

UW Oshkosh Operating Budget Manual

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Acronym Definitions

- AQI: Academic Quality Indicator
- APC: Academic Polices Committee
- ARU: Academic Revenue Unit
- BPC: Budget Process Committee
- CBG: Chancellor’s Budget Group
- CCDET: Center for Career Development and Employment Training
- CETL: Center for Excellence in Teaching and Learning
- 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
- FTE: Full-Time Employment Equivalent
- GPR: General Purpose Revenue
- HR: Human Resources
- MOU: Memorandum of Understanding
- OBAM: Operating Budget Allocation Model
- OSA: Oshkosh Student Association
- PR: Program Revenue
- RU: Revenue Unit
- SCH: Student Credit Hours
- SLA: Service Level Agreement
- SSRU: Self-Supporting Revenue Unit
- SU: Support Unit
- UBDC: University Budget Development Committee
- VC: Vice Chancellor

Preamble

The University of Wisconsin Oshkosh Operating Budget Allocation Model (OBAM) is the responsibility of the Chancellor. Working with the Chancellor's Budget Group (CBG) and the Budget Process Committee (BPC), the Chancellor is responsible for the oversight of OBAM, assuring the OBAM process is followed, and approving changes to OBAM. The Vice Chancellor of Finance and Administration will direct the Budget Process. The Provost, working closely with the Vice Chancellor of Finance and Administration, CBG and BPC will be responsible for all aspects of University budgeting and ensure the budget is aligned with the University's mission.

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 seven 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
- G7. simplify budgetary operations

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.

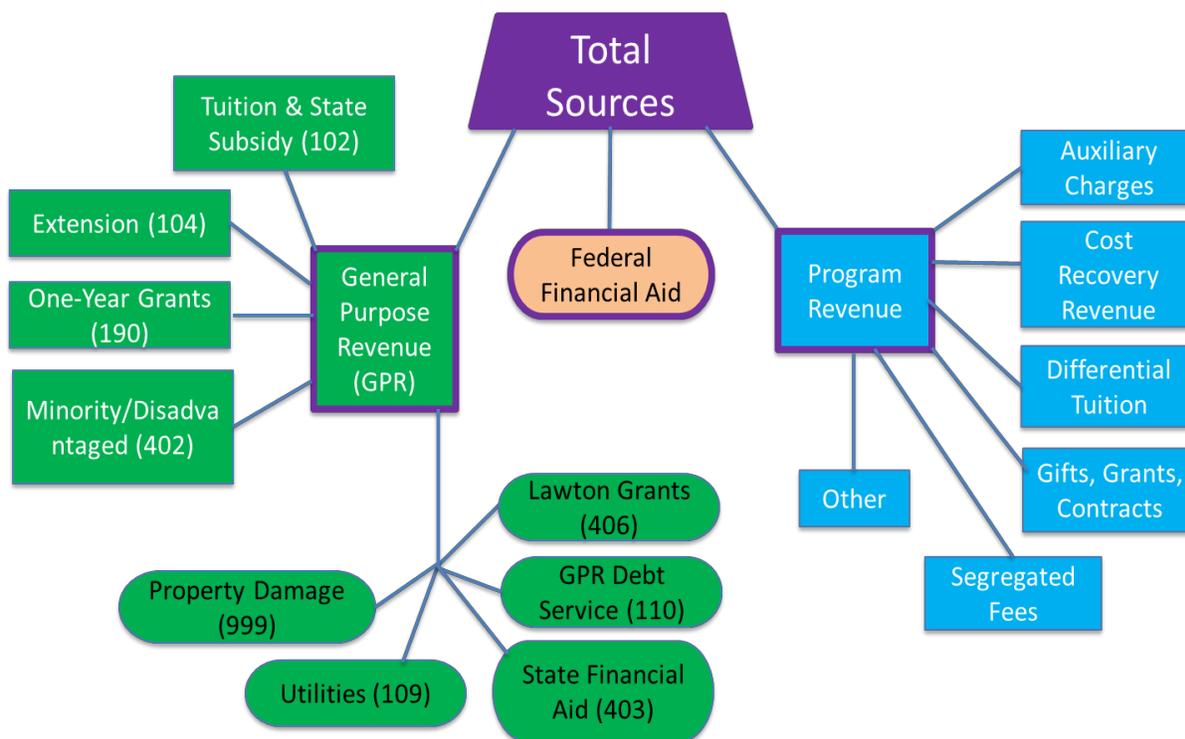
General Purpose Revenue (GPR) accrues in nine distinct accounts, as follows.

- GPR accounts inside OBAM's purview:
 - GPR-102 (general purpose operations)

- GPR-104 (UW Extension programs)
- GPR-190 (UW System one-year grants)
- GPR-402 (minority & disadvantaged programs)
- GPR accounts outside OBAM’s purview:¹
 - GPR-109 (utilities)
 - GPR-110 (GPR debt service)
 - GPR-403 (State student financial aid)
 - GPR-406 (Lawton minority undergraduate grants program)
 - GPR-999 (property damage reimbursement)

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

Figure 1: Sources Overview



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

- **Salary Cap:** A maximum amount that UW Oshkosh can expend on salaries.
- **Fringe Allocation:** An amount of money transferred from UW System to cover GPR-based fringe benefits at UW Oshkosh; this subset of GPR-102 is earmarked and therefore cannot be repurposed by campus. Any unspent GPR-102 fringe funds return to UW System.

¹Again, 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.

- **Tuition Target:** Determined by UW System, with input from UW Oshkosh. If the tuition target is not met, then UW Oshkosh is responsible for the amount of the financial shortfall.
- **Student Technology Fee:** A tuition surcharge used to fund enhancements to computer resources and services to students. These funds are disbursed through the Student Technology Fee Committee at the time specified in the Annual Budget Request Timeline.
- **Supplies and Expenses:** These funds are for paper, teaching supplies, travel, etc.
- **Capital Expenditures:** These funds are for supply- and expense-like purchases that exceed \$5,000.
- **FTE Cap:** This limits the amount of Full Time Equivalent employment that UW Oshkosh can hire using GPR-102 funds.

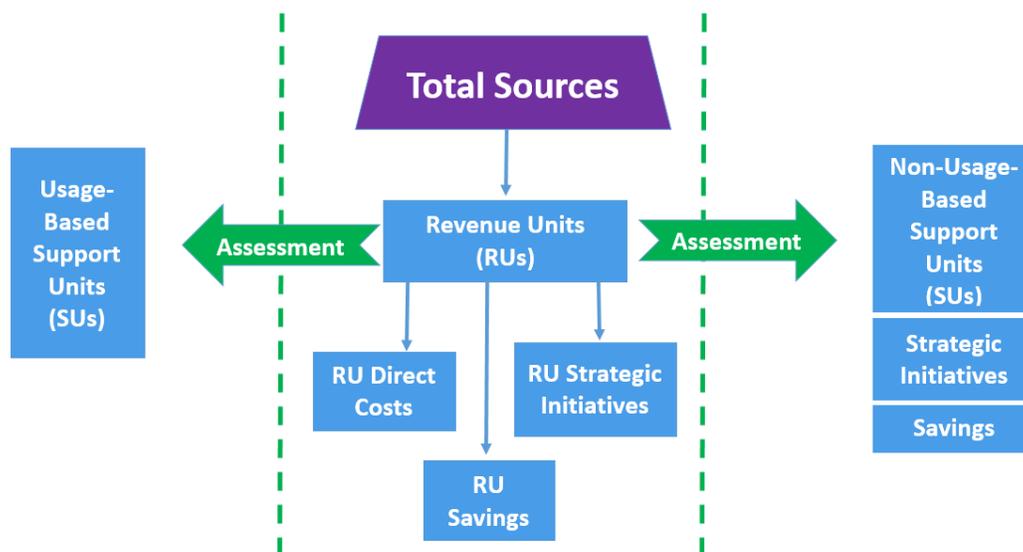
These items need to be navigated when budgeting for and expending GPR-102.

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

- Auxiliary charges
- Cost recovery revenue
- Differential Tuition
- Gifts, external grants, contracts
- Segregated Fees
- Other

In general, OBAM flows as depicted in figure 2.

Figure 2: OBAM Schematic



Each arrow in figure 2 represents a flow of money. Primary revenue (i.e., GPR and PR) flows into the Revenue Units (RUs), each of which then disperses money to cover its own direct costs, savings, and strategic funding. The usage-based Support Units (SUs) from all parts of the university are covered, via cost assignment processes, using a flow of money from the RUs. Similarly, an assessment levied on the

RUs flows money from the RUs to Campus Savings, the Campus Strategic Fund, and non-usage-based Support Units.

Several specific features are worth emphasizing:

1. Revenue flows to the RU that is primarily responsible for its generation.
2. Some costs are assigned to RUs in proportion to their use of said Support Unit. Indirect (or overhead) costs covered in this way are referred to as “usage-based.” Only RUs pay usage-based costs.
3. Some costs are assigned to RUs irrespective of their use of said Support Unit. These are referred to as non-usage-based Support Units. Only RUs are assessed to populate the Campus Savings, Campus Strategic Fund, and non-usage-based Support Units.
4. Every college/unit budget will be summarized with a basic financial statement that includes Sources of Funds (revenues) and Uses of Funds (expenses). Examples of these financial statements appear in Appendix B; these will be described extensively during the OBAM training sessions. There are approximately 50 units on campus; some are RUs and some are SUs.

1.4 Annual Budget Request Timeline

A key element of any well-functioning budget model is an Annual Budget Request Timeline that sets forth a calendar of budget-related events that need to unfold in sequence throughout the fiscal year. The steps (who, what, when, to whom, etc.) used for developing budget requests and allocations for a given fiscal (academic) year appear in the Annual Budget Request Timeline below.

The Vice Chancellor for Finance and Administration, working closely with the Provost, creates the annual budget timeline. Within the budget process, the Chancellors Budget Group (CBG) will make the final recommendation to the Chancellor on budget requests. Budget deliberations and decisions are sequenced in the budget request timeline to ensure that UW Oshkosh’s campus-wide budget request reaches UW System by March/April each year.

The Budget Process Committee (BPC) will observe the annual budget process and ultimately make recommendations to the Chancellor regarding OBAM.

Annual Budget Request Timeline

- **August** – RUs and SUs meet with University Business Officers for an end-of-year summary and answer questions regarding prior year actuals. University Business Officers provide coming fiscal year template and SU budget memo to SUs
 - **Players:** RUs, SUs, University Business Officers, and Unit Business Officers
- **September – October** – University Business Officers provide coming fiscal year template and RU budget memo to RUs; pending date UW Oshkosh campus receives the Program Revenue Budget memo from UW System
 - **Players:** RUs, University Business Officers, and Unit Business Officers
- **October** – The Differential Tuition Committee receives budget requests from units funded by Differential Tuition; approvals issued by early November
 - **Players:** The Differential Tuition Committee and unit representatives making Differential Tuition budget requests
- **October** – The Student Technology Fee Committee receives budget requests from units for projects; approvals issued by early November

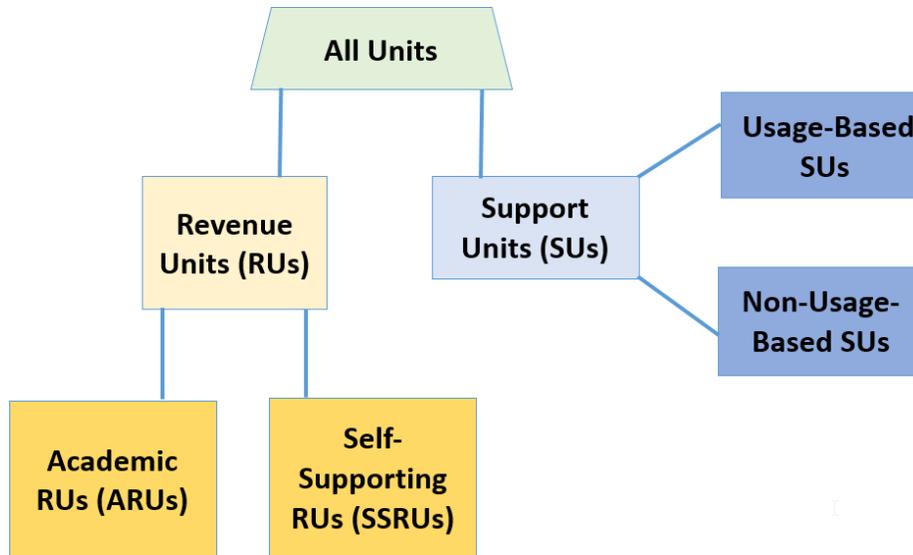
- **Players:** The Student Technology Fee Committee and unit representatives making Student Technology Fee requests
- **October** – The Allocations Committee meets to consider Segregated Fee budget requests; approvals issued by Mid-November
 - **Players:** The Allocations Committee and student organization representatives making Segregated Fee budget requests
- **October** – SUs meet with University Business Officers to develop budget requests for their units
 - **Players:** SU Directors, University Business Officers, and SU budget personnel or Unit Business Officers
- **October** – SUs meet with corresponding Vice Chancellors to discuss expense and revenue targets for the coming fiscal year; adjusting budgets accordingly
 - **Players:** Vice Chancellors, SU Directors, and Unit Business Officers
- **Early November** – Segregated Fee Committee meets to consider Segregated Fee funding requests; approvals issued by end of December
 - **Players:** Segregated Fee Committee and Segregated Fee requesters
****This deadline will be adjusted pending Auxiliary Chargeback status in the new model ****
- **Mid November** – Written divisional SU budget requests submitted to Sharepoint; coordinated by the Budget Office
 - **Players:** CBG, SUs, and University Business Officers
- **Early December** – CBG meet to discuss SU budget requests
 - **Players:** CBG and University Business Officers
- **Mid – Late December** – VC budget review meeting(s) conducted with Chancellor
 - **Players:** Chancellor, VC's and University Business Officers
- **1 January** – SU budget requests clarified, reviewed by CBG, recommended by VC's and approved by the Chancellor. Decisions communicated to the University Business Officers for entry. Assessment impact communicated to RUs for budget planning
 - **Players:** Chancellor, VC's, CBG, RUs, and University Business Officers
- **Early January** – Budget Office begins entry of SU budgets into UW System budget database
 - **Players:** University Business Officers and Unit Business Officers
- **Mid-January** – Auxiliaries determine rates for next fiscal year
 - **Players:** SSRUs and University Business Officers
- **Mid-January** – RUs meet with University Business Officers to develop budget requests for their units
 - **Players:** RU Deans/Directors, University Business Officers, and RU budget personnel or Unit Business Officers
- **Mid-January** – RUs meet with corresponding Vice Chancellors to discuss expense and revenue targets for the coming fiscal year; adjusting budgets accordingly

- **Players:** Vice Chancellors, RU Deans/Directors, and Unit Business Officers
- **Late January** – Written RU budget requests submitted to Sharepoint; coordinated by the Budget Office
 - **Players:** CBG, RUs, and University Business Officers
- **Early February** – CBG meet to discuss RU budget requests
 - **Players:** CBG and University Business Officers
- **Early February** – VC budget review meeting(s) conducted with Chancellor
 - **Players:** Chancellor, VC's and University Business Officers
- **February 12th** – RU budget requests clarified, reviewed by CBG, recommended by VC's and approved by Chancellor; decisions communicated to the University Business Officers for entry
 - **Players:** Chancellor, VC's, CBG, RUs, and University Business Officers
- **Mid-February** – Budget Office begins entry of RU budgets into UW System budget database
 - **Players:** University Business Officers and Unit Business Officers
- **March** – Budget Office conducts reconciliation of submitted and entered budgets into UW System budget database. Closeout process conducted
 - **Players:** Associate Vice Chancellor for Finance & Administration, Budget Director, and University Business Officers
- **March 25th – March 31st** – Chancellor meets with the Provost and the Vice Chancellor for Finance & Administration for final review of submitted campus budgets
 - **Players:** Chancellor, Provost and Vice Chancellor for Finance & Administration
- **April** – Budget requests due to UW System
 - **Players:** UW System, Budget Director, and University Business Officers
- **May/June** – Meetings conducted with RUs and SUs to relay decisions and final submitted budgets to UW System
 - **Players:** RUs, SUs, University Business Officers, and Unit Business Officers

2.0 Taxonomy of Units

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

Figure 3: Unit Taxonomy Schematic



2.1 List of Academic Revenue Units

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

- College of Business (COB)
- College of Education and Human Services (COEHS)
- College of Letters and Science (COLS)
- College of Nursing (CON)

2.2 List of Self-Supporting Revenue Units

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

- Bookstore
- Center for Community Development, Engagement and Training (CCDET)
- Children's Learning and Care Center (CLCC)
- University Dining
- Head Start
- Student Health Center
- Online and Continuing Education (OCE)
- Parking
- Reeve Union and Titan Card
- Residence Life and Gruenhagen Conference Center

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

- Segregated Fee and Allocation Committee
- Student Recreation and Intramurals

2.3 List of Usage-Based Support Units

Usage-based indirect (or overhead) SUs are units that (1) do not regularly generate enough revenue to cover their costs, (2) provide support services for one or more RUs, and (3) have an easy-to-apply usage metric for dividing their costs among the RUs served. Service Level Agreements (SLAs) among usage-based SUs and RUs detail the service level (quantity, quality, turnaround time, etc.) the SUs deliver, given the funding provided by the RUs. Many of the usage-based SUs costs can be assigned using one of OBAM's two primary metrics: Full-Time Equivalent Employment (FTE) % share and Student Credit Hours (SCH) % share.

FTE % Usage Metric

- Budget and Planning
- Center for Excellence in Teaching and Learning (CETL)
- Faculty Development
- Financial Services
- Governance units (includes Faculty Senate, Senate for Academic Staff, and University Staff Council)
- Human Resources (Includes Equal Opportunity and Access)
- Information Technology
- Postal Services (non-chargebacks)
- Student Financials
- University Marketing and Communications (UMC)
- University Police
- Vice Chancellor for Finance and Administration Office
- Vice Chancellor for Student Affairs office

SCH % Usage Metric

- Academic Support and Inclusive Excellence
- Admissions
- Advance-Titan
- Career and Professional Development
- Center for Academic Resources (includes Math Lab)
- Counseling Center
- Dean of Students
- Financial Aid
- Graduate Studies Office
- Honors College
- Intercollegiate Athletics
- Office of Institutional Research
- Office of International Education
- Office of Sponsored Programs
- Office of Student Research and Creative Activity (OSRCA)
- Polk Library
- Project Success
- Reading Study Center
- Registrar

- Testing Center
- Undergraduate Advising Resource Center
- University Studies Program (USP)
- Vice Chancellor for Academic Affairs/Provost Office
- Writing Center

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

Table 1: Additional Usage-Based SUs and Metrics

| | |
|--------------------------------------|---------------------------|
| Document Services | Current chargeback system |
| Facilities (includes Central Stores) | % assignable square feet |
| Postal Services | Current chargeback system |

2.4 List of Non-Usage-Based Support Units

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

- Alumni Relations
- Alumni Welcome and Conference Center
- Campus Operations (Municipal Fees, Insurance, etc.)
- Campus Savings
- Campus Strategic Initiatives
- Center for Research and Customer Support (CRCS)
- Chancellor’s Office
- Economic Development and Community Relations
- University Affairs Office

2.5 Pass Through Accounts

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

3.0 Revenue Assignment

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

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

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

3.1 Undergraduate Tuition and State Subsidy

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

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

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

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

| College | SCH % Share | Degree % 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 |

SCH and Degree % Share are metrics for two mission-centric goals: producing educational experiences class time and degree completions. The revenue-sharing rule helps encourage the production of both SCH and degrees. The CBG will determine the value of the split annually for the given budget cycle.

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

3.2 Graduate Tuition and State Subsidy

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

3.3 Cost Recovery Program Tuition

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

3.4 Special Course Fees

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

3.5 Indirect Cost Recovery Payments

External grants often include Indirect Cost Recovery (ICR) payments. To incentivize external grant activity, 100% of these funds are assigned directly to the college/unit that originated the grant. ICR funds may be assessed payments to Support Units made through the cost-assignment process that reflects the centrally funded share of general administrative and facilities cost.

3.6 Segregated Fees

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

3.7 Differential Tuition

Institution-wide Differential Tuition is tuition that is added to the base tuition level set by the Board of Regents. These funds supplement services and programming for students within that institution above and beyond existing activities supported by GPR-102. Differential Tuition is assigned to those units that have been approved through the Differential Tuition process.

3.8 Financial Aid

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

3.9 Auxiliary Charges

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

3.10 Other Revenue

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

4.0 Cost Assignment

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

| Issue | Nature |
|-------------------------------------|----------------------|
| Choice of cost assignment method | Budget decision |
| Implementing the chosen cost method | Budget model process |

4.1 Direct Costs

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

- Employee salaries
- Supplies and expenses
- Travel
- Employee development-and training

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

4.2 Usage-Based Support Units

Most SU costs can be assigned to RUs based on an easy-to-apply and logical metric, which mirror each RU's use of the SU services. Each usage-based SU submits an annual budget request in an incremental fashion. Every five years, all campus units will undergo a zero-based budgeting request process. Budgeted amounts are determined for each of these areas per the Annual Budget Request Timeline, and benchmarking is used to contextualize budget levels. The schematic below distinguishes between budget decisions made by university leadership and the OBAM process.

| Issue | Nature |
|---|----------------------|
| Determine SU budget levels | Budget decision |
| Ensure approved SU costs are allocated using OBAM metrics | Budget model process |

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

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

| 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 |

ARU-Only Cost Assignment Example: Suppose the Provost’s Office budget is \$1.5 million and that there exist four ARUs. The chart below shows how the \$1.5 million in Provost 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 |

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

Facilities Cost Assignment Example: Suppose that the Facilities budget is \$5 million and that there are four ARUs (A-D) and two SSRUs (E and F). The chart below shows how the \$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 |

4.3 Non-Usage-Based Support Units

Non-usage-based costs are of two primary types. The first type consists of SUs that support the university’s mission, but which cannot be easily assigned to the RUs based on usage. The second category consists of reserve accounts for specific University-level purposes, such as the Campus Strategic Initiative Fund.

Non-usage-based SUs are funded via assessments on the RUs; see figure 2. Each non-usage-based SU submits an annual budget request in an incremental fashion. Every five years all campus units will undergo a zero-based budgeting request process. Budgeted amounts are determined for each of these

areas at the time set forth in the Annual Budget Request Timeline, and benchmarking is used to contextualize budget levels.

The total funding needed to cover non-usage-based SUs and the Campus Fund is used to compute the various assessment rates for the academic year. The default assessment base for these calculations is aggregated gross revenue (all source types) for all RUs.

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

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

The schematic below distinguishes between budget decisions made by university leadership and OBAM’s process.

| Issue | Nature |
|---|----------------------|
| Determine Non-Usage-Based SUs budget levels | Budget decision |
| Compute Non-Usage-Based assessment needed to support Non-Usage-Based SU budget levels | Budget model process |

4.3.1 Tuition Target Shortfall

UW Oshkosh is expected to generate a minimum amount of standard (non-CRP) tuition, referred to as the Tuition Target. If UW Oshkosh generates less than the target amount, it must send an amount equal to the shortfall back to UW System. Conversely, if UW Oshkosh generates more than the target amount, UW Oshkosh retains the windfall. Part of the annual ARU contribution to Campus Savings ensures that money is readily available if UW Oshkosh must cover a Tuition Target shortfall in a given year. The Chancellor, in consultation with the CBG, will manage this process. The annual BPC report will report on the status of the Tuition Target shortfall.

4.3.2 Campus Strategic Initiative Fund

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

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 (campus savings). The schematic below distinguishes between budget decisions made by university leadership and OBAM’s carryover process. While these ceilings are targets, the Chancellor, advised by the CBG, can adjust these percentages.

| Issue | Nature |
|---------------------------------|----------------------|
| Determine carryover percentages | Budget decision |
| Verify carryover percentages | Budget model process |

SU end-of-year balances are reviewed by the CBG on an annual basis.

In the event of reductions in state allocations or other revenue shortfalls, the Chancellor will convene the CBG to prepare campus for a spending reduction. Reduction plans will be presented in an open and transparent manner.

4.5 Benchmarking

Budget levels for SUs are typically improved if they have thorough peer/aspirant benchmark information to help establish mutually agreeable service levels for SUs. 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.

4.6 Service Level Agreements

SUs 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.

SLA’s are approved by the CBG and communicated to the BPC.

5.0 Governance and Oversight

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

5.1 Budget Process Committee

OBAM provides an inclusive process through which shared governance representatives help maintain and improve OBAM. To this end, the Budget Process Committee (BPC) makes advisory recommendations to the Chancellor concerning the operating features of OBAM, and in that capacity will:

- Serve as a steward of the OBAM manual
- Recommend peer/aspirant benchmark studies
- Observe the Annual Budget Request Process
- 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 University level CRP changes within OBAM's purview
- Contribute to ongoing OBAM training processes
- Work with the Academic Policies Committee (APC) on Academic Quality Indicators (AQIs)
- Recommend model/manual changes
- Submit a stylized annual report
- Participate in a comprehensive review of OBAM once every six years.

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

- If the issue is outside the BPC's purview, as set forth in this manual, the BPC accordingly informs the petitioner, and the petition ceases.
- If the issue is within BPC's purview, as set forth in this manual, then the BPC should produce a majority opinion and a minority opinion concisely outlining the respective pros and cons for the Chancellor's consideration.
- In the interests of transparency, these opinions will be posted publicly on the BPC website and written responses are expected from the CBG.

The membership of the BPC is as follows:

- 4 tenured members from the faculty (one from each college) appointed by the Faculty Senate
- 1 member appointed by the Senate of Academic Staff
- 1 member appointed by the University Staff Senate
- 1 student appointed by the Oshkosh Student Association (OSA)
- The Budget Director from the Budget Office in Finance & Administration
- The University Business Officers from the Budget Office in Finance & Administration (non-voting)

Details concerning membership and voting appear in the BPC bylaws; see Appendix D.

5.2 Roles and Responsibilities

5.2.1 Chancellor

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

5.2.2 Vice Chancellors and Provost

The VCs oversee the college/unit heads through deliberate performance management processes. The VCs ensure mission-centric strategic initiatives are funded and incentivized. VCs, as part of the Chancellor's cabinet and part of the CBG, are expected to participate in various budget steps (see Annual Budget Request Timeline) as budget requests are clarified, altered, and ultimately finalized as allocations. Ensuring enrollment, accreditation, and a unified university-level identity remain a vital part of their charge. The Vice Chancellor for Finance & Administration works to ensure that the budget advances financial stability while the Provost promotes the academic mission of the University.

5.2.3 College/Unit Heads (Academic Deans and Division Heads)

College/unit heads are expected to manage revenues and costs within budget allocations and to maintain and use resources effectively for strategic investment and innovation. Academic deans are members of the CBG.

5.2.4 Unit Business Officers

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

5.2.5 Governance Groups

Governance groups participate in OBAM via membership on BPC.

5.2.6 Non-Budgetary Faculty and Staff

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

5.2.7 Academic Policies Committee

The APC monitors selected AQIs defined in the manual and works through the BPC. The APC cannot unilaterally impose new or modified AQIs without collaborating with the BPC and receiving approval through said process by the Chancellor. The rationale for this process is that all AQIs need to be consistent with activity-based budgeting.

5.2.8 Chancellor's Budget Group

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

- The Chancellor
- The Vice Chancellors
- The Deans of the primary academic colleges (COB, COEHS, COLS, CON)

This group reviews and approves all budget requests and then works together to determine budget allocations for each requesting unit.

5.2.9 The University Business Officers

Employees in the Budget and Planning Office in Finance & Administration are expected to understand OBAM and advise college/unit heads and employees with budgetary responsibilities regarding the model. University Business Officers will be responsible for monitoring OBAM in reference to the overall university budget. Regular communication will occur with the University Business Officers and the college/units on campus regarding budget planning and forecasting for OBAM.

5.3 Training and Education

All BPC members, new and experienced, engage in a comprehensive training and education process in order to gain/augment the knowledge necessary to make informed advisory recommendations. The training and education program is developed by the Budget Office under the direction of the Vice Chancellor of Finance and Administration and the Provost. The specific purpose of training is to comprehensively educate BPC members about OBAM. The training is offered at least once per year, while required for BPC members, is open to the campus community.

5.4 Academic Quality Indicators and Oversight

As assignment of GPR-102 becomes more transparently tied to activity levels, new and potentially undesirable behaviors may arise that may benefit one unit at the expense of the larger campus community. OBAM includes a series of AQIs designed to ensure that colleges/units make financial decisions consistent with academic quality expectations and the mission of their college/unit. Academic leadership (e.g., Provost, Deans, AVC's), oversight (e.g., BPC) bodies, and/or curricular bodies (e.g., APC or accrediting bodies), where applicable, are responsible for monitoring these indicators and resolving infringements thereof. The BPC will review all current AQI's and bring forth concerns and recommendations for current or new AQI's to the Provost. All AQI's must allow the University to remain fiscally prudent.

AQIs

- Course Duplication. Suppose a College of Engineering attempts to create an Engineering Calculus course to supplant a similar course currently taught by the Mathematics Department in the College of Letters and Science. If approved by the university-level curriculum committee, the engineering college would gain SCH-% share revenue at the expense of the other college. Note, however, that some duplications may be logical.
- Curricular Blocking: In some cases, a rational curricular change may be inappropriately blocked in order to preserve an ARU's SCH revenue share. This is most likely when faculty from one ARU dominate the membership profile of university-level curriculum committees.
- Credits to Major or Degree: A college or program shouldn't add undue requirements solely to increase SCH revenue, which may in turn hamper time to major or time to graduation.
- Course Credits: A college should not increase course credits (e.g. from 3 credits to 4 credits) solely to capture more SCH.
- Class Size: A college should not increase class size solely to boost SCH-based tuition production. There are, however, valid reasons to increase class size.
- Grade Inflation: Lower standards should not be employed solely to boost SCH-based tuition production.
- Teaching Load: An ARU should not increase teaching loads beyond acceptable UW System limits solely to boost SCH-based tuition production.
- 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: Colleges should not increase their use of temporary instructors over faculty solely to boost SCH-based tuition production. While adjunct instruction is indispensable, too many classes taught by individuals with temporary contracts may create difficulties for program, college, or university accreditation.

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

5.5 Memoranda of Understanding

In cases where the revenue- or cost-assignment mechanisms set forth in prior sections are not flexible enough to capture a particular issue, a Memorandum of Understanding (MOU) should be generated to govern the issue in the spirit of OBAM's goals and values. The Provost and the Office of Finance and Administration will review MOUs with budget implications for the university-to-college/unit level, its purpose being to ensure uniformity and compliance with OBAM's rules. University-to-college/unit level MOUs will be observed by the BPC, and they have the ability to make recommendations on this process. OBAM strongly encourages MOUs for other financial agreements, even those outside OBAM's purview, to help ensure mutual understanding between interested parties.

Appendix A: Process History

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.⁴ 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.⁵ 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:⁶

- 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.

⁴ <http://www.uwosh.edu/forward/university-budget-development-committee-ubdc/>

⁵ http://www.uwosh.edu/forward/wp-content/uploads/UWO_White_Paper_461.pdf

⁶ Criteria are not necessarily in order of importance.

The following individuals have served on the UBDC:

- Elizabeth Alderton, Interim Dean, College of Education and Human Services
- Jennifer Borgmann, Budget Planner, Finance & Administration
- M. Ryan Haley, Professor of Economics (Chair), College of Business
- Linda Haling, Dean, College of Education and Human Services
- Julia Hodgen, Dean's Assistant, University Staff Senate
- John Koker, Dean, College of Letters and Science
- Jean Kwaterski, Assistant to Vice Chancellor of Student Affairs
- Angie Metke, Associate Budget Planner, Finance & Administration
- Leslie Neal-Boylan, Dean, College of Nursing, 2015-2017
- Alexander Novak, Student, Oshkosh Student Association, 2016-2017
- Reginald Parsons, Student, Oshkosh Student Association, 2015-2016
- Barb Rau, Dean, College of Business
- Nathan Stuart, Associate Professor of Accounting, Dean Designee, College of Business, 2015-2017
- Matt Suwalski, Assistant Director for Business and Retail, Senate of Academic Staff
- William Wacholtz, Distinguished Professor of Chemistry, Faculty Senate
- Judy Westphal, Dean, College of Nursing
- Lori Worm, Associate Vice Chancellor of Finance & Administration
- Fred Yeo, Dean, College of Education and Human Services, 2015-2017

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

Appendix B. Financial Statement Key and Example

| KEY | | | | | | | |
|--|--------------|--------------|-------------|--------------|-------------|--------------|--|
| Division/Unit: | | | | | | | Division/Unit: The name of the division for the budget request process (Provost, Administrative Services, Student Affairs. Units will also have statements for when they make requests to their Vice Chancellor's as well as use for budget to actual tracking. |
| Category: | | | | | | | Unit designation: e.g., Support Unit (SU), Revenue Unit (RU) |
| Fiscal Year: | | | | | | | Fiscal Year: e.g., 1 July 2016 to 30 June 2017 is called "Fiscal year 2017" |
| Sources of Funds | FY 17 Budget | FY17 Actuals | FY18 Budget | FY18 Actuals | FY19 Budget | FY19 Actuals | Source of funds: Depicts income sources for a division. Each column shows either the budgeted or actual revenue sources for the corresponding fiscal year. When clicking the grouped cells (the + on the excel spreadsheet) you can see the specific sources of revenue which are subtitled for each main revenue source. Column 1 lists specific revenue sources. |
| Cost Recovery Tuition Revenue | - | - | - | - | - | - | Cost Recovery Tuition Revenue: Tuition revenue from Cost Recovery Programs (CRPs) housed in the unit and any shared revenue from MOUs with other units |
| GPR 102 Allocation | - | - | - | - | - | - | GPR 102 Allocation: General Program Revenue from UW System for general operations |
| Other GPR Allocation | - | - | - | - | - | - | Other GPR Allocation: General Program Revenue allocated for specific purposes such as: UW Extension, One-Year System Grants or Minority/Disadvantaged Programs. |
| GPR 104 Allocation | | | | | | | UW Extension Funds |
| GPR 109 Allocation | | | | | | | Utilities Funds |
| GPR 110 Allocation | | | | | | | GPR Debt Service Funds |
| GPR 402 Allocation | | | | | | | Minority/disadvantaged Program Funds |
| GPR 403 Allocation | | | | | | | Graduate Student Financial Aid |
| GPR 406 Allocation | | | | | | | Lawton Minority Undergraduate Grants |
| Non-Tuition Program Revenue | - | - | - | - | - | - | Non-Tuition Program Revenue: Any revenue generated on campus that is not part of tuition; e.g., auxiliary fees, segregated fees, differential tuition |
| Fund 100 | | | | | | | Fund 100: Non-Appropriated Revenue |
| Fund 123 | | | | | | | Fund 123: Debt Service |
| Fund 128 | | | | | | | Fund 128: Auxiliary Enterprises |
| Fund 131 | | | | | | | Fund 131: Academic Student Fees |
| Fund 132 | | | | | | | Fund 132: Extension Non-Credit Program Receipts |
| Fund 136 | | | | | | | Fund 136: General Operations |
| Fund 184 | | | | | | | Fund 184: License Plate Scholarship Program |
| Fund 189 | | | | | | | Fund 189: Extension Student Fees |
| Fund 228 | | | | | | | Fund 228: Auxiliary Enterprises - Capital Projects |
| Indirect Cost Recovery Revenue (Fund 150) | - | - | - | - | - | - | Indirect Cost Recovery Revenue (Fund 150): Funds received to partially offset indirect costs incurred by external grants |
| Gifts/External Grants/Contracts | - | - | - | - | - | - | Gifts/External Grants/Contracts: Gifts given directly to UW Oshkosh (not to Foundation), Grants awarded or revenue from UW Oshkosh contracts |
| Fund 133 | | | | | | | Fund 133: Non-Federal Grants and Contracts |
| Fund 134 | | | | | | | Fund 134: Gifts & Donations - WARF |
| Fund 144 | | | | | | | Fund 144: Fed aid - Special Projects |
| Fund 161 | | | | | | | Fund 161: Endowment Trust Fund Income |
| Fund 162 | | | | | | | Fund 162: Endowment Trust Fund Operations |
| Fund 233 | | | | | | | Fund 233: Gifts - General |
| TOTAL SOURCES OF FUNDS | - | - | - | - | - | - | Total Sources of Funds: Total of all sources of revenue |
| FTE | FY17 Budget | FY17 Actuals | FY18 Budget | FY18 Actuals | FY19 Budget | FY19 Actuals | FTE: Full Time Equivalent |
| GPR FTE | | | | | | | GPR FTE: Allocated GPR FTE per fiscal year. Each column shows either the budgeted or actual FTE for each fiscal year |
| PR FTE | | | | | | | PR FTE: Allocated PR FTE per fiscal year. Each column shows either the budgeted or actual FTE for each fiscal year |
| Use of Funds | FY17 Budget | FY17 Actuals | FY18 Budget | FY18 Actuals | FY19 Budget | FY19 Actuals | Use of funds: Depicts expenses for a unit. Each column shows either the budgeted or actual expenses for each fiscal year. Expenses are the sum of the specific sources listed in Column A (ie: personnel, program revenue fringe benefits, etc.) |
| Direct Expenses | | | | | | | |
| Personnel | | | | | | | Personnel: Faculty/Staff compensation paid by a unit |
| Program Revenue Fringe Benefits | | | | | | | Program Revenue Fringe Benefits: Fringe payments corresponding to PR activity |
| Supplies & Expenses | | | | | | | Supplies & Expenses: Supplies & expenses within a unit. E.g., travel, office supplies, food, rental of equipment/space |
| Capital | | | | | | | Capital: Any S&E-like purchases over \$5,000. These are referred to as capital expenditures as per UW System |
| Program Revenue Debt Service | | | | | | | Program Revenue Debt Service: Repayment of bonds for large campus projects incurred by program revenue generating operations |
| GPR 102 Salary Excess Assessment | | | | | | | GPR 102 Salary Excess Assessment: System assessment to cover fringe costs of any salary expended over the campus/unit salary allocation. |
| Overhead (Indirect) Expenses | - | - | - | - | - | - | |
| Charges for SCH-Allocated Support Units | | | | | | | Charges for SCH-Allocated Support Units: Share of overhead that is assigned based on unit's SCH % share metric |
| Charges for FTE-Allocated Support Units | | | | | | | Charges for FTE-Allocated Support Units: Share of overhead that is assigned based on unit's FTE % share metric |
| Charges for Other-Metric-Allocated Support Units | | | | | | | Charges for Other-Metric-Allocated Support Units: Share of overhead that is assigned based on other unit's %-share metrics; e.g., % sq. ft. for Facilities |
| Assessment to Fund Non-Usage Support Units | | | | | | | Assessment to Fund Non-Usage Support Units: Tax assessment amount to fund University-Central overhead expenses; e.g., Chancellor's Office |
| TOTAL USES OF FUNDS | - | - | - | - | - | - | Total Uses of Funds: Total of all expenditures |
| Current-Year Net | - | - | - | - | - | - | Current-Year Net: Equal to (Total Sources of Funds) - (Total Uses of Funds) |
| Year-Start Balance | - | - | - | - | - | - | Year-Start Balance: Revenue balance from year's start. Also known as prior year cash balance. |
| Year-End Balance | - | - | - | - | - | - | Year-End Balance: Equal to ((Current-Year Net) + (Year-Start Balance)) |

Example: Division Y

| | | | | | | |
|--|-----------------------|---------------------|--------------------|---------------------|--------------------|---------------------|
| Division/Unit: | Division Y | | | | | |
| Category: | Academic Revenue Unit | | | | | |
| Fiscal Year: | 2019 | | | | | |
| | | | | | | |
| Sources of Funds | FY 17 Budget | FY17 Actuals | FY18 Budget | FY18 Actuals | FY19 Budget | FY19 Actuals |
| Cost Recovery Tuition Revenue | 1,500,000 | 1,450,000 | 1,550,000 | 1,000,000 | 1,250,000 | - |
| GPR 102 Allocation | 10,000,000 | 10,000,000 | 9,800,000 | 9,800,000 | 9,600,000 | - |
| Other GPR Allocation | - | - | - | - | - | - |
| Non-Tuition Program Revenue | 500,000 | 400,000 | 340,000 | 320,000 | 340,000 | - |
| Indirect Cost Recovery Revenue (Fund 150) | 20,000 | 17,000 | 18,000 | 17,500 | 18,000 | - |
| Gifts/External Grants/Contracts | 750,000 | 770,000 | 800,000 | 1,000,000 | 750,000 | - |
| TOTAL SOURCES OF FUNDS | 12,770,000 | 12,637,000 | 12,508,000 | 12,137,500 | 11,958,000 | - |
| | | | | | | |
| FTE | FY17 Budget | FY17 Actuals | FY18 Budget | FY18 Actuals | FY19 Budget | FY19 Actuals |
| GPR FTE | 42.00 | 43.00 | 40.00 | 40.00 | 39.00 | - |
| PR FTE | 22.00 | 24.00 | 23.00 | 22.50 | 23.00 | - |
| | | | | | | |
| Use of Funds | FY17 Budget | FY17 Actuals | FY18 Budget | FY18 Actuals | FY19 Budget | FY19 Actuals |
| Direct Expenses | 7,500,000 | 8,559,750 | 7,420,000 | 7,367,925 | 7,020,000 | - |
| Personnel | 4,000,000 | 4,500,000 | 3,800,000 | 3,850,000 | 3,750,000 | - |
| Program Revenue Fringe Benefits | 2,000,000 | 2,560,000 | 2,300,000 | 2,200,000 | 2,000,000 | - |
| Supplies & Expenses | 1,479,500 | 1,400,000 | 1,300,000 | 1,290,000 | 1,250,000 | - |
| Capital | 20,500 | 20,500 | 20,000 | 20,000 | 20,000 | - |
| Program Revenue Debt Service | - | - | - | - | - | - |
| GPR 102 Salary Excess Assessment | - | 79,250 | - | 7,925 | - | - |
| Overhead (Indirect) Expenses | 3,775,000 | 3,775,000 | 3,775,000 | 3,775,000 | 3,900,000 | - |
| Charges for SCH-Allocated Support Units | 1,500,000 | 1,500,000 | 1,450,000 | 1,450,000 | 1,400,000 | - |
| Charges for FTE-Allocated Support Units | 1,200,000 | 1,200,000 | 1,000,000 | 1,000,000 | 900,000 | - |
| Charges for Other-Metric-Allocated Support Units | 350,000 | 350,000 | 325,000 | 325,000 | 300,000 | - |
| Assessment to Fund Non-Usage Support Units | 725,000 | 725,000 | 1,000,000 | 1,000,000 | 1,300,000 | - |
| TOTAL USES OF FUNDS | 11,275,000 | 12,334,750 | 11,195,000 | 11,142,925 | 10,920,000 | - |
| | | | | | | |
| Current-Year Net | 1,495,000 | 302,250 | 1,313,000 | 994,575 | 1,038,000 | - |
| Year-Start Balance | 810,500 | 684,000 | 741,000 | 986,250 | 775,000 | 1,980,825 |
| Year-End Balance | 2,305,500 | 986,250 | 2,054,000 | 1,980,825 | 1,813,000 | 1,980,825 |

Appendix C: UW System Rules and Statutes

- UW System Administrative Policies:
 - <https://www.wisconsin.edu/uw-policies/uw-system-administrative-policies/>
- Board of Regent Policies:
 - <https://www.wisconsin.edu/regents/policies/>
- Segregated Fee Policies:
 - <https://www.wisconsin.edu/uw-policies/uw-system-administrative-policies/segregated-university-fees/>

Appendix D: Budget Process Committee (BPC) Bylaws

Bylaws Revision History

Initial version adopted

Nov. 2018

Revisions approved

Jan. 2018

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 is advisory to the Chancellor, its purpose being to insert shared governance into the OBAM process. The BPC makes recommendations to the Chancellor on the budget model, and in that capacity the BPC will:

- Serve as a steward of the OBAM manual
- Recommend peer/aspirant benchmark studies
- Observe the Annual Budget Request Process
- 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 University level CRP changes within OBAM's purview
- Contribute to ongoing OBAM training processes
- Work with the Academic Policies Committee (APC) on Academic Quality Indicators (AQIs)
- Recommend model/manual changes
- Submit a stylized annual report
- Participate in a comprehensive review of OBAM once every six years.

Article I: Membership

Each member of the BPC serves as a representative of the campus community as a whole and not as a partisan advocate. The members will have three-year 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) appointed by the Faculty Senate
- 1 member appointed by the Senate of Academic Staff
- 1 member appointed by the University Staff Senate
- 1 student appointed by the Oshkosh Student Association (OSA)
- The Budget Director from the Budget Office in Finance & Administration
- The University Business Officers from the Budget Office in Finance & Administration (non-voting)

A Chair will be elected by the BPC on an annual basis.

A typical appointment cycle entails BPC appointments in April of each year. They will assume their appointment on July 1st of the appointment year (the beginning of the Fiscal Year), and must complete the OBAM training process as soon possible after their term begins.

BPC members may send an alternate to attend meetings periodically on their behalf. Alternates may vote in a member's stead if they have completed the OBAM training process.

Article II: Training

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

Article III: Voting

A. Voting Rights

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

Article IV: Meetings

- A. This committee will follow all policies and procedures as outlined in Chapter 36 of the *Wisconsin State Statutes*, Sections 19.81 through 19.85 (Open Meetings Law).
- B. All actions or decisions of the committee must be compatible with decisions of the Board of Regents, the Faculty Constitution, the most recent Faculty and Academic Staff Handbook, and University policies. In governing committee affairs, the above-named sources take precedence over these bylaws. These bylaws, in turn, take precedence over general parliamentary procedure, but normally the current edition of *Sturgis's Standard Code of Parliamentary Procedure* will govern committee meetings.
- C. Regular Meetings:
 - a. The committee will meet as needed but at least once a semester with an agenda prepared and distributed by the chair. Any committee member may suggest items for the agenda.
 - b. Any exemptions to meeting in open session will follow Chapter 36 of the *Wisconsin State Statutes*, Section 19.85
- D. Special Meetings:
 - a. "Special Meeting" are typically those called to address urgent but unplanned matters, as opposed to the regular need for more meetings during budget planning season. The provision for special meeting usually requires the Chair to convene the body at the request of some proportion (25%) of the body, often for the purposes of addressing concerns about the body's process or leadership.

Article V: Task Forces

- A. The BPC may request the Chancellor charge an *ad hoc* task force to address specific informational and procedural needs.
- B. A task force is made up of members with the expertise to address the charge.
- C. At least two of the members of any BPC task force must also be sitting members of BPC.
- D. Task forces follow all BPC procedures for meeting and voting.

Article VI: Terms of Office

- A. The members with three-year terms will have staggered appointments for the purpose of continuity. A member may serve no more than two consecutive three-year terms.
- B. Leave and Early Vacancies
 - a. If a member cannot attend for an extended period of time, a replacement should be arranged from the intended constituency. The BPC will define what constitutes an “extended period.”
 - b. If a member leaves the BPC, the appropriate individual or body as indicated in Article I shall appoint a new member to complete the term. Such new members need to complete the training process in order to be eligible to vote.

Article VII: Amendments to Bylaws

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