

Executive Council, Campus Council on Planning and Budget Joint Meeting

October 8, 2019, 8:45 a.m., Rose Room

Present:

Executive Council: Keith Nitta (Chair), SeungKeun Choi, Steve Holland, Nora Kenworthy, Minda Martin, Jason Naranjo, Alice Pederson and David Socha

CCPB: David Socha, Chair, Chancellor Yeigh, Interim VCAP Shankar, VCAA Jones, Segan Jobe and Jamie Shirley

Guests: Robin Angotti, Andreas Brockhaus, Ching-In Chen, Shari Dworkin, Dan Jacoby, Jeff Potter, Julie Shayne and Steve Walline

Nitta welcomed the Executive Council, the Campus Council on Planning and Budget and guests to a joint meeting for a discussion on the RCM budget. He opened the meeting with introductions.

- Keith Nitta, IAS faculty member and Vice Chair of the GFO
- Minda Martin, EC faculty representative for IAS
- Jason Naranjo, EC faculty for Educational Studies
- Steve Holland, EC faculty representative for Business (substituting Surya Pathak)
- Nora Kenworthy, EC faculty representative for Nursing and Health Studies
- Alice Pederson, EC faculty representative for FYPP
- Barbara Van Sant, administrative support for the EC and CCPB
- David Socha, STEM faculty, Chair of the GFO and Chair of the CCPB
- SeungKeun Choi, EC faculty representative for STEM
- Robin Angotti, STEM faculty, Interim Director of UWB Teaching and Learning Center
- Jamie Shirley, CCPB faculty representative for Nursing and Health Studies
- Shari Dworkin, Dean, Nursing and Health Studies
- Sharon Jones, Vice Chancellor of Academic Affairs
- Gowri Shankar, Interim Vice Chancellor of Planning and Administration
- Wolf Yeigh, UWB Chancellor
- Andreas Brockhaus, Executive Director of the Office of Digital Learning & Innovation
- Dan Jacoby, IAS faculty
- Ching-In Chen, IAS faculty
- Segan Jobe, Senior Director, Planning and Administration
- Steve Walline, Planning Analyst, UWB: Institutional Planning and Budget
- Jeff Potter, Planning Analyst, UWB: Institutional Planning and Budget

Nitta opened discussion on the RCM budget with a brief overview of the consultation process. After 27 years of incremental budgeting, UW Bothell adopted the modified Responsibility Centered Management (RCM) model in FY18. Campus leadership, in consultation with the RCM Review Team comprised of the Deans of each of the Schools, the Associate Vice Chancellor for Undergraduate Learning (AVCUL) who oversees First Year & Pre-major Programs (FYPP), and the chair of the General Faculty Organization (GFO) supported a rebasing of the RCM model.

The EC, CCPB and others then reviewed the rebased RCM model:

- The State of the UWB Campus Budget (FY 2019)

- Schools Carryover for the Biennium
- RCM Model and the Need for Rebasing FY20 allocations
- Review Team recommendations on Rebasing FY20

Primary sources of operating funds are derived from state appropriations and tuition revenue and student FTE. Permanent funding distributions include salaries and benefits, compensation changes and institutional fixed costs.

Sources of operating funds:

- State appropriation - 30%
- Tuition - 70%

Temporary funds sourced from carry over and other activities are used for the campus reserve and escalating mandated costs, leases, utilities and central funding gaps.

The RCM pool is derived from the tuition pool. Tuition is driven by enrollment or tuition increases. Student FTE pool will determine the allocation of funds to academic units.

EC, CCPB discussion points

- What is the RCM strategy? To align a funding mechanism to activity levels and address issues now before they become more pervasive.
- In AY 2018-19 there were surpluses in four Schools and FYPP and a deficient in one School (STEM).
- Carry over is healthy and the 2% increase in tuition will likely address merit and promotion funding.
- We will need to find funding to address salary equalization, compression and inversion issues.
- Where will funding come from, the campus does not want to remove services or programs? Units need to build reserves / pools to address funding issues.
- In 6 years, campus expenses will out weigh our revenue and temporary funds. RCM rebasing is activity linked budgeting based upon at enrollment (FTE), headcount and degrees granted.
- Graduate programs are more costly, although they bring in more tuition.
- Schools could choose to build graduate programs over undergraduate programs.
- There are equity issues on service courses. These courses provide services needed, enrollment is higher for these courses and they are usually taught by adjuncts or lecturers, often women and underrepresented minorities. Lecturers have higher teaching loads than tenure-track faculty. Equity issues need to be addressed.
- Schools will need to develop clear fiscal policies following the guiding principles and strategic priorities.
- What happens if a School does not go in the direction that faculty want? Who puts the brakes on?
- School elected faculty councils need to work with deans and bylaws should establish guidelines.
- We must know our parameters, what programs can we grow, which should be limited?
- The autonomy of RCM budgeting within Schools should provide more transparency for academic units. With this responsibility, school Faculty Councils should be proactive in Schools and budgets should be revisited every biennium. Faculty will need to work closely with their Deans.
- School bylaws should support strong governance within the Schools.
- How will faculty and staff rights be protected? Schools will need to adopt policies to protect these rights.
- Faculty Councils and shared processes in Schools should support partnerships between faculty, staff and Deans. The VCAA also acts in the best interest of Schools.

- The 10% institutional reserve is the UWB operating reserve. Can Schools also build a reserve fund? Schools could build a reserve fund to create investment funds or for other uses negotiated by the Faculty Council and the Deans.
- Are School carry over funds returned to the Schools? A 15% tax is assessed on School carry over funds to be sent to Central funding. 85% goes to the VCAA to be determined how to be utilized.
- School planning will need to align with enrollment.
- Why was the enrollment pause enacted? It was decided based on space constraints and operating support. Operating support to sustain students and programs was at capacity. State funding does not rise with FTE.
- Our guiding principles will inform our decision-making.
- One of the guiding principles: Incentivize cross/interdisciplinarity and the RCM model could lead to competition in practice. How will the principles be encouraged with the new model? Perhaps we could provide funding for Schools that are teaching outside their School.
- How might we remove barriers to crossdisciplinarity?
- Collaboration is necessary for the guiding principles to be prioritized, empower School autonomy to build in fairness.
- RCM rebasing recommendations:
 - > Office of Undergraduate Learning (including FYPP) funded first
 - This retains some incentive structure for Schools to teach Discovery courses
 - > \$250k directly funded to each School (for Administrative support)
 - > \$1m set aside from total RCM pool for Subvention Funding
 - > Rest of the RCM pool distributed on the following activity metrics:
 - Metrics (1 year retrospective, 1 year prospective, equally weighted)
 - > RCM FTE – 80%
 - > Major Headcount – 15%
 - > Degrees Granted – 5%
 - > Minor Headcount to be added within Degrees Granted portion
 - > UG & Grad pools allocated separately to Schools
 - > RCM Activity pool approx. 90% of total funding to Schools.
- Subvention \$1 million set aside for mission allows us to support the mission of our Schools.
- There are different compositions within the Schools, lecture faculty, tenure track, expenditure guidelines will vary.
- Minor headcount needs to be factored into the model. Will it be prorated at 5%?
- There are administrative costs to running minors, advising, faculty, curriculum committees.
- The Campus Council on Academic Standards and Curriculum could become involved in curricular matters reviewing competitive issues in the curriculum.
- Decision outcomes:
 - This model is...
 - Dynamic: 90% of funding tied to activity
 - Slow(ish) moving: 50% retrospective
- Growth schools will struggle to bridge themselves due to limited reserves at an Academic Unit level.
- Schools below a certain enrollment threshold, will always need subvention support for their mission critical operations

- Since 90% of the funding is based upon FTE, the RCM allocation is basically modeling enrollment.
- In the short-term, the RCM model could result in reduced enrollments and reduced income.
- Schools could get less funding than last year, even with the same enrollment [Note: after the meeting, Gowri clarified that this statement was incorrect, that schools with the same enrollment should expect equivalent funding to the prior year]. 90% flows with activity.
- Is it a desirable outcome to cut School that are trying to grow? With the nature of our facilities, that may need to happen.
- Will the enrollment pause result in a deficit?
- We need to find reasonable resolution, that may mean we need to revisit allocations before the next biennium.
- One year of data points will help make informed decisions.
- We must have laser focus on growth. Growth, if any, will be very focused, e.g., for pedagogical reasons, or we pause our enrollments and do the best with what we have. We must be strategic and maintain balance. We don't have a pool to grow to fill our growth appetite. State funding is frozen.
- There must be constraint within the system so that a School does not lose enrollment or funding.
- Why is subvention funding based upon a fixed amount (\$1 million) instead of a percentage of the pool?
- Set firm allocations to support a structure we are committed to.
- Look at the expenditure plan of Schools, is \$1 million enough for subvention fund?
- Bridge funding was not identified in the budget.
- Decision making now will influence our budget in the future.

Processing moving forward:

- Chancellor
- Review team
- Leadership team
- School Councils

Nitta thanked all the participants.

Minutes submitted by Barbara Van Sant
 Meeting adjourned at 10:45 am
 Next EC meeting will be October 22, 2019