Campus Council on Planning and Budget Meeting  
May 11, 2022, 11am – 12:30pm, via Zoom

Present: Keith Nitta (chair), Jason Naranjo, Shauna Carlisle, P.K. Sen, Peter Brooks, Stefanie Iverson Cabral, Gowri Shankar, Segan Jobe

Welcome and Approval of Minutes
- Minutes approved

Responsibility Center Management (RCM) Budget Model Update and Q&A
Gowri Shankar, Vice Chancellor for Planning and Administration

- UW Bothell Funding Sources Overview
  - UW Bothell Campus has multiple fund sources, including:
    - State appropriations ($23.6M in FY22)
    - Tuition and fees ($60M in FY22)
    - Designated operating funds ($1.2M in FY22)
  - The ~$85M used to operate UWB campus and serve our mission.
  - In addition, UWB also receives funds (~$25M in FY22) and incurs expenses on:
    - Research grants
    - Fee-based programs
    - Gifts
    - Auxiliary activities
      - Some of these activities will soon be transferred to Capstone (partners)

- Where does funding go?
  - 32.5% Faculty
  - 27.3% Staff and Grad Students
  - 16.5% Benefits
  - 4.3% School/Division Operations
  - 6.6% Overhead
  - 2.1% Utilities
  - 3.6% Leases
    - Will be reduced by half in about a year. Only FY24 lease will be Beardslee
  - 7.3% Reserve Contributions

- Trends over the past 2 years
  - State support has increased 3%
  - Tuition has increased 5%
  - Allocation to academic units has increased 15%
  - Allocation to administrative units has increased 1%
  - Central costs of decreased by 9%

- RCM Budgeting at UW Bothell
  - UWB has been in operation since 1990, and was using a traditional, incremental budgeting model (where allocations were largely based on the prior year's budget), until 2017
  - By 2017, incremental budgeting model was coming under strain, with fastest growing School, STEM, facing deficits with enrollments exceeding incremental budgets. At the
same time, other Schools saw budgets grow incrementally even when enrollments declined or stayed the same
  
  • Around 2017, UWB leadership decided to tie budgets to enrollments and adopt a Bothell version of the Seattle ABB model
  
  • In 2019, the current version of the budgeting model, named the Responsibility Centered Management (RCM) model, was adopted at UWB. This model is similar to ABB model used at Seattle, with permanent fund allocations following enrollment/graduation metrics rather than prior year budget allocations

- Permanent fund allocations under the UWB RCM methodology:
  
  o 70% of projected tuition pool and 100% of legislative provisos allocated to academic units
  
  o Remaining 30% of tuition pool and 100% of state support funds allocated to admin units

- Allocations to individual academic units (from tuition/provisos available to them) are as follows:
  
  • First stage:
    
    ▪ Provide direct funding for FYPP (as determined by VCAA/AVCSS)
    ▪ Provide $250K in admin costs for each of the schools
    ▪ Provide 100% of legislative provisos to schools
    ▪ Set aside up to $1M for subvention/shortfalls
  
  • Second stage - allocate remaining funds in tuition pool to schools based on following RCM metrics:
    
    ▪ Student FTE in each School (80%);
    ▪ Majors’ headcount (15%);
    ▪ Degrees granted (2.5%) & minors headcount (2.5%).
  
  • RCM metrics used above are a weighted average of prior year actuals (50%) and current year projections (50%). At end of the year, projected metrics are trued to actual metrics

- Allocation to administrative units based on need-based & incremental budgeting approaches

- Guardrails around RCM
  
  • UWB has fiscal operating guidelines to provide guardrails around RCM:
    
    ▪ The campus average of the Student FTE to Faculty FTE shall not exceed 23:1
    ▪ As campus average, full-time Faculty FTE will be at least 75% of total faculty FTE
    ▪ Tenure-track & Tenured Faculty will be at least 55% of the total faculty FTE
    ▪ At least 65% of our student (FTE) will be taught by our full-time faculty
    ▪ Teaching loads for full-time faculty should be consistent with their research, teaching and service expectations. Standard academic year teaching load for full-time faculty:
      
      ▪ Tenured & Tenure-track Professoriate = 5 courses/year (typical course is 5 credits)
      ▪ Full-time Teaching Professoriate = 9 courses/year (with a minimum 1-course release for campus service and/or scholarly/professional engagement

- Individual schools have developed their own operational guidelines within norms set

- How has RCM worked at UWB?
  
  • Greater transparency/predictability in allocations to Schools and greater flexibility to Schools in managing their resource allocations
  
  • Allocations are metrics based, rather than negotiations between Schools and campus leaders
Renewed focus on enrollments and creating/supporting programs that meet student needs at the School level
Some concerns:
- Supporting Schools that have downward trends in enrollments
- Supporting cross-disciplinary programs or those that serve strategic academic priorities
UWB RCM model due for a 5-year review in Winter/Spring 2024

DISCUSSION:
- CCPB and IPB need to determine how best to share all of this information with school Elected Faculty councils for clarity, transparency and helpful partnership
- Would be good to see breakdown of how 30% going to administrative units is being used
- Need to develop faculty literacy so people feel more comfortable talking about it and gaining a better understanding of how revenue is generated and how to maximize that
  - Some faculty may not want to know the ins and outs but just want to feel comfortable that it is being managed properly
- IPB hesitates to get involved in campus-level messaging but is happy to talk with individual bodies like Elected Faculty Councils, help them understand where they are and where they need to be so that they can advise their Deans appropriately
- EC needs to discuss role of EFCs in stewarding faculty resources, being mindful of how discussion with those bodies is framed but ensuring faculty know that financial aspects are part of shared governance
- Up to schools to manage their funds. Office of Institutional Research sends email quarterly stating “based on enrollment, this is what your allocation looks like” to Deans and EFCs. Deans also have access to monthly budget reports
  - If faculty want access to that info, contact EFC Chair and/or Dean or VCAA
- Main goal in using RCM budget model is to provide greater transparency and predictability and provide schools with flexibility
- RCM review should be done by April or May 2024. Will involve Deans, EFCs, GFO and results will be reported back to Chancellor
  - During review, need to consider changing to a mixed model in which admin costs are fixed?
  - Consider a student-facing piece
- What are carryover fund tax rules?
  - Only accounted for in biennium
  - At end of biennium, 15% of any carryover funds will go back to common pool (used for infrastructure, reinvestment, community), used to fund things that are strategic, chancellors’ funds
- What happens with subvention funds that aren’t spent out?
  - VCAA makes that decision with feedback from GFO and Deans
  - CCPB Chair will bring subvention fund discussion to EC and recommend that, if funds won’t be spent, that they be returned to schools and discuss possibility of ending subvention fund if it is not being used
- Minimum one a year update to CCPB from IPB would be good
• CCPB needs to be ready to make clear recommendations and ask questions during RCM review in 2024. Shauna Carlisle will be chair of CCPB when review happens. Some examples of specific inquiries from CCPB:
  o Should a mixed model be used for administrative costs?
  o CCPB recommendation on subvention fund?
  o Should there be a fix pool for fixed costs and small variable pool for variable costs?

Unit Adjustment Recommendations
• VCAA asked for report from CCPB with recommendations for next unit adjustment. What are the areas of consensus? Is the VCPAs memo regarding how target salary formula was implemented a good starting point? There was a very elaborate unit adjustment process this year? Do we want that again next time? What are the alternatives?
  o Big challenge this year was not having access to data. CCPB needs to have subcommittee in place early working on that data
  o Need to educate faculty on timeline of process. Help develop a literacy of the process
  o VCAA suggests that CCPB do unit adjustment process annually, regardless of if provost is offering adjustment. Make it a permanent part of CCPB
    ▪ Crucial that faculty with expertise (economists) are included
    ▪ Need joint commitment from VCAA, VCPA, CCPB to do this work
    ▪ Annual discussion needs include push for demographic data
  o Recommend that, moving forward, EFC chairs be invited to CCPB meetings to be part of part of unit adjustment conversations

Nitta will draft CCPB’s recommendations for unit adjustment process, will circulate it to CCPB (along with memo from VCPA) prior to next CCPB meeting to review before vote in meeting. Nitta encouraged reps to check with EFC chairs to see if they have questions and let them know about the resources available.

12:30pm: Meeting Adjourned

Minutes submitted by Dawn Moncalieri
Meeting ended at 12:30pm
The next CCPB meeting will be Jun 8, 11-12:30pm