

Summary of Shared Responsibility Budget Model Discussions May 2021 through October 2021 Conversations

Document Purpose

This document summarizes the principal observations and ideas about the Corvallis Shared Responsibility Budget Model (SRBM) derived from open forums and survey responses, as well as meetings with various campus leadership groups and the Budget Model Review workgroups from April 2021 through October 2021 (Appendix A). This document synthesizes the themes that emerged from the full set of listening sessions, as well as from various workgroup discussions. During the fall term, an earlier draft of this document was reviewed by each of the workgroups who provided edits and additions. This version will be used to guide recommendations on revisions to the SRBM and the associated budget processes for FY23 and FY24.

SRBM Review Process

In March of 2021, the Provost convened five workgroups to solicit comments and to identify possible improvements to the SRBM (see Appendix B for workgroup charges and membership). The direction from Provost Feser clarified that, “the review is not intended to revisit the basic RCM strategy in budgeting” and that the review “will identify principles in the current model that are working, that are missing, that are creating unintended behaviors, or that are not necessary.”

The workgroups convened throughout April 2021 and met two to three times in spring and summer terms to identify themes and to plan sessions to engage in dialog and discussion on the SRBM. The University Mission and College Mission workgroups focused on completing meetings with all academic colleges and held five open forums to allow for broad participation from the campus community. These sessions were scheduled and completed prior to the end of spring quarter. An open-ended survey was also posted for individuals to provide written feedback. Other workgroups met with various administrative and technical groups throughout the summer. The notes from the complete set of sessions were analyzed and coded by Toni Doolen and Sherm Bloomer. See Appendix C. Emergent themes, questions, and concerns were then derived from these summaries and used, along with documents created by the five workgroups to develop this summary document.

Summary observations are grouped into five broad areas:

- the context and the relationship of the budget model to the entire OSU budget,
- the budget model itself (both things to be retained and things to be reconsidered),
- the budget process more broadly (of which the budget model is a major part),
- communications about the budget, budget process, and the budget model, and
- resources available in the Corvallis Education and General budget.

Based on the summary notes for each of these five areas, potential changes/recommendations have been developed and are organized into three sections:

- Budget Model,
- Communications and Budget Process, and
- Overall Resources.

This document concludes with a summary of next steps.

Key observations emerging from discussions

Context and relationship of the budget model to the total OSU budget

- OSU is one of only 34 universities (of the over 4,000 higher education institutions in the U.S) that are both Land Grant and R1 (very high research doctoral institutions) universities. The university is committed to education (at the undergraduate and graduate levels), scholarship, and engagement as fundamental parts of its work. The whole budget will be used as effectively and efficiently as possible to advance those missions. The Corvallis Education and General (E&G) budget, in particular, will be used to directly support those missions, particularly through teaching and mentoring and through funding faculty time for scholarship and engagement, and will also maintain support systems (facilities, library, business services) to enable the work supported by budgets from grants, state and federal appropriations, and gift support.
- The university's work in those three missions is guided by strategic plans, currently SP 4.0. It is important that it is clear how the outcomes of the budget process support that plan, though each individual action in SP 4.0 may not be specifically funded or noted within the SRBM. The linkages should be communicated regularly as part of the budget process.
- OSU is entrusted with budget resources of over \$1.44B. The components of that budget come from different sources and support different parts of the university's mission. The Corvallis E&G budget, while only a part of the budget, provides services and support that are critical to the other budget operations through facilities costs, business services, libraries, administrative management, etc. The major parts of the OSU operating budget for FY22 include:
 - The E&G budget includes:
 - Corvallis: \$623M in revenues supporting education, scholarship, and engagement. 64% from net tuition and fees (after university-funded financial aid), 24% from the state, 12% from other sources.
 - Cascades: \$21M in revenues supporting education, scholarship, and engagement. 56% from net tuition and fees, 43% from the state, and 1% from other sources.
 - Statewide Public Services: \$131M in revenues (including \$24M for Outdoor School) supporting engagement and scholarship. 76% is from the state and 24% is from other sources.
 - The restricted funds budget includes \$448M in revenues for grants and contracts, student financial aid, and gift supported activities. 72% is from Federal funds (grants and financial aid), 5% is from the state (mostly financial aid), and 22% is from other sources (mostly gifts).
 - Self-support operations generate \$227M in revenues of which 18% is from fees (mostly student incidental fees), 65% are from charges for sales and services, and 17% is from other sources. Self-support operations serve students, support the campus community, engage the community, and provide critical services for research and scholarship.
- In any of the budgets, the sources of revenue (tuition vs. indirect cost recovery vs. state for example) may not map directly to the uses of those revenues. That is, if 64% of E&G revenue is from tuition that does not mean that 64% of that revenue must be assigned directly to instruction. This is a result of the reality that the work of faculty in teaching, scholarship and engagement contribute to each other and are deeply intertwined. The key concern is that the use of budget resources produces successful outcomes for all the university's missions.
- There is an important theme about incentives in the conversations. The budget model allocates to colleges, which then distribute budget to schools or departments. The schools or departments assign faculty to work on the mission of the unit. The budget model revenue distribution is

intended to create incentives at the college level. The budget model revenue distribution was not intended to be an incentive or disincentive for individual faculty members. SRBM revenues are distributed at the College level to schools/departments as determined by college leadership. The allocations to the college are not designated, thus providing colleges with autonomy and flexibility in the distribution of revenues. The incentive for scholarship is ideally the quality and impact of the work and the mentoring of graduate students. The incentive for collaborative teaching is the richness of the course and the impact on students. The budget processes and communication about net revenues and cost should focus on college and unit leadership, not on individual faculty productivity in any of these areas. Communications from the colleges and the university about budget model and distributions of revenue need to be aligned and coordinated to ensure that the budget model distribution does not result in decisions out of alignment with unit and university mission.

- Many of the conversations centered around issues that seemed in tension or in conflict, e.g., teaching or research, quality or quantity, etc. This is particularly apparent in the conversations that reflected a scarcity mindset (there is never enough) as opposed to an opportunity mindset (the university has \$1.4B to invest in its mission). There are several such “polarities” that could help inform discussions about the budget model, communications, and processes.

Opportunities and threats related to the budget model

- **Transparency.** The transparency of the model has been valuable, though the communication of it could be improved. The model has allowed a clear look at the allocation of E&G revenues and provided some ability to plan and forecast.
- **Productivity.** The model’s use of both credit hours and degrees is appropriate (though the relative weights may need adjustment). The model is an improvement on incremental budgeting and the hybrid approach is a good one for OSU. This does however limit the ability to calculate the financial effect of teaching a class (the Ecampus SCH only method allows for such a calculation).
- **Encouraging units to think about enrollment and costs.** The model has helped units understand where the university’s revenues come from, has made them think about costs, has encouraged creative thinking and planning, fostered an awareness of market issues, and is helpful to overall recruiting and retention. These results haven’t necessarily been bad and what are sometimes viewed as unintended consequences were specifically intended.
- **Ecampus revenue sharing model.** The model has worked well for units, and it is important to retain, especially for units that have made it a central part of strategy. Concerns about Ecampus revenue distribution processes changing were expressed by some units, but other units see the need to “tax” all revenues the same so that Ecampus and differential tuition, for example, contribute fairly to total institutional and college costs. A concern about Ecampus growth negatively impacting the on-campus incidental fees was also expressed.
- **Capital renewal investments.** The commitment to allocating increasing amounts of budget to renew academic spaces, particularly research spaces, is important to retain even though it creates pressure on other parts of the budget. The value of investments in capital renewal from the E&G budget should be communicated more broadly and clearly.
- **Complexity of the model.** The model is too complicated. This makes it hard to use as a predictive tool (which is important in deciding when to commit to tenure-track hires or other long-term investments) and hard to communicate how activities translate to revenue allocations when sharing budget details with unit heads and faculty. It is difficult to detail how revenue allocations change, which leave unit heads and faculty feeling that “there is no way to get ahead”. Staff

spend time trying to explain the revenue distributions. The complexity of the model and the changes in enrollment have resulted in changes to the size of the productivity pools, which have made it more difficult to use the model as a predictive tool. This complexity is exacerbated when colleges extend the use of the model to make allocations at the school and department level.

- **Scholarship and engagement visibility and allocation.** Scholarship and engagement are viewed as undervalued in the model. The relative weighting of research seems low compared to the weights on enrollment, and engagement is not directly called out in the productivity allocation. The metric of total F&A recovery is too narrow to recognize the breadth of scholarship at OSU. Structures that encourage tenure-rank faculty hiring were identified as a desired change. It is important to communicate the total funding for research and engagement in all parts of the model and the OSU budget and to recognize OSU's mission of engagement, as well as teaching and scholarship.
- **Curriculum and pedagogy.** The budget model should not drive curriculum or pedagogy. There were multiple cases where program delivery, course development, and/or curriculum are being driven by revenue incentives rather than programmatic or pedagogical drivers. Changes like the revision of the Baccalaureate Core should require adjustments in the model rather than the model constraining the design of the core. Issues include courses being offered as upper- or lower-division, through Ecampus or face-to-face, reduced willingness to offer joint courses, and efforts to "poach" credit hours in both the baccalaureate core and service courses from other colleges. Some of this control should come from things other than budget like curriculum evaluation, accreditation, and curricular approval processes.
- **Graduate education.** The recognition of graduate education in the model is important and incentives in the model should be aligned with institutional enrollment goals. However, the relative weights for doctoral and masters degrees need review. Communication about the support for interdisciplinary programs in the model and the decision to roll graduate remissions into college budgets (not eliminated) need to be communicated. Incentives to add masters degrees with no real pedagogical value need to be fixed, and a review of overlapping credit allowances for multiple certificates and degrees ("double-counting") is warranted. Are there ways to support increased tuition waivers for certain types of graduate students relative to other demands for additional budget?
- **Experiential learning and high-cost courses.** Experiential learning (field courses, lab courses, studio courses, etc.) are essential parts of the student experience and are known to improve student completion. These types of courses are not recognized in the model and only implicitly encouraged in the model through the degree completion allocations. We do not want differential tuition and course fee charges to be the common solution to supporting these experiences. Are there ways to recognize these activities in the model and should they be directly recognized?
- **How is the model "calibrated"?** The original budget model allocations reflect historical structures, including perpetuating historical disparities. These issues are more visible as enrollment growth in Corvallis waned. The model was calibrated to norms and history at the time it was implemented. How should the pools and weights be adjusted to recognize the following:
 - Changes in demand for Bacc Core and lower division credit hours (including revisions to the Bacc Core)?
 - Changes in the mix of Ecampus and campus students and the use of Ecampus courses by Corvallis students?
 - Service expectations for support units? Should there be service expectations defined with both funding and service expectations better defined?
 - For any unit, what is "appropriate funding" given the overall pool of funds is fixed?
- **CIP code-based weights.** There are legitimate cost differences between different kinds of courses and course offerings in certain disciplines (required lab experiences, instrumentation, field work,

etc.). However, the CIP codes used now to recognize cost differences are rooted in the history of disciplines which includes long-standing gender and racial inequities. There are technical issues as well, such as assigning the right CIP code to a program. What is a better alternative?

- **Community support and strategic funding.** There are two issues here. First, “community support” feels like a subsidy when these are strategic allocations. It should be clear if those amounts escalate annually (or not) and how, and on what schedule, they are reviewed. Second, there is a perception that there is not enough strategic funding for additional allocations, such as bridge funding, pilot project funding, strategic faculty hiring, equipment replacement and renewal, and other strategic initiatives. Increases in these funds would come, more or less, “off-the-top” of the available resources and need to be balanced by reductions. The decisions about these kinds of funding, and their links to the strategic plan, should be clear.
- **F&A allocation methodology.** Currently F&A dollars are allocated to units roughly by the federal reimbursement agreement. Are there alternatives that produce better incentives or support, recognizing that this revenue is fixed in size?
- **Three-year averaging.** The responsiveness of the model is a concern. The averaging buffers units from decline but means it takes some time for positive changes to have an impact. What would the consequences of using a shorter timeline or no averaging? Should degrees, but not credit hours, be averaged? Some of the frustrations about how long things take to change are about processes other than the model.
- **Resident and non-resident tuition differentiation.** Should the model distribute these pools differently and encourage non-resident recruitment at the college level? Or would this create another layer of competition?
- **Service teaching contributions to graduation in other units.** Degrees in most colleges depend on teaching in other colleges, particularly Science and Liberal Arts. Should part of the degree allocation recognize cross-college contribution? If so, how and to what degree?
- **Additional graduation allocation.** Currently there are additional allocations for degrees to international students, Pell recipients, and underrepresented minority students (to use the language at the time of the model development). Are these the right areas for additional allocations and are they sized appropriately to recognize the typical costs for programs and support to address achievement opportunities?
- **Professional school funding model.** Professional schools don’t really work in this kind of productivity-informed model. What is a more effective and simpler approach?
- **Program quality measures or recognition.** How does program quality enter the model? Is there any reasonable measure or is it an issue outside the model? Are there things in the model that could help discourage cost cutting that impacts quality?
- **Administrative units may benefit from metric-based budgeting.** The incremental budgeting for these units doesn’t recognize changes in workload and leaves a sense that “productivity” isn’t relevant to these units. If metrics are identified they must be implemented for increases *and* decreases. Metrics need to be used carefully as smaller or currently underfunded units could spiral down as outcomes are driven in part by initial budget. Metrics need regular evaluation and accountability. Issues were noted for:
 - Research office: IACUC, IRB, large project support, ignite sessions, OSRAA
 - Business centers particularly in research support.
 - Human Resources, both in process and staff capacity
 - Library, particularly in reference to peers.
 - Cybersecurity in UIT and across OSU.
 - It feels like many support units still use a risk-aversion lens in making decisions.

- Service center (e.g., dependent on demand like telephones) vs. central funding model for IT services.
- Some units provide a higher level of service such as pre-award support.
- Student support services (non-degree seeking) and changes in compliance requirements
- **Enhancing partnership between administrative units and academic units.** Desire to increase partnership between centralized vs. decentralized student services. Rather than overlap/duplication of services there is a desire to enhance central services. For example, increased partnership in career advising services.
- **Space policies and model incentives.** There should be an incentive to encourage units to manage space use more actively and to give up underutilized space. How would that work? When do units pay for space and between which units? How should use of non-E&G managed spaces by E&G activities be managed?
- **Review practices for fixed-cost escalation.** Some units are charged with major university-wide costs that have annual cost escalation (utility costs in UFIO or software costs in UIT for example). When there are across-the-board reductions, those units see a disproportionate impact on staffing costs, as they cannot change the fixed-cost components. The revision should consider how to address this issue.
- **Academic-service split and benchmarking of needs.** Is the split of the pool between academic units and service units set in the right place? Can we benchmark typical support levels for functions like the Research Office, Human Resources, etc. with peers?

Opportunities and threats related to the budget process

- **Central vs. college services.** Students in colleges get varied experiences since much is decentralized; consider different models for student support to eliminate these inequities in access to experiences regardless of where the service is delivered.
- **Better tools for planning.** Colleges, particularly, need better tools for understanding costs, forecasting enrollment, and planning in general. This is outside the model but will be addressed in part through the University Financial Management project.
- **Enrollment goals.** What are OSU's enrollment goals (Ph.D., non-resident, etc.) and are the model and budget practices aligned to support these enrollment goals?
- **How are effective processes built?** Given the limited resources, it is important that services are matched to faculty needs. A needs assessment process that identifies critical services; helps inform investments; clearly identifies when a service is centrally provided, college provided, or delivered through a hub and spoke model; and that helps build service agreements and understanding would be valuable. The process could help identify a home for orphan systems. The process design needs to include a careful assessment of total costs and of impacts on other units across the university, not just those within the unit considering the service (it is possible to move a service and wind up making it more expensive to deliver). Some of the areas where this assessment might be valuable include:
 - Multiplicity and funding of DEI efforts. There are many efforts underway to support OSU's DEI efforts, centrally and in units. How are these coordinated and most effectively funded? How does OSU consistently address the legacy of land grant institutions?
 - Ecampus student services strategies. As more students engage with OSU through Ecampus and locations like Newport, a strategy for how appropriate student services are delivered to those students will be important.

- Support for working with international students. Growing and diversifying OSU's international enrollment remains an institutional goal. Faculty need more support, training, and tools to learn how to work effectively with those international students.
- Overall investment in infrastructure, equipment, startup. The university has started to make a substantial investment in capital renewal, particularly of research facilities. There are not clear strategies for how to invest in equipment replacement and upgrades or to address the costs of faculty startups equitably. The growing size of startup packages in many disciplines is leading OSU to be less competitive in some searches.
- Coordination of accessible technologies and websites. OSU has a very distributed web presence and coordinating accessibility across these is important.
- **Large research project planning.** Faculty are increasingly pursuing large research projects that cross college boundaries and often involve multiple institutions. These need planning, support, and services different than single PI grants. OSU lacks a consistent strategy for how to address those needs. It might be best localized in colleges but could be inefficient if developed without a plan and these projects can have large, unexpected management costs. There should be a clear strategy for supporting this kind of work.
- **Grant incentives for NIH.** Are there particular incentives that would increase success with NIH funding? Are the incentives for other kinds of funding that would work without creating large costs or net revenue losses?
- **Faculty hiring incentives.** Can we assess what the critical factors are in someone's decision to come to OSU? How important is salary vs. startup, facilities, colleagues, etc. How can long-term planning to address the most critical factors be done?
- **Student engagement in the budget process.** How are or can students be meaningfully involved in the E&G budget development process? How are ASOSU student leaders involved in the process and how do we achieve greater transparency in how they are involved?
- **Budget process specifics.** There were some things specific to the annual budget process:
 - Policies for carryover levels for operating and capital renewal reserves need certainty and clarity
 - Large settle-ups are a problem—more accurate initial budgeting would be helpful
 - Timing of budget is very late in the year for planning
 - Funding doesn't always match mandated service expectations
 - OPE projections and calculations are complex
 - How is ROH for grants with multiple PIs consistently and efficiently handled?
 - How to manage units that develop charge structures to supplement budgets?
- **Integrate Ecampus/on campus courses.** There are increasingly cases where two cohorts of students are taking the same course on campus and on Ecampus and there would be advantages in bringing the two groups together during a quarter. There seem to be scheduling and process impediments to making that work, as well as concerns about equity in cost of instruction.
- **Interdisciplinary agreements.** Do colleges have templates for interdisciplinary work agreements or defined best practices to encourage this work?
- **New program approval.** The time it takes a new program to be approved can lead to lost opportunities for enrollment or grant funding.
- **PAC fee.** PAC credit hours include both tuition and fee costs and are expensive for students. Is there a better model for PAC hours that encourages students to use them but does not create undue financial burden?
- **Charge structure for dual degrees.** Students are charged at the higher rate for all coursework when they are pursuing a dual degree. Charging by the course designator is one solution.

Opportunities and threats related to communication about the budget

- **Communication of context and “big picture”.** Many aspects of the budget are not well understood. There would be value in more easily accessible context addressing topics that include (but are not limited to) national and regional demographics, cross-subsidies or strategic investments within the university, number of graduate students who are self-paid, categories of revenue and expense, budget trends by unit, contribution margins by unit, and changes in various components of the budget.
- **Documentation.** The model needs clear documentation of data, data definitions, structures, and timelines. There should be versions specific to different audiences.
- **Scarcity.** The budget model and language have contributed to a scarcity mindset. Are there ways to communicate more positively about budget and address the sense of “not enough-ness” many units are feeling?
- **Need for links to SP 4.0 goals.** Allocations and weights should relate to SP 4.0 goals, objectives, and stated values to show that funding is directed with intentionality.
- **The model is only one lever.** Moving the university forward relies on other processes including:
 - Curriculum review and approval
 - External grants and contracts
 - State funding for SWPS and capital projects
 - Shared governance and university governance
- **Time.** While the budget process is annual, many parts of faculty and staff work are longer than that (tenure review, capital projects). That should be kept in mind in designing communications.
- **Administrative and support units and SP 4.0.** These units are key to the college’s success but don’t always see themselves in discussions about the strategic plan.
- **Loss of community with business center development.** Some units still see a loss of community because much of their support staff is no longer located close to the members of the unit. Are there ways to use collaboration tools to improve that sense of community?

Opportunities and threats related to the total resources available

- **The need for more resources.** Many of the issues raised by both academic and administrative units were less about how the budget model allocated resources than they were about there not being enough to distribute for everything units want to do. This can be addressed both by growing resources and by assessing priorities for what OSU commits existing budget to. However, situations also exist wherein units (or the university generally) expends significant administrative costs to generate relatively small revenue amounts.

Potential changes to address the opportunities and threats identified

Recommendations related to the budget model

- Look for benchmarks to calibrate spending on academic colleges and administrative or support functions at similar universities. Use that, with an assessment of OSU's strategic needs, available resources, and changing curricular trends (including Bacc Core revisions) to reassess the splits between academic and support units and the relative sizes of productivity pools.
- Revisit the various pool sizes based on the benchmark data; shifts in credit hour loads due to external factors like AP credits, transfer credits, etc.; and to align with proposed changes in the Baccalaureate Core requirements.
- Simplify the formulas for distribution of revenue to make the model easier to use for planning, forecasting, and prediction.
- Consider using an e-campus model with a fixed dollar allocation per SCH for all credit hours. Drop the distinction between lower-division and upper-division credit hours and drop the disciplinary weights for credit hours.
- Retain an allocation for degrees but consider replacing the current disciplinary weights with an alternate measure of program cost that relies less on historical disciplinary salary structures.
- Increase the proportion of the model that is distributed on strategic criteria and try to create a true "strategic investment fund" in the Provost's Office.
- Move all truly university costs (debt service, insurance, OSUF contracts, etc.) to being taken "off the top" so there is clarity on what is a shared institutional cost and what is part of the service and support operating pool.
- Budget to available revenues (i.e., do not use negative central budget reserves to allow larger allocations to units than projected revenues allow).
- Add a space metric to unit allocations to encourage active space management.
- The research productivity metrics could be reconsidered to acknowledge all types of scholarship. One approach could use a base allocation proportional to the number of research active faculty or tenure-rank faculty (and PhD students or professorial rank faculty on soft money?) in a unit.
- The professional colleges (Pharmacy and Vet Med) do not fit well in a productivity-informed model. Move them to a block funded model (revenues plus appropriate strategic support).
- Revisit graduate student incentives and the relative weights for doctoral and masters degrees.
- Rename and clarify the structure of the community support fund to emphasize that these allocations are strategic and support the university's mission.
- Technical adjustments (neutral to units).
 - Graduate health budget into college allocation. This is the only remaining central allocation (other than settle-ups and annual salary increases) that goes fully out to units. Other graduate assistant costs are already in the model allocations.
 - Replace productivity allocations to non-academic units. These create incentives for activities not central to the work of the unit and unit leaders prefer they are not used.
 - Replace or drop the 7.4% tax on dedicated funds. While reasonable in theory this approach has been very labor intensive and created unexpected behaviors. All revenues should contribute to overhead costs fairly (not necessarily equally) and that structure should be easy to administer.
 - Centralize services that are charged for into the model. This would be by assessments to non-E&G units or budget reallocation collected centrally and then distributed to the unit responsible for the service. Examples include network services, community network, credit card charges, background checks and business center costs.

- Remove floor funding calculation. This currently affects only PHS and can be addressed in other ways in the model.
- Consider a materiality level for the model. The model is allocating budget, which is always an estimate of revenues. There would be value in identifying a level of rounding in budget or a level at which tracking individual headcount or credit hours are immaterial relative to the cost of making “last dollar” estimates

Recommendations related to communications and the budget process

- Coordinate university and college budget communications to ensure faculty and staff have a general understanding of how the model works and what decisions are made by the University and by the Colleges. This can be complicated because of the significant differences in how/what colleges share and how the colleges allocate funds. It was noted that some felt that there is no need for faculty to understand the SRBM in detail. It was noted that it would be effective to show this graphically via a visual dashboard. Long term scenario planning is also missing from current communications. The bottoms up forecasting tool from UFM needs to sync with SRBM.
- Consider establishing a more regular review or feedback process on the budget model and budget processes to allow for continuous improvement and shared governance.
- Share longer-term budget planning. Many of the aspirational goals of the strategic plan require multi-year investment and planning. Sharing a multi-year budget view would be valuable in creating those plans (showing both likely revenue availability and expense needs) in areas like large research initiatives, faculty hiring clusters, improved support services, etc.
- Creation of a values lens and strategic statement. Explain how the budget distribution aligns with (and is shaped by) the strategic plan and the university’s goals for inclusive excellence would be valuable in creating broader understanding of the budget. Communications should note the university’s R1, engagement, and land-grant designations and how these designations impact mission and obligations.
- Process improvements. Many frustrations units cited about services usually were about both process and capacity. There seem to be many places we could improve processes and save (and therefore redistribute) resources.
- Provide clarity on how the budget (both the SRBM and other budgets) support research and engagement. Provide a summary report on the total investment in these areas, including estimates of faculty time.
- In reviewing funding for centers, interdisciplinary programs and core facilities consider:
 - The C&Is should be held accountable for expenditures and revenues and there should be a path for C&Is to be self-sustaining.
 - Core facilities should also be held accountable recognizing that some level of subsidy support will be needed.
 - assess the operations of interdisciplinary graduate programs (IDGPs) from an equity perspective to benefit research collaborations and the inclusion of graduate students in research across units.
- Provide clear annual explanations of where major revenue streams go including tuition, indirect cost recovery, fees, and so on.
- Develop communications about the annual SRBM budgets targeted to specific audiences including faculty, staff, students, unit heads, deans, and others as appropriate.
- Finish a data dictionary of terms, process, and definitions with appropriate versions for deans, unit heads, faculty, and business staff.

- Communication strategies. Many of the comments were related to information, understanding, or context. These included:
 - Articulating the value of an R1 university to undergraduates, graduates, and the state
 - Not everything needs to “make money”. Non-revenue generating programs make critical contributions towards strategic goals of the unit and university.
 - What are total research investments in all parts of the model and across all funds? How do those flow (both currently and with some history) down to the college level?
 - How is the diversity of OSU’s mission addressed through the model and other funds? How do revenues and expenses across funds and units collectively contribute to OSU’s missions in education, scholarship, and engagement?
 - Revenue sources are different from uses and what faculty do. The focus on revenues in budget does not mean other work is not supported. Faculty position descriptions and performance reviews/evaluations and development plans should be the principal source of faculty incentive.
 - Talking points about the budget at the university, college, and department or school level could be helpful.
 - What are the equity goals supported in the budget and what other actions contribute to those goals?
 - How do the various fund types intersect and work, particularly large capital projects?
 - Explain the dynamics of large undergraduate classes allowing smaller, more expensive experiences at the undergraduate and graduate level.
 - Identify investments driven by the budget model and those driven by other priorities.
 - What are the distributions of major revenues and major costs?
 - Share college workload models.
 - Develop a five-year landscape document (five years history, five years forward).
 - What is the process for capital projects including university, state, and gift funds?
 - What is the process for assigning weights and differential returns for some student credit hours?

Recommendations related to overall resources

- Assessments. Make sure E&G is fairly and completely assessing overhead costs to non-Corvallis E&G units including Statewide Public Services, Cascades, HMSC, and self-support operations.
- F&A rate. The effective F&A rate recovered is about 26% when the published rate is about 49%. Are there strategies that would recover more of that actual overhead cost and help fund stronger research support services while recognizing the diversity of OSU’s grant funding sources?
- Duplicative services. There are places where the university has duplicative services (marketing, some IT operations, business processes, etc.). In some cases, these are intentional but, in many cases, they evolved through lack of coordination or dissatisfaction with a service provided centrally. Identifying and streamlining true duplication and coordinating central/distributed services would free resources to invest elsewhere. A review of duplication should consider:
 - Defining unit roles and expectations
 - If the cost of something is more than the benefit
 - Where is the right place for an activity?
 - Duplication may not always be about cost.
 - Duplication or distribution should be a strategic decision.
 - Stakeholder feedback...what we think may not be what customers need.
 - Choices for service location must be made and supported.

- Localized thinking is the enemy.
- Consider scope of programs. There was a common sense that we are trying to do more than is reasonable for the resources we have.
 - Centers and institutes. Should there be clearer expectations for returns? Should they be expected to meet clearly defined financial outcomes? Should there be clear sunset timelines?
 - Academic programs. Should we review programs and offerings for size, outcomes, centrality to SP4.0 and consider closing or reducing some program scope? Should the addition of new programs be evaluated in a larger context (how many existing programs, how much demand)?
 - Support services. Do these need clearer definition on scope and expectations? Should new support services come from requests by academic units as opposed to within support units (or in a consultative way?). Should service expectations (at a particular level of funded) be clearly documented for service and support units?
- Revenue diversification strategies.
 - Are there opportunities for more grant funded support for graduate students or expectations for external support for GAs and ways to encourage seeking training grants (such as expanded tuition waiver matching)?
 - Aggressively pursue non-credit education and programs.
 - Identify sources of corporate and non-profit funding through contracts and gifts.
- Review “pass-the-hat” activities. There are activities that are supported through informal or formal agreements between units and things that are “orphan” activities (they are kept going but have no clear “owner”). They are often fragile (when one unit withdraws) and not always strategically aligned. Is there a way to be more systematic about these and fund them in a more strategic way?
- Tax all E&G revenues fairly. Right now, most revenues contribute to overhead costs in some way but there is a sense that contribution is not distributed fairly. It may be that not all revenues incur the same overhead costs, but the reason for various rates should be clear. More uniform funding of overhead costs (from Ecampus, dedicated revenues, earmarked revenues, etc.) would provide more support to some of the budget model pools. It is important to remember the overall pool is fixed in any given year.

Next steps

This document will be shared and discussed with leadership groups across campus through fall and early winter quarters 2021. Those conversations will be used to edit and refine the identified opportunities and threats and guide recommendations for budget model and budget process revisions. Proposed solutions for technical elements and for changes with limited impact will be discussed in winter quarter 2022 and implemented FY23 budget cycle. Larger changes, including those resulting from changes in the structure of the Bacc Core, will be proposed in spring quarter 2022 and discussed through fall 2022 for implementation in the FY24 budget cycle.

**Appendix A: Summary of Listening Sessions and Meetings from April 2021 – September 2021
(This Appendix needs additional edits, with links to meeting notes and other artifacts documenting the various conversations)**

College leadership teams
College/division open forums
Campus open forums
Workgroup meetings
Associate Deans for Research
Interdisciplinary Graduate Program Director,
President's office VPs and Directors
DFA leadership for UFIO, Risk, Public Safety; college finance and business center staff
Center and Institute Directors
notes from workgroup participants; Admin and Support workgroup, Technical Workgroup
Faculty Senate Executive Committee
Head Advisors
Finance and Administration Senior Leadership Team
Associate Deans for Graduate Studies
Associate Deans for Faculty Affairs and Undergraduate Studies

Appendix B: SRBM Review workgroup charge and membership

The Budget Model review workgroups will be engaging in a variety of conversations over the next months with colleges, centers, and support units across campus. The goal of these conversations is to identify strengths and opportunities for improvement of the Shared Responsibility Budget Model (SRBM) and associated processes. The SRBM process was developed with the following goals:

- Link budget clearly to the programs and results delivered by academic units;
- Be transparent and consultative;
- Recognize academic success also requires strong service, support, and facilities services;
- Encourage financial decision making at the local level to align decisions with OSU's strategic goals
- Be equitable and predictable, to allow unit leadership to plan for the future
- Keep the university and all of its components financially healthy

The university remains committed to the principles in the SRBM that include an emphasis on recognizing academic productivity, varying costs of program delivery by discipline, and the need to plan and build enrollment from the college level. The review process has the following foci:

- The review is not intended to revisit the basic RCM strategy in budgeting.
- The review will identify principles in the current model that are working, that are missing, that are creating unintended behaviors, or that are not necessary.
- The review will look for technical improvements in data, communication, and simplicity to improve the utility of the model for planning and forecasting.
- The review process will engage a cross-section of the university community and will continue to emphasize that all of the education and general budget is interconnected. Changes in any piece have consequences somewhere else. The groups involved in the process will be asked to identify areas for reduced funding when there are recommendations for increased funding in another area.

Insights from these discussions with a broad range of university stakeholders will be synthesized to identify recommendations for modifications to the SRBM and SRBM processes. The links on this page include both some short over background documents and the detailed model for FY20 that might be helpful for you to review prior to a conversation you are part of or prior to asking any questions you might have. you think about the experiences and insights you wish to share, we will ask for specific examples to enable the University Mission Committee the context needed to synthesize input across units. We will use the following questions to guide the conversation.

1. How have the SRBM and associated processes incentivized progress towards your unit's and/or SP 4.0 goals and/or the university's mission? Consider how the SRBM has incentivized progress towards the university's commitment to becoming an antiracist institution. How have the SRBM and associated processes incentivized investments or behaviors that are contrary to your unit's and/or SP 4.0 goals and/or the university's mission? Consider how the SRBM has incentivized progress contrary to the university's commitment to becoming an antiracist institution.
2. Have you felt pain points because of the allocation of resources from the SRBM process, e.g., particularly in regard to services and support from central units? What changes might mitigate these pain points in the future?
3. What aspects of the SRBM and associated processes need to be maintained? What aspects of the SRBM and associated processes need to be refined/changed to better support your unit's work?

We welcome any comments or thoughts on the model you have. If you do not have the chance to join one of the larger conversations, you can submit questions/comments to the BudgetModel@oregonstate.edu .

Budget Model Review Workgroup Membership and charge

University Mission Workgroup (Steering group)	College Mission Workgroup	Research Mission Workgroup	Admin and Support Mission Workgroup	Technical and Process Workgroup
Toni Doolen, Honors	Belinda Batten COE	Vrushali Bokil, COS	Nick Fleury Grad School	Jack Breen CAS
Byron Marshall, COB	Karen Hooker, PHHS	Adam Schultz, CEOAS	Polly Millett, UIT	Shaun Bromagen COE
Dee Denver COS	Susan Bernadin, CLA	Kelly Sparks CASC	Jenn Creighton RO	Tom Fenske HSBC, BEBC
Chris Cebra CVM	Theresa Filtz, COP	Tuba Ozkan-Haller RO	Bruce Daley UFIO	Erica Dodson AABC
Staci Simonich CAS	Kaplan Yalcin, CEOAS	Jana Bouwma-Gearhart Ed	Joe Schaffer Ecampus	Cindy Alexis, Budget
TBD Cascades	Eric Hanson COF	Bob Cowen HMSC RO	Kathy Knock COF	Erica Stillwagon COB
Selina Heppel, Faculty Senate	Andrew Ketsdever CASC	Raymond Malewitz, CLA	Heidi Sann Controller	Chrysanthemum Hayes, UIT
Bradley Boovey, CLA	Karen Watte, Ecampus	Brady Gibbons COE		
<i>Sherm Bloomer, Budget</i>	<i>Sherm Bloomer, Budget</i>	<i>Sherm Bloomer, Budget</i>	<i>Nicole Dolan, Budget</i>	<i>Nicole Dolan, Budget</i>
Consider issues related to how the model is functioning to serve the institution as a whole and connections to mechanisms of state funding, enrollment demographics, and changes in student characteristics (transfers, advanced placement, etc.). This group will serve as the steering committee for the project	Consider issues related to how the model supports academic colleges, its recognition of appropriate program characteristics (cost of delivery, general education commitment, undergraduate and graduate major programs, etc.).	Consider issues related to the support of the research mission within the model including the distribution of F&A recovery dollars and the impact of E&G funding for facilities renewal.	Consider issues related to budgeting for administrative and support functions and how well that is allowing units to serve the needs of students and the academic colleges.	Consider issues related the implementation of the model and the distribution of budget through the model. The group will consider ways to simplify data acquisition and communication, identify areas in the model that can be simplified or revised, and improve budget development overall.

Appendix C: Supplemental Materials

(This Appendix needs to have links added, once a final location has been identified for these materials)

More detailed summaries of the comments and discussions about the model are available on the Budget and Resource Planning website at <http://>

Preliminary takeaways from summaries of college meetings and forum notes (Toni Doolen)

Excel comment matrix from college meetings and forum notes (Toni Doolen)

Summary of meetings, workgroup discussions and forums through June (Sherm Bloomer)

Summary of meetings and workgroup discussions June to September (Sherm Bloomer)

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