensure that each campus is “earning” a
 502 predictable and reasonable share of its GPR-102 allocation.

503 Part of the annual ARU contribution to University Central Fund goes to a Tuition Target Shortfall Fund
 504 (part of Central Savings) to ensure that money is readily available if UW Oshkosh must cover a Tuition
 505 Target shortfall in a given year. This fund has a cap equal to the largest Tuition Target shortfall in the
 506 most recent three years.

507 Tuition Target Shortfall Example: Suppose the largest Tuition Target shortfall in the most
 508 recent three years was \$1.5 million, and suppose the current balance in the Tuition Target
 509 Shortfall Fund is \$900k. If ARU gross revenue equals \$80 million, then a 0.75% tax would
 510 be applied to all ARUs to produce the \$600,000 needed to bring the Tuition Target
 511 Shortfall Fund to its \$1.5 million cap; see chart below:

Tuition Shortfall Amount	\$600,000
Tax Base (ARU Gross Revenue)	\$80 million
Resulting Tax Rate	0.75%

512
 513 The annual BPC report will report on the status of the Tuition Target Shortfall Fund.

514 4.3.2 Chancellor’s Strategic Initiative Fund

515 This fund is available each year to support strategic initiatives at the Chancellor’s discretion. This fund
 516 should not be used to cover short-term, non-strategic needs. Examples of intended uses include seed
 517 monies for new/experimental programs or short-term retention needs for strategic employees. The
 518 annual BPC report will report on the uses of Chancellor’s Strategic Initiative Fund and an explanation of
 519 such changes, including how funds were invested and the outcome of such investments.

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4.4 Windfalls, Shortfalls, Carryovers, and Gainsharing

When an RU's actual revenues net of costs exceed expectations, and the RU's savings and strategic cash reserves are at their 8% and 4% (of prior year gross expenditures) respective ceilings, then the RU provides the university as a whole with additional funds (gainsharing) to address strategic priorities or to bolster reserves (central savings).⁷ The schematic below distinguishes between budget decisions made by university leadership and OBAM's carryover process.

Issue	Nature	Responsibility
Determine carryover percentages	Budget decision	Chancellor
Verify carryover percentages	Budget model process	BPC

529

4.5 Benchmarking

Budget levels for CUs are typically improved if they have thorough peer/aspirant benchmark information to help establish mutually agreeable service levels for CUs. SLAs can then be optimized to increase transparency for both the service provider and the service recipients. Benchmarking also helps RUs substantiate requests for service quality levels.

Example of Benchmarking: What is the average size of HR departments at other universities? How are they structured? What type of services do they offer and at what level; e.g., what are their turnaround times on hiring documents? A peer/aspirant benchmark study could help answer these questions. Note that any changes in HR's budget as a result of such a study would be a budget decision, and would therefore be in the purview of the Chancellor, not the BPC.

4.6 Service Level Agreements

CUs and RUs can improve their mutual understanding and efficiency by jointly creating and then adhering to SLAs. Here is a simplified example:

Example of an SLA for Facilities: Facilities creates a list of tasks it will perform and with what frequency and quality. This list constitutes its basic service package, which is then the basis for the SLA. If an RU exceeds these standard services, then a time and materials charge is applied to the RU (similar to the former chargeback system). Facilities and the RUs would negotiate the terms of the SLA with the guidance of the BPC.

549

⁷ The 8% and 4% figures are not finalized at this time. Earmarked funds may complicate this process. Carryover limits are an ongoing debate.

550

5.0 Governance and Oversight

551 OBAM requires ongoing oversight and maintenance in the traditions of shared governance and
552 continuous improvement. Transparency and rationality in these processes are core goals.

553 **5.1 Budget Process Committee**

554 OBAM is governed by the Budget Process Committee (BPC), which provides an inclusive process through
555 which shared governance representatives help maintain and improve OBAM. The BPC makes advisory
556 recommendations to the Chancellor concerning the operating features of OBAM, and in that capacity will:

- 557 • Serve as steward of the OBAM manual
- 558 • Initiate peer/aspirant benchmark studies
- 559 • Participate in the Annual Budget Request Process to help contextualize budget requests by
560 interpreting peer/aspirant benchmark studies
- 561 • Review budget language from UW System
- 562 • Review mandates with budgetary implications for the university to college/unit level
- 563 • Review MOUs within OBAM's purview
- 564 • Review CRP changes within OBAM's purview
- 565 • Contribute to ongoing OBAM training processes
- 566 • Work with the Academic Policies Committee (APC) on Academic Quality Indicators (AQIs)
- 567 • Field and assess proposed model/manual changes
- 568 • Facilitate the drafting and modification of OBAM SLAs
- 569 • Submit a stylized annual report
- 570 • Commission a comprehensive review of OBAM once every six years.

571 All outputs of the BPC are recommendations. However, the BPC is to operate in a particularly transparent
572 and inclusive way regarding possible changes to OBAM. Specifically, once a model modification petition
573 is filed with the BPC, it must respond in one of the following ways:

574

- 575 • If the issue is outside the BPC's purview, as set forth in this manual, the BPC accordingly informs
576 the petitioner, and the petition ceases.
- 577 • If the issue is within BPC's purview, as set forth in this manual, then the following apply after due
578 deliberation:
 - 579 ○ If the BPC votes unanimously (for or against the petition), then the BPC's
580 recommendation is forwarded to the Chancellor with a brief written summary of the
581 rationale for its decision. Arguments for and against the conclusion should be included in
582 the written summary.
 - 583 ○ If the BPC vote is not unanimous, both voting blocs should prepare a brief written
584 summary, both of which are forwarded to the Chancellor. Arguments for and against their
585 conclusion should be included in each written summary.
- 586 • In the interests of transparency, these opinions will be posted publicly on the BPC website and
587 written responses are expected from the Chancellor's Budget Group.

588 The membership of the BPC is as follows:

- 589 • 4 tenured members from the faculty (one from each college)
- 590 • 1 member from the Senate of Academic Staff
- 591 • 1 member from the University Staff Senate
- 592 • 1 student
- 593 • The Budget Director from the Budget Office in Administrative Services

- 594 • The Budget Planners from the Budget Office in Administrative Services (non-voting)
595 Gratuitous details concerning membership and voting appear in the BPC bylaws; see Appendix D.⁸

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5.2 Roles and Responsibilities

5.2.1 Chancellor

600 The Chancellor is ultimately responsible for the UW Oshkosh budget, budget decisions, and all aspects of
601 the budget model. The Chancellor will administer the Annual Budget Request Timeline. The detailed
602 timeline indicates how the various players (e.g., RUs, CUs, BPC, Chancellor, VCs) will interact within the
603 budget development and allocation process.

5.2.2 Vice Chancellors

604 The VCs oversee the college/unit heads through deliberate performance management processes. The VCs
605 ensure mission-centric strategic initiatives are funded and incentivized. VCs, as part of the Chancellor's
606 cabinet, are expected to participate in various budget steps (see Annual Budget Request Timeline) as
607 budget requests are clarified, altered, and ultimately finalized as allocations. Ensuring enrollment,
608 accreditation, and a unified university-level identity remain a vital part of their charge. VCs also work
609 with the APC and the BPC, where appropriate, to ensure that the AQIs and SLAs are monitored and
610 enforced.
611

5.2.3 College/Unit Heads (Academic Deans, Support Division Heads)

612 College/unit heads are expected to manage revenues and costs within budget allocations and to maintain
613 and use resources effectively for strategic investment and innovation.
614

5.2.4 Unit Employees with Budgetary Responsibilities

615 Employees with budgetary responsibility are expected to understand OBAM and advise their college/unit
616 head about budget matters. These individuals also work with their supervisor(s) to determine the best
617 way to design and maintain their within-college/unit budget model in a way that efficiently interfaces
618 with OBAM. Note that this interface is developed and maintained within each college/unit as it sees fit;
619 OBAM does not directly apply to the within-college/unit level.
620

5.2.5 Governance Groups

621 Governance groups participate in OBAM via membership on BPC.
622

5.2.6 Non-Budgetary Faculty and Staff

623 Non-budgetary faculty and staff have no pre-specified role in OBAM. However, they can benefit the
624 university by learning OBAM, suggesting improvements, responding to positive incentives to generate
625 revenue, controlling costs, and growing entrepreneurial programs, while retaining a mission-centric
626 view. All non-budgetary faculty and staff can interface with OBAM via public training sessions or via BPC
627 through their shared governance representative.
628

5.2.7 Academic Policies Committee

629 The APC monitors selected AQIs defined in the manual and works regularly with the BPC. The APC
630 cannot unilaterally impose new or modified AQIs without petitioning the BPC and receiving approval
631 through said process by the Chancellor. The rationale for this process is that all AQIs need to be consistent
632 with activity-based budgeting, which is the BPC's area of expertise.
633
634

⁸ During the BPC's very first summer, the UBDC and BPC will coexist for July and August. This will permit a period of extra training and a comprehensive transfer of knowledge between the sun-setting committee (UBDC) and the newly formed BPC.

635 5.2.8 Chancellor's Budget Group

636 Each year the CUs and RUs will publicly present their budget requests, as per the Annual Budget Request
637 Timeline, to the Chancellor's Budget Group, which consists of the following individuals:

- 638
- 639 • The Chancellor
 - 640 • The four Vice Chancellors
 - 640 • The four Deans of the primary academic colleges (COB, COEHS, COLS, CON)

641 This group fields CUs budget requests and then works together to determine budget allocations for each
642 requesting unit. The group also vets RU budget requests.

643

644 5.2.9 The Budget Planners and Budget Office

645 Employees in the Budget and Planning Office in Administrative Services are expected to understand
646 OBAM and advise college/unit heads and employees with budgetary responsibilities regarding the model.
647 Budget Planners will be responsible for monitoring OBAM in reference to the overall university budgets
648 as well as provide feedback, concerns, or updates to the BPC. Regular communication will occur with
649 Budget Planners and the college/units on campus regarding budget planning and forecasting for OBAM.

650

651 **5.3 Training and Education**

652 All BPC members, new and experienced, engage in a comprehensive training and education process in
653 order to gain/augment the knowledge necessary to make informed advisory recommendations. The
654 training and education program is the purview of the Budget Office in Administrative Services, the BPC,
655 and the Chancellor. The specific purpose of training is to comprehensively educate BPC members about
656 OBAM. The training is offered at least once per semester and, while required for BPC members, is open
657 to the campus community.

658 **5.4 Academic Quality Indicators and Oversight**

659 As assignment of GPR-102 becomes more transparently tied to activity levels such as SCH and graduated
660 majors, new and potentially undesirable behaviors may arise that may benefit one unit at the expense of
661 the larger campus community. OBAM includes a series of AQIs designed to ensure that colleges/units
662 make financial decisions consistent with academic quality expectations and the mission of their
663 college/unit. Academic leadership (e.g., VCs), oversight (e.g., BPC) bodies, and/or curricular bodies (e.g.,
664 APC), where applicable, are responsible for monitoring these indicators and resolving infringements
665 thereof. Some AQIs are monitored by the APC; others by the BPC, as follows:

666

667 **AQIs Monitored by APC:**

- 668
- 669 • Course Duplication. Suppose a College of Engineering attempts to create an Engineering Calculus
670 course to supplant a similar course currently taught by the Mathematics Department in the
671 College of Arts and Sciences. If approved by the university-level curriculum committee, then the
672 engineering college would gain SCH-% share revenue at the expense of the other college. Note,
673 however, that some duplications may be logical.
 - 674 • Curricular Blocking: In some cases, a rational curricular change may be inappropriately blocked
675 in order to preserve an ARU's SCH revenue share. This is most likely when faculty from one ARU
676 dominate the membership profile of university-level curriculum committees.
 - 677 • Credits to Major or Degree: A college or program may try to add undue requirements to increase
678 SCH revenue, which may in turn hamper time to major or time to graduation.
 - 679 • Course Credits: To capture more SCH, a college may attempt to increase course X from 3 credits
680 to 4 credits, even if such an increase is atypical among peer/aspirant schools.

680 **AQIs Monitored by BPC:**

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- Class Size: To boost SCH-based tuition production, colleges may increase their class sizes. This can be good in that it may allow students to more easily register for classes, but it can be problematic if class sizes grow to the point where learning declines or demand for larger classrooms overwhelms room availability.
 - Grade Inflation: An ARU may attempt to attract students, and thereby SCH and majors, by inflating its grades relative to the levels in the prior budget model.
 - Teaching Load: An ARU may attempt to capture more SCH and/or majors by increasing the teaching load of its faculty and/or Instructional Academic Staff. This will likely reduce instructional quality, may jeopardized accreditation(s), reduce service activities, hamper recruiting and retention, and reduce scholarship.
 - Faculty Governance: Tying SCH production to revenue may incent administrators to marginalize curricular quality and process concerns raised by faculty.
 - Accreditation Standards: UW Oshkosh has several accreditations, some at the university level and others at the program or college level. Proposed changes to OBAM should include deliberations about the accreditation standards in the affected units.
 - Adjunct Usage: To boost SCH-based tuition production, colleges may increase their use of adjunct instructors. While adjunct instruction is indispensable, too many classes taught by individuals without terminal degrees may erode academic quality and may create difficulties for program, college, or university accreditation.

701 These examples demonstrate items that require monitoring in an activity-based budget model. If the APC,
702 or other stakeholders, see a possible role for an additional or modified AQI, they can petition the BPC
703 regarding the issue. The APC and BPC should meet at least once per semester to discuss the status of the
704 AQIs.⁹

705 **5.5 Memoranda of Understanding**

706 In cases where the revenue- or cost-assignment mechanisms set forth in prior sections are not flexible
707 enough to capture a particular issue, a Memorandum of Understanding (MOU) should be generated to
708 govern the issue in the spirit of OBAM's goals and values.

709 MOU Example: Suppose a CRP in college X would like to have college Y teach an
710 undergraduate (non-CRP) course. An MOU could be created to describe how the colleges
711 would bear the costs and share the revenues of this relationship.

712 The BPC would only review MOUs with budget implications for the university-to-college/unit level, its
713 purpose being to ensure uniformity and compliance with OBAM's rules. OBAM strongly encourages
714 MOUs for other financial agreements, even those outside OBAM's purview, to help ensure mutual
715 understanding between the interested parties.

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⁹ Less frequent meetings may suffice after campus becomes more familiar with OBAM.

Appendix A: Process History

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In September 2015, Chancellor Leavitt charged the University Budget Development Committee (UBDC) with assessing the university-to-college/unit budget model used by UW Oshkosh.¹⁰ The UBDC was instructed to build on the work of the former Chancellor Study Group – Budget Structures, which produced a white paper on 14 April 2015 describing the types of budget models used in higher education.¹¹ The primary task was to determine if UW Oshkosh should change its budget model.

- If yes, then
 - Identify a prospective budget model family
 - Present several case studies about the prospective model, including at least one failure
 - Outline a prospective model that matches UW Oshkosh’s needs
 - If no, then justify the current model

After extensive study of the current budget model and many possible alternatives, the UBDC concluded that, yes, UW Oshkosh should change its budget model. The UBDC then recommended a prospective budget model called University Budget – Version 1 (UB-1); this recommendation was released to campus on 31 January 2016.

Like the prior budget, UB-1 was a hybrid of five of the main budget model types used in higher education:

- Activity-Based Budget Management
- Formula-Based Budget Management
- Incremental Budget Management
- Performance-Based Budget Management
- Zero-Based Budget Management

UB-1 was designed to maximize the strengths and minimize the weaknesses of each type. This design process was guided by the 10 principles specified in the UBDC charge:¹²

- 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

In spring 2016, Chancellor Leavitt accepted the UBDC’s recommendation, asking it to proceed into the next phase of development. This primary output of the second phase was the OBAM operating manual, a letter of transmittal to shepherd the transition, and a hold harmless configuration of OBAM. OBAM is essentially an updated and more fully developed version of the original UB-1 model.

¹⁰ <http://www.uwosh.edu/forward/university-budget-development-committee-ubdc/>

¹¹ http://www.uwosh.edu/forward/wp-content/uploads/UWO_White_Paper_461.pdf

¹² Criteria are not necessarily in order of importance.

758 At the time this draft of the OBAM manual was released, the following individuals had served on the
759 UBDC:

- 760 • Jennifer Borgmann, Budget Planner, Administrative Services
- 761 • M. Ryan Haley, Professor of Economics (Chair), College of Business
- 762 • Julia Hodgen, Dean's Assistant, University Staff Senate
- 763 • John Koker, Dean, College of Letters and Science
- 764 • Jean Kwaterski, Assistant to Vice Chancellor of Student Affairs
- 765 • Angie Metke, Associate Budget Planner, Administrative Services
- 766 • Leslie Neal-Boylan, Dean, College of Nursing
- 767 • Alexander Novak, Student, Oshkosh Student Association, 2016-2017
- 768 • Reginald Parsons, Student, Oshkosh Student Association, 2015-2016
- 769 • Nathan Stuart, Associate Professor of Accounting, Dean Designee, College of Business
- 770 • Matt Suwalski, Assistant Director for Business and Retail, Senate of Academic Staff
- 771 • William Wacholtz, Distinguished Professor of Chemistry, Faculty Senate
- 772 • Fred Yeo, Dean, College of Education and Human Services

773 The UBDC will serve the core governance role during the development and implementation phase of
774 OBAM, but is slated to dissolve no later than 31 August, 2018. Once the UBDC sunsets, the BPC assumes
775 its place.

776

Appendix B. Financial Statement Key and Examples

Unit:			Unit name; e.g., CON, Dining, Provost's Office
Category:			Unit designation,: Cost Unit (CU), Revenue Unit (RU)
Fiscal Year:			e.g., 1 July 2016 to 30 June 2017 is "Fiscal year 2017"
Sources of Funds	Column1	Revenue	Source of funds = income sources for a unit; Column1 lists specific revenue sources; Revenue Column is the sum of the specific sources in Column1
Cost Recovery Tuition Revenue			- Tuition revenue from Cost Recovery Programs
GPR 102			- Sources for UW Oshkosh general operations
Salary Allocation			GPR-102 salary cap
Supply & Expense Allocation			GPR-102 for supplies and expenses; e.g, paper, travel
GPR 104			- UW Extension funds for Extension programs like LLCE
Salary Allocation			GPR-104 salary cap
Supply & Expense Allocation			GPR-104 for supplies and expenses; e.g, paper, travel
GPR 190			- One-year grants from UW System
GPR 402			- Minority/disadvantaged programs
Salary Allocation			GPR-402 salary cap
S&E Allocation			GPR-402 for supplies and expenses; e.g, paper, travel
Non-Tuition Program Revenue			- Any non-tuition revenue; e.g, auxiliary fees, segregated fees, differential tuition
Indirect Cost Recovery Revenue			- Funds received to partially offset indirect costs incurred by external grants
Gifts/External Grants/Contracts			- Gifts given directly to UW Oshkosh (not to Foundation), Grants awarded or revenue from contracts
	TOTAL SOURCES		- Total of all sources of revenue
Use of Funds	Column1	Expenditures	Use of funds = expenses for a unit; Column1 lists specific expense sources; Expenditures is the sum of the specific sources in Column1
Direct Expenses			-
Personnel		-	Faculty/Staff compensation
Program Revenue Fringe Benefits		-	Fringe payments corresponding to PR activity
Supplies & Expenses		-	Supplies & expenses within a unit; e.g., travel, office supplies, food, rental of equipment/space
Capital Expenditures		-	Any S&E-like purchases over \$5,000; these are called capital expenditures as per UW System
Program Revenue Debt Service		-	Repayment of bonds for large campus projects incurred by PR generating operations
Overhead (Indirect) Expenses			
Charges for SCH-Allocated Cost Units			- Share of overhead that is assigned based on unit's SCH % share metric; e.g., Library
Charges for FTE-Allocated Cost Units			- Share of overhead that is assigned based on unit's FTE % share metric; e.g., HR
Charges for Other-Metric-Allocated Cost Units			- Share of overhead that is assigned based on other unit's %-share metrics; e.g., % sq. ft. for Facilities
Tax Assessment to Fund University Central Cost Units			- Tax assessment amount to fund University-Central overhead expenses; e.g., Chancellor's Office
	TOTAL USES		- Total of all expenditures
	Current-Year Net		- Equal to (Total Sources of Funds) - (Total Uses of Funds)
	Year-Start Balance		- Revenue balance from Year's start; or, equalivent, Prior Year Ending Balance
	Year-End Balance		- Equal to (Current-Year Net) + (Year-Start Balance); this becomes Year-Start Balance for next fiscal year

Example #1: Self-Supporting Revenue Unit

Unit:	Unit K	
Category:	SSRU	
Fiscal Year:	2015	
Sources of Funds	Column1	Revenue
Cost Recovery Tuition Revenue		-
GPR 102 Allocation		-
Salary Allocation		-
S&E Allocation		-
GPR 104 Allocation		-
Salary Allocation		-
S&E Allocation		-
GPR 190 Allocation		-
GPR 402 Allocation		-
Salary Allocation		-
S&E Allocation		-
Non-Tuition Program Revenue		6,000,000
Indirect Cost Recovery Revenue		-
Gifts/External Grants/Contracts		-
	TOTAL SOURCES	6,000,000
Use of Funds	Column1	Expenditures
Direct Expenses		4,900,000
Personnel	1,200,000	
Program Revenue Fringe Benefits	400,000	
Supplies & Expenses	2,000,000	
Capital Expenditures	300,000	
Program Revenue Debt Service	1,000,000	
Overhead (Indirect) Expenses		
Charges for SCH-Allocated Cost Units		-
Charges for FTE-Allocated Cost Units		188,000
Charges for Other-Metric-Allocated Cost Units		103,000
Tax Assessment to Fund University Central Cost Units		311,000
	TOTAL USES	5,502,000
	Current-Year Net	498,000
	Year-Start Balance	3,000,000
	Year-End Balance	3,498,000

Example #2: Academic Revenue Unit

Unit:	College A	
Category:	Academic Revenue Unit	
Fiscal Year:	2015	
Sources of Funds	Column1	Revenue
Cost Recovery Tuition Revenue		1,500,000
GPR 102 Allocation		10,000,000
	Salary Allocation	9,000,000
	S&E Allocation	1,000,000
GPR 104 Allocation		-
	Salary Allocation	-
	S&E Allocation	-
GPR 190 Allocation		-
GPR 402 Allocation		-
	Salary Allocation	-
	S&E Allocation	-
Non-Tuition Program Revenue		500,000
Indirect Cost Recovery Revenue		20,000
Gifts/External Grants/Contracts		750,000
	TOTAL SOURCES	12,770,000
Use of Funds	Column1	Expenditures
Direct Expenses		8,000,000
	Personnel	4,500,000
	Program Revenue Fringe Benefits	2,000,000
	Supplies & Expenses	1,479,500
	Capital Expenditures	20,500
	Program Revenue Debt Service	-
Overhead (Indirect) Expenses		
Charges for SCH-Allocated Cost Units		1,292,000
Charges for FTE-Allocated Cost Units		946,500
Charges for Other-Metric-Allocated Cost Units		303,000
Tax Assessment to Fund University Central Cost Units		725,000
	TOTAL USES	11,266,500
	Current-Year Net	1,503,500
	Year-Start Balance	1,000,000
	Year-End Balance	2,503,500

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Example #3: Cost Unit

Unit:	Unit X	
Category:	Cost Unit	
Fiscal Year:	2015	
Sources of Funds	Column1	Revenue
Cost Recovery Tuition Revenue		-
GPR 102 Allocation		5,500,000
	Salary Allocation	4,500,000
	S&E Allocation	1,000,000
GPR 104 Allocation		-
	Salary Allocation	-
	S&E Allocation	-
GPR 190 Allocation		-
GPR 402 Allocation		-
	Salary Allocation	-
	S&E Allocation	-
Non-Tuition Program Revenue		500,000
Indirect Cost Recovery Revenue		-
Gifts/External Grants/Contracts		5,000
	TOTAL SOURCES	6,005,000
Use of Funds	Column1	Expenditures
Direct Expenses		6,000,000
	Personnel	4,500,000
	Program Revenue Fringe Benefits	-
	Supplies & Expenses	1,000,000
	Capital Expenditures	300,000
	Program Revenue Debt Service	200,000
Overhead (Indirect) Expenses		
Charges for SCH-Allocated Cost Units		-
Charges for FTE-Allocated Cost Units		-
Charges for Other-Metric-Allocated Cost Units		-
Tax Assessment to Fund University Central Cost Units		-
	TOTAL USES	6,000,000
	Current-Year Net	5,000
	Year-Start Balance	63,000
	Year-End Balance	68,000

Appendix C: UW System Rules and Statutes

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- 786 • UW System General Administrative Policies (CAPP):
 - 787 ○ [https://www.wisconsin.edu/financial-administration/financial-administrative-policies-](https://www.wisconsin.edu/financial-administration/financial-administrative-policies-procedures/gapp-numeric-index/)
 - 788 [procedures/gapp-numeric-index/](https://www.wisconsin.edu/financial-administration/financial-administrative-policies-procedures/gapp-numeric-index/)
 - 789
- 790 • UW System Financial Policy Papers (FPPP):
 - 791 ○ [https://www.wisconsin.edu/financial-administration/financial-administrative-policies-](https://www.wisconsin.edu/financial-administration/financial-administrative-policies-procedures/fppp/)
 - 792 [procedures/fppp/](https://www.wisconsin.edu/financial-administration/financial-administrative-policies-procedures/fppp/)
 - 793
- 794 • Board of Regent Policies:
 - 795 ○ <https://www.wisconsin.edu/regents/policies/>
 - 796
- 797 • Segregate Fee Policies:
 - 798 ○ [https://www.wisconsin.edu/uw-policies/uw-system-administrative-policies/segregated-](https://www.wisconsin.edu/uw-policies/uw-system-administrative-policies/segregated-university-fees/)
 - 799 [university-fees/](https://www.wisconsin.edu/uw-policies/uw-system-administrative-policies/segregated-university-fees/)

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Appendix D: Budget Process Committee (BPC) Bylaws

NOTE: If OBAM is approved, these bylaws will most likely be extracted from the OBAM manual and maintained as a separate document with its own revision history, etc.

Bylaws Revision History

Initial version adopted (?)	XX 20XX
Revisions approved (?)	XX 20XX

These bylaws establish policies and procedures by which members of the BPC at UW Oshkosh participate in committee affairs and exercise their governance responsibilities.

The BPC, which is advisory to the Chancellor, provides the means for institutional budget process oversight. The BPC makes recommendations to the Chancellor¹³ on the budget process, and in that capacity will:

- Serve as steward of the OBAM manual
- Initiate peer/aspirant benchmark studies
- Participate in the Annual Budget Request Process to help contextualize budget requests by interpreting peer/aspirant benchmark studies
- Review budget language from UW System
- Review mandates with budgetary implications for the university to college/unit level
- Review MOUs within OBAM's purview
- Review CRP changes within OBAM's purview
- Contribute to ongoing OBAM training processes
- Work with the Academic Policies Committee (APC) on Academic Quality Indicators (AQIs)
- Field and assess proposed model/manual changes
- Facilitate the drafting and modification of OBAM SLAs
- Submit a stylized annual report
- Commission a comprehensive review of OBAM once every six years.

Article I: Membership

Each elected member of the BPC serves as a representative of the campus community as a whole and not as a partisan advocate. The members with three-year terms will have staggered appointments for the purpose of continuity. Membership can be extended for up to three years beyond the initial appointment. All members are voting unless indicated below or if they have not yet completed the comprehensive training process. The BPC shall have the following members:

- 4 tenured members from the faculty (one from each college)
- 1 member from the Senate of Academic Staff
- 1 member from the University Staff Senate
- 1 student
- The Budget Director from the Budget Office in Administrative Services

¹³ At the discretion of the Chancellor, other members of the Administration may be involved in the decisions regarding whether to adopt and implement the BPC's recommendations. For simplicity, all OBAM documents refer only to the Chancellor.

- 841 • The Budget Planners from the Budget Office in Administrative Services (non-voting)
842 The Faculty Senate will appoint the faculty members. A Chair will be elected by the Committee on an
843 annual basis.
- 844 A typical appointment cycle would entail members being appointed in April of each year and a training
845 process being scheduled for May of each year. They will assume their appointment on July 1st of each year
846 (beginning of the Fiscal Year).¹⁴
- 847 BPC members may send an alternate to attend meetings periodically on their behalf. Alternates may vote
848 in a member's stead if they have completed the training process.

849 **Article II: Training**

850 As the OBAM operating manual, all incoming BPC members (and alternates) will go through a
851 comprehensive training process in order to gain the knowledge necessary to make informed
852 recommendations. The BPC is to ensure that all its members are properly trained.

853 **Article III: Voting**

- 854 A. Voting Rights
- 855 a. Committee members, as defined in Article I, who have completed the comprehensive training,
856 may vote.
- 857 b. A voting quorum shall consist of one half of the committee members, plus one. Members of the
858 committee can attend electronically, assuming it permits them to both hear and participate in the
859 debate, and will count towards the voting quorum.
- 860 c. Absentee ballots will not be accepted.
- 861 d. Trained committee members and alternates may submit and second motions for consideration.
862 The BPC will discuss all motions that are properly submitted and seconded, and will vote on such
863 motions.
- 864 e. All votes will be by signed paper ballot. Members who attend electronically may submit an
865 electronic vote via their University email address.
- 866 f. Other members of the University community may attend meetings and speak if recognized by the
867 Chair, but are not eligible to submit, second, or vote on any motion.
- 868 g. A motion passes if more than 50 percent of the voting quorum votes in the affirmative; i.e., a tie
869 vote means the motion fails.
870

871 **Article IV: Meetings**

- 872 A. This committee will follow all policies and procedures as outlined in Chapter 36 of the *Wisconsin*
873 *State Statutes*, Sections 19.81 through 19.85 (Open Meetings Law).
- 874 B. All actions or decisions of the committee must be compatible with decisions of the Board of
875 Regents, the Faculty Constitution, the most recent Faculty and Academic Staff Handbook, and
876 University policies. In governing committee affairs, the above-named sources take precedence
877 over these bylaws. These bylaws, in turn, take precedence over general parliamentary procedure,
878 but normally the current edition of *Sturgis's Standard Code of Parliamentary Procedure* will
879 govern committee meetings.
- 880 C. Regular Meetings:

¹⁴ As noted earlier, during the BPC's very first summer, the UBDC and BPC will coexist for July and August. This will permit a period of extra training and a comprehensive transfer of knowledge between the sun setting committee (UBDC) and the newly formed BPC.

881 a. The committee will meet at least once a semester and more often during budget season
882 (see the Annual Budget Request Timeline), with an agenda prepared and distributed by
883 the chair. Any committee member may suggest items for the agenda. During budget
884 planning periods, the BPC may meet jointly with the Chancellor and other members of the
885 administration.

886 b. Any exemptions to meeting in open session will follow Chapter 36 of the *Wisconsin State*
887 *Statutes*, Section 19.85

888 D. Special Meetings:

889 a. “Special Meeting” are typically those called to address urgent but unplanned matters, as
890 opposed to the regular need for more meetings during budget planning season. The
891 provision for special meeting usually requires the Chair to convene the body at the request
892 of some proportion (25%) of the body, often for the purposes of addressing concerns about
893 the body’s process or leadership.
894

895 **Article V: Task Forces**

896 A. The BPC may create and charge an *ad hoc* task force to address specific informational and procedural
897 needs.

898 B. A task force is made up of members with the expertise to address the charge.

899 C. At least two of the members of any BPC task force must also be sitting members of BPC.

900 D. Task forces follow all BPC procedures for meeting and voting.
901

902 **Article VI: Terms of Office**

903 A. The members with three-year terms will have staggered appointments for the purpose of continuity.
904 A member may serve no more than two consecutive three-year terms.

905 B. Leave and Early Vacancies

906 a. If a member cannot attend for an extended period of time, a replacement should be arranged from
907 the intended constituency. The BPC will define what constitutes an “extended period.”

908 b. If a member leaves the BPC, the appropriate individual or body as indicated in Article I shall
909 appoint a new member to complete the term. Such new members need to complete the training
910 process in order to be eligible to vote.
911

912 **Article VII: Amendments to Bylaws**

913 A. These bylaws may be amended by a two-thirds vote of the BPC, provided amendments have been
914 submitted to all committee members at least ten (10) days prior to the committee meeting during
915 which they shall be considered.

916 B. The BPC will recommend amendments to the bylaws to the Chancellor for approval.