Budget and Resource Planning
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University Budget Committee Meeting
March 10, 2023
Kearney 111C and via Zoom

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MINUTES

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Agenda

1. Overview of proposed changes in Corvallis Shared Responsibility Budget Model
2. Discussion of the proposed changes. What the challenges are and what are potential solutions to those challenges?
3. Review of remaining workplan and check-ins with the workgroups.
4. Other business?

Committee Members Present: Jon Boeckenstedt, Jeff Luck, Zackery Allen, Shaun Bromage, Xander Robertson, Joe Page, Nicole von Germeten, Erica Stillwagon, Jessica DuPont, Terri Libert, Marc Norcross, John Gremmels, Lonni Ivey

Committee Members Absent: Lisa Gaines, Mya Kuzmin, Staci Simonich

University Staff Present: Sherm Bloomer, Nicole Dolan, Kayla Campbell, Mealoha McFadden

1. Overview of proposed changes in Corvallis Shared Responsibility Budget Model
    a. Preferred model design
        i. Simpler structure
        ii. No cost weights
        iii. More of a true RCM assessment approach
    b. Goals and issues identified in the review
        i. Make model more predictable and easier to use to forecast
        ii. Balance the contribution of Ecampus $ to overhead costs with incentive structures
        iii. Prevent the erosion of pools allocated to academic units
        iv. Reduce the complexity of the model
        v. Replace or drop the CIP-based cost weights
        vi. Broaden the measures of scholarship and engagement
        vii. Eliminate or reduce unintended incentives for curricular decisions based only on budget
        viii. Balance stability with responsiveness
        ix. Review relative weights for BS, MS, PhD degree completions and SCHs
        x. Add a space management incentive and centralize network services costs
    c. Preferred model approach
        i. More of an RCM approach

        ii. Fewer steps, fixed allocations per principal metrics (for predictability and to be more like Ecampus)

       iii. Assessments at end of allocations on specific pools and for specific purposes (effective rates at end differ by college depending on assessments)

       iv. Similar proportions allocated by credit hours but somewhat more to scholarship & engagement, less to completions

  d. Major structural changes proposed in allocations

       i. Sherm explained proposals being shared for Deans' feedback

  e. Changes proposed in assessments (funding services, strategic, central, etc.)

       i. Sherm explained proposals being shared for Deans' feedback

2. Discussion of the proposed changes. What the challenges are and what are potential solutions to those challenges?

  a. Positives:

       i. Much easier to use as a projection tool.

       ii. Incrementing annually per SCH and degree amounts keeps academic allocations from eroding.

       iii. Simpler steps and easier to assess "what if" type scenarios.

       iv. Will require forecasting and constraining (to extent possible) the central allocations.

       v. Makes contributions outside the model clear (by either assessment rates or discrete allocations)

       vi. Makes the model more stable for forecasting and budgeting with the two-year average.

Lonni: Why aren't grad students allowed to take Ecampus courses?

Sherm: If grad assistant, then can and dept. will pay for it. But if not, it's an added cost. With change in charge by campus, this will change.

  b. Potential concerns:

       i. The projection and constraint of central costs is critical.

       ii. The model changes need to be informed by the discussion of model calibration before any major shifts are clear.

       iii. The two-year average may require a one- or two-year settleup fund for new programs.

       iv. Does the change in Ecampus revenue distribution remove the incentive for Ecampus programs?

3. Review of remaining workplan and check-ins with the workgroups.

  a. Contribution Margin Analysis, Tuition and Differential fees and Charge by Campus reports will be distributed soon.

4. Next steps

  a. Discussions with College leadership teams (led by Deans)

  b. Review feedback with UBC

  c. Discussions with PCOD and PSLT

  d. Campus forums

  e. Continued work on model calibration approaches

  f. Recommendations on model revisions to Provost

  g. Work on space and network service charge change

h. Use for FY24 allocations calibrated to FY24 version of existing model (as a transition step)

Marc: Speak to the rationale to increase credit hours delivery and scholarship % but decreasing degree completion %. Sherm: Empirical and may unintentionally send the message that degree completion is not important. Will take that back to the advisory committee as potential concern. F&A recovery collection is the same and in the SRBM. Count of faculty is heavily weighted but there's also total grant expenditures. Allows those sliders to measure money rather than activity/productivity. There is no measure that would allow us to measure in a fair way.
Follow up: Sherm to bring this up to advisory committee.

Nicole: How will these changes affect the budgets? Will it be a drastic change? Sherm: It's only set for +/-2%. What are you trying to signal regarding value? Tenure track faculty vs. Instructors?

Jessica: Ecampus is part of a tuition revenue share model for 20 years and fueled growth for ecamapus but also riddled with other incentives. Focus on the student counts and not on the SCH (student credit hours).

Sherm: In review, discussing how the model actually works versus how it is perceived to work.