

**MINUTES
UNIVERSITY ADVISORY COUNCIL ON
STRATEGIC BUDGETING AND PLANNING
February 17, 2022**

Present: Scott Case, Carol Cash, Jeff Earley, Joell Eifert, Nancy Gruber, Dan Harrington, Don Hatfield, Ed Lener, Liza Morris, Anusha Prasad, Sean O’Keefe, and Michael Sorice.

Absent with Notice: Cyril Clarke, Scott Case, Ken Miller, Tim Hodge, and Erin McCann

Absent: Angel Carter, Nikolaos Dervisis, Bob Hicok, Mintai Kim, and Joe Merola.

Guests: David Crotts (substitute for Ken Miller), Bruce Heath (substitute for Tim Hodge), and David Dillard (substitute for Scott Case)

1. Announcement of approval and posting of minutes of January 20, 2022

The January 20, 2022 minutes have been approved and forwarded to the University Council for posting on the web.

2. Presentation

Jeff Earley, Vice Provost for Academic Resource Management, provided an update on the Partnership for an Incentive-Based Budget (PIBB) 2.0 Prototype. The current PIBB model has been in place for five years. This fiscal year, the Provost Office has engaged the colleges in a comprehensive review of the model to identify areas for continued improvement. The proposed revisions are still in draft form as Mr. Earley and his team are currently receiving feedback from stakeholders across campus. Mr. Earley reminded the Council members of the current PIBB Model including the Development Principles, Budget Allocation Components, College Funding Streams, and an example of college budget under the current model.

Mr. Earley then shared some of the proposed revisions to the PIBB, starting with the results from the surveyed weaknesses of the current model. The top two weaknesses were the promotion of competition between units and model complexity, which helped shape the major goals of the PIBB Budget Model Revisions. The PIBB revision goals include simplify the budget model; align funding with Instructional costs; focus incentives for strategic initiatives; support interdisciplinary activities; increase college funding predictability; shorten budget development timeline; and redesign UDC resource management app. Mr. Earley also touched on proposed metrics that would form the basis for annual college evaluations, presented an example of a college budget under the revised PIBB Budget Model and discussed a course level instructional cost methodology used in the revised model. A copy of the presentation is attached to these minutes.

3. Adjournment

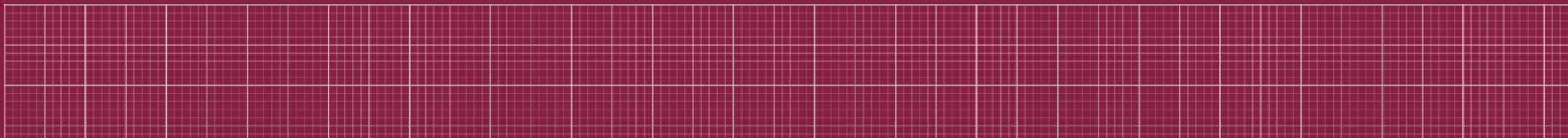
There being no further business, the meeting adjourned at 4:58 p.m.



PARTNERSHIP FOR AN INCENTIVE- BASED BUDGET (PIBB 2.0 Prototype)

JEFF EARLEY, VICE PROVOST
ACADEMIC RESOURCE MANAGEMENT

FEBRUARY 7, 2022



01

CURRENT PIBB MODEL

Partnership for an Incentive-Based Budget (PIBB)

Budget Model Development Principles

INCLUSIVE

Performance goals established in collaboration with units being assessed. Performance metrics reward both shared and distinct outcomes.

PREDICTABLE

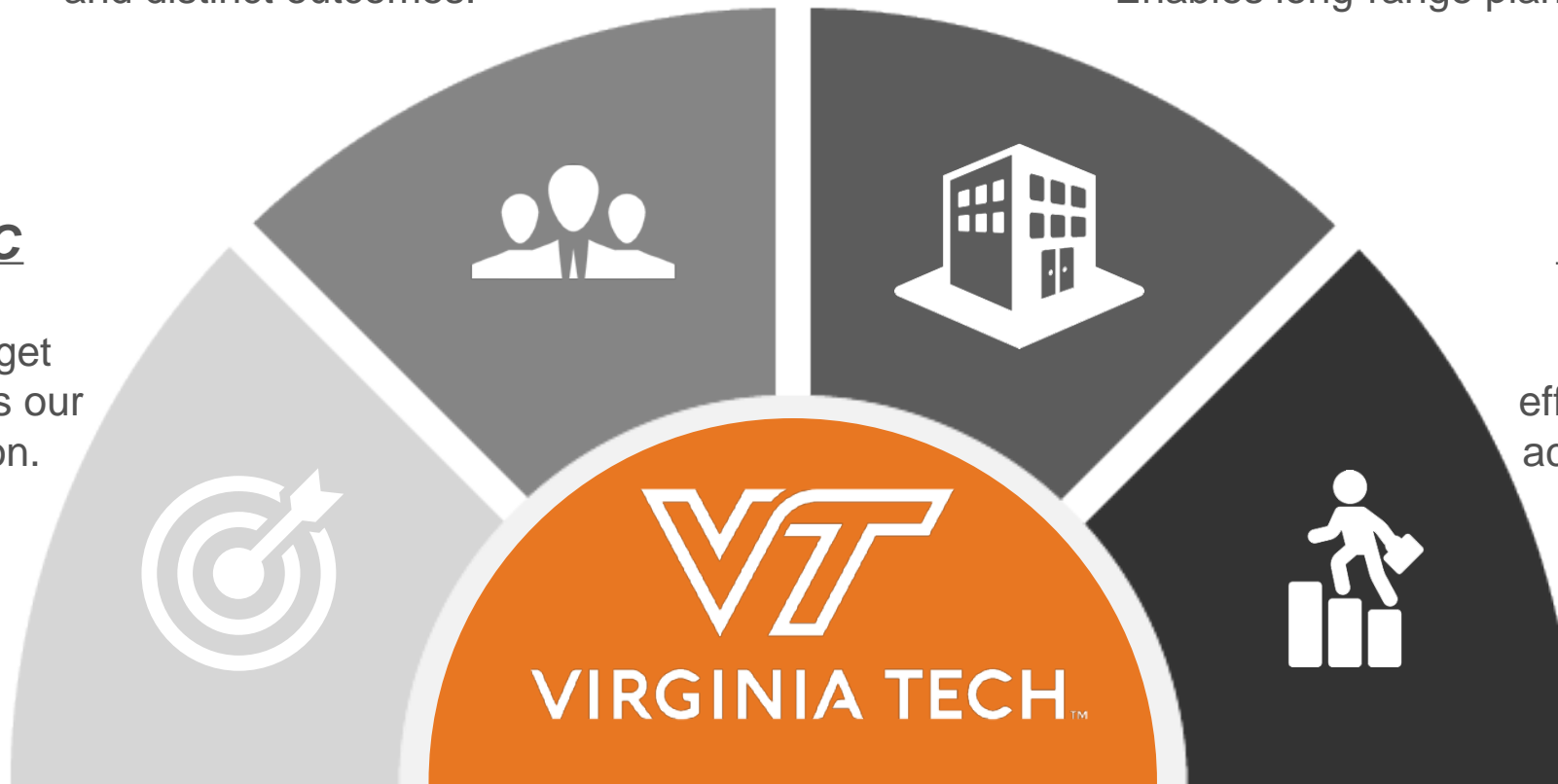
Promotes transparent institutional decision-making based on valid data accessible to units being assessed. Enables long-range planning.

STRATEGIC

A goal-based performance budget model that supports our mission and vision.

RESPONSIVE

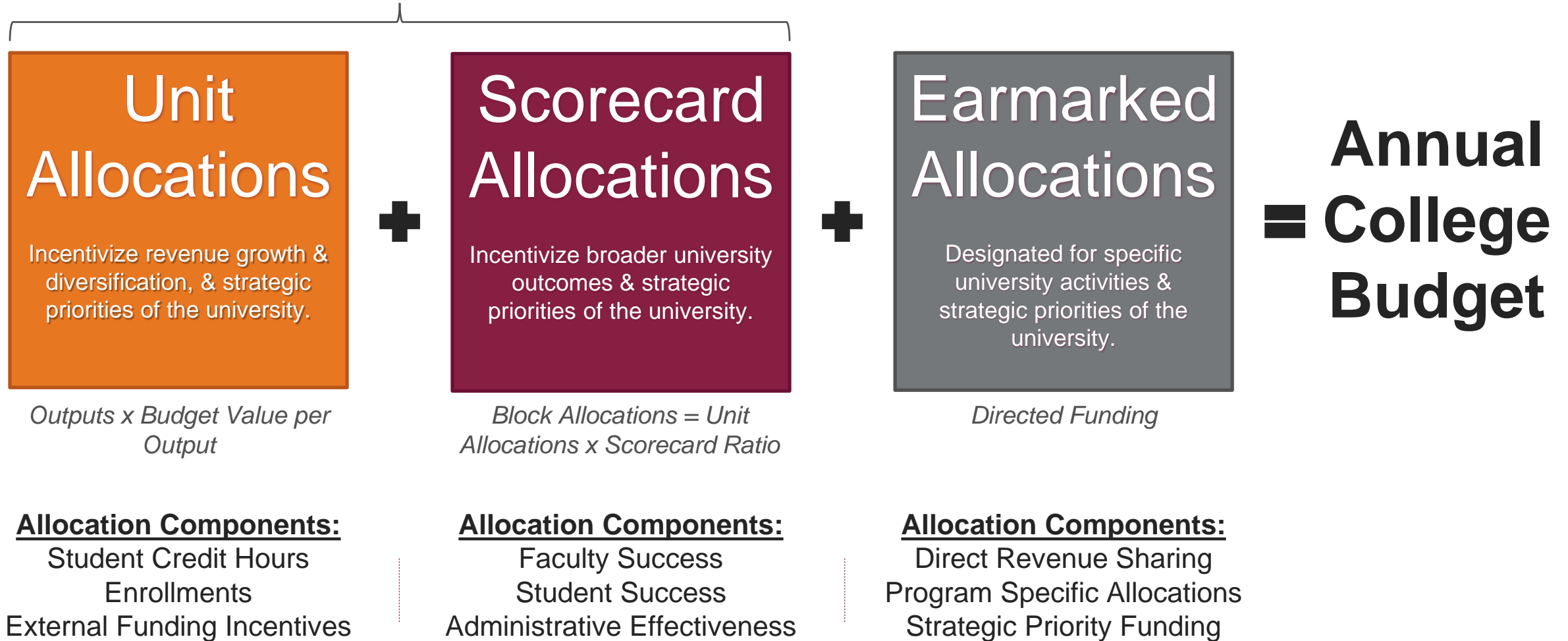
Enables leaders to manage resources effectively in a dynamic academic and financial environment.



Partnership for an Incentive-Based Budget (PIBB)

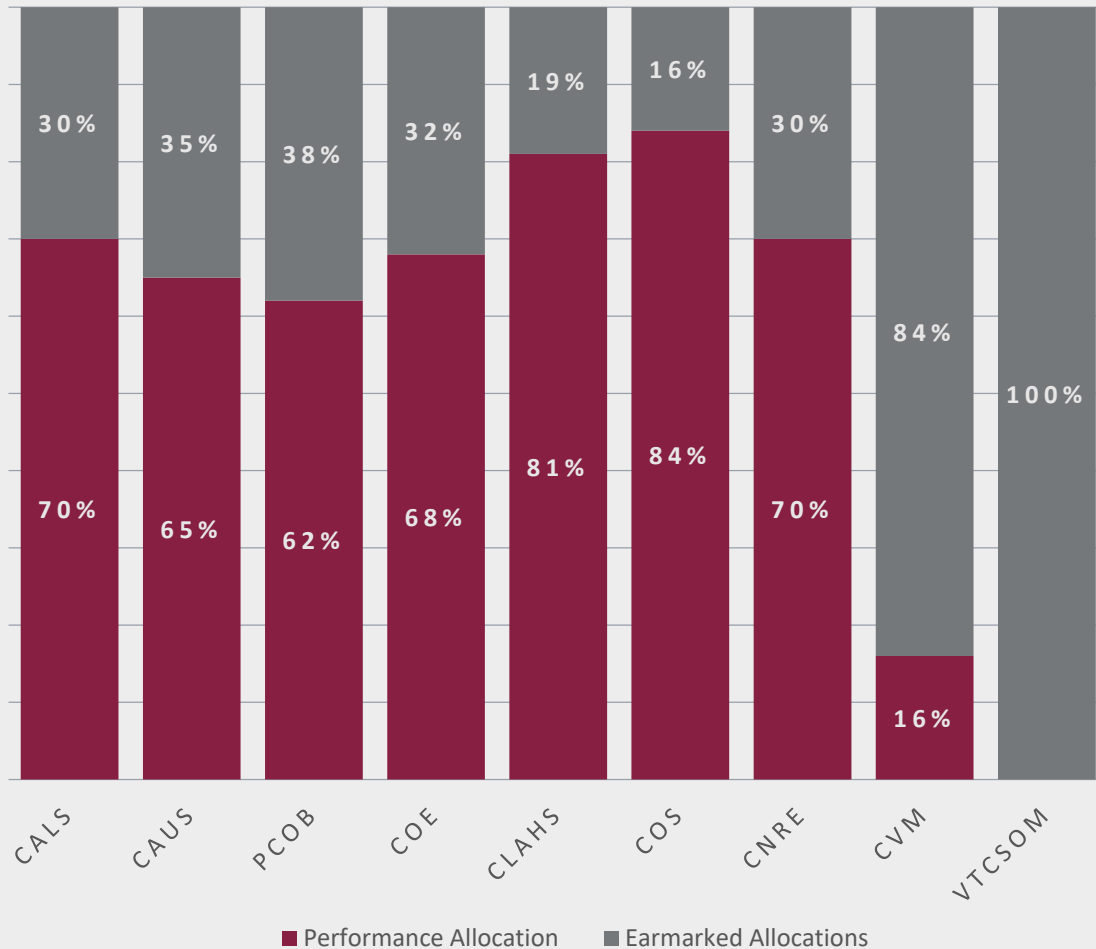
Budget Allocation Components

Performance Allocation Component



Partnership for an Incentive-Based Budget (PIBB)

Fiscal Year 2021-22 College Funding Streams

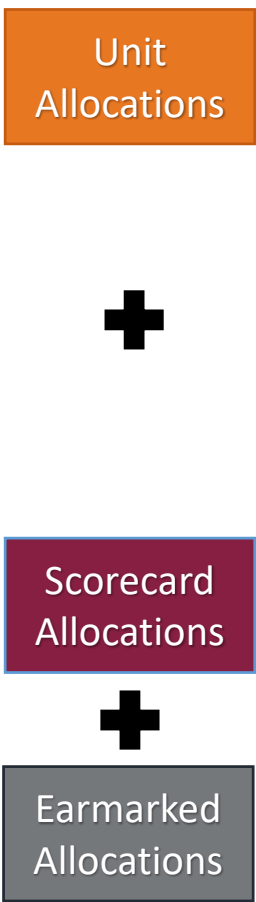


Sources	Amount	%
Performance Allocations*	\$271,546,040	63.94%
<u>Earmarked Allocations</u>		
Program Fees	31,862,152	7.50%
Graduate Tuition Remissions	22,564,418	5.31%
MD/VA DVM Capitation Adj.	20,677,291	4.87%
Sales and Services Revenue	17,998,077	4.24%
School of Medicine	13,843,176	3.26%
Special Sessions (Summer budget)**	13,118,051	3.09%
Distance Learning/Enterprise Programs	9,618,491	2.26%
Subvention Allocations	6,107,042	1.44%
Destination Area Funding	4,569,342	1.08%
Equipment Trust Fund	4,294,395	1.01%
Self-Supporting Degrees	2,967,963	0.70%
Course Fees	1,743,787	0.41%
Non-PIBB Tech Talent Pipeline Funding	1,661,177	0.39%
Other	2,092,493	0.49%
Total Earmarked Allocations	153,117,855	36.06%
Total College Budgets	\$424,663,895	100.00%

*Total allotment for PIBB performance allocations determined in the annual budget development process.

**Winter Session budget calculated and distributed after the Winter term.

Example college budget



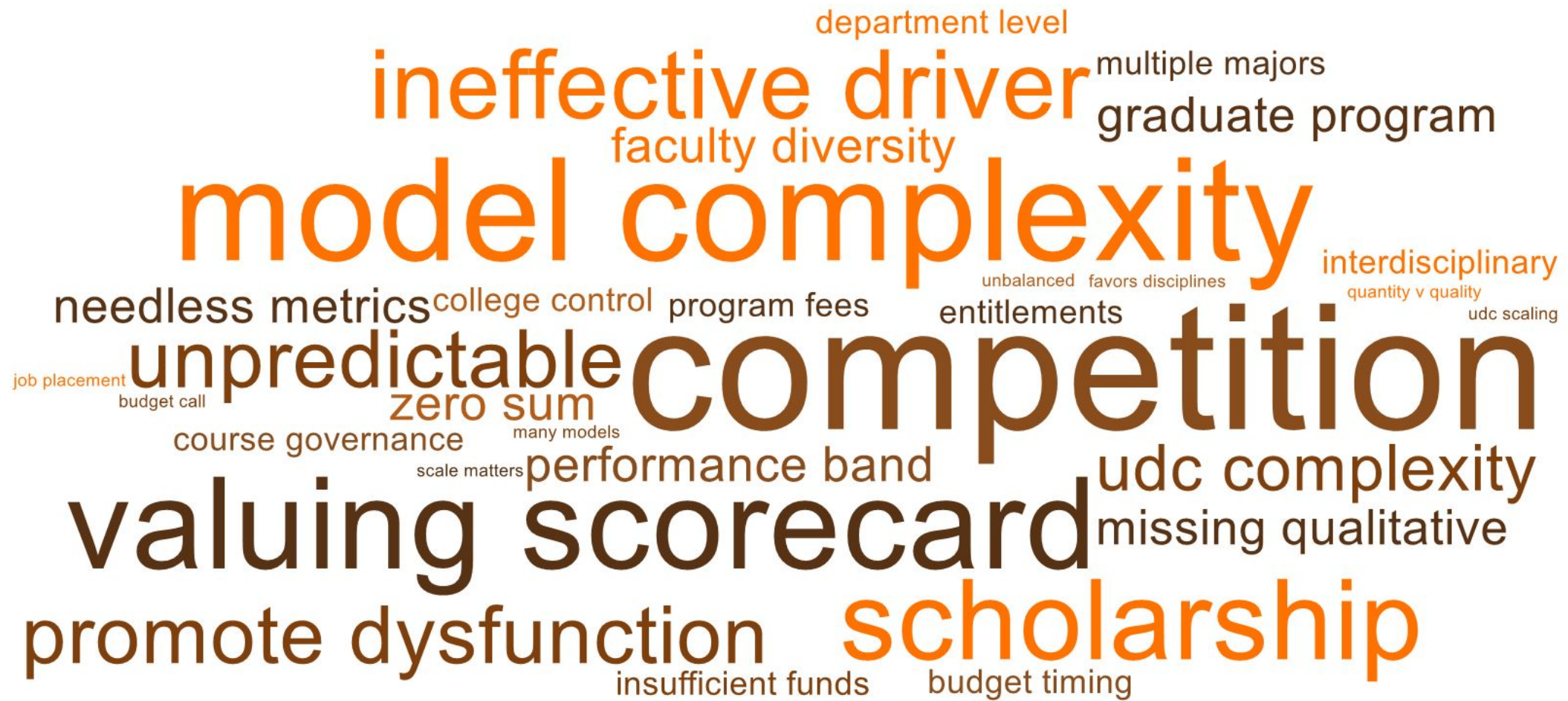
Metric	Unit Value	College Goal	Budget
Student Credit Hours			
All Student Credit Hours	\$ 103.50	196,000	\$ 20,286,000
+ Graduate Courses	51.75	15,000	776,250
+ Other College Majors	10.50	150,000	1,575,000
+ Target Section Size	10.50	80,000	840,000
+ Tech Talent Pipeline, UG	6.25	10,000	62,500
+ Pathways Course	5.00	150,000	750,000
+ Destination Area Course	5.00	10,000	50,000
+ Honors Course	3.25	1,000	3,250
Enrollment			
All Enrollment (by Primary Major)	\$ 800.00	4,000	\$ 3,200,000
+ Out of State, UG	800.00	1,200	960,000
+ Graduate Major	480.00	500	240,000
+ Tech Talent Pipeline, UG	60.00	-	-
+ Students in More Than One Major	40.00	600	24,000
External Funding			
All New Gifts and Commitments	\$ 0.08	\$ 5,000,000	\$ 400,000
+ To Professorship Endowments	0.03	100,000	3,000
+ To Scholarship Endowments	0.03	100,000	3,000
Sponsored Expenditures	0.11	40,000,000	4,400,000
Ancillary Income	0.10	-	-
Unit Allocation Associated Value			\$ 33,573,000
Scorecard Value Associated with Other Outcomes			32% of performance budget
			15,799,059
Total Value of Measured Activity			\$ 49,372,059
Earmarked Allocations			
Special Sessions			\$ 2,000,000
Differential Tuition			10,100,000
Distance Learning Revenues			1,800,000
Total Budget			\$ 63,272,059

02

PIBB 2.0 PROTOTYPE

Partnership for an Incentive-Based Budget (PIBB)

Surveyed Weaknesses of Current Model



Partnership for an Incentive-Based Budget (PIBB)
PIBB 2.0 Prototype Model

Major Goals of the Budget Model Revision:

- 1. Simplify the budget model
 - Reduce number of metrics
 - Reframe scorecard discussion and valuation
- 2. Align funding with instructional costs
 - Distinguished by course level
 - Informed by average workload assumptions
- 3. Focus incentives for strategic initiatives
- 4. Support interdisciplinary activities
- 5. Increase college funding predictability
 - Stabilize performance expectations
 - Minimize rate reductions
- 6. Shorten budget development timeline
- 7. Redesign UDC resource management app

Basis for Annual Budget Allocations		
Metric Category	Metric Group	Metric
Student Credit Hours (77% of overall SCH + Enrollment Allocations)	SCH Baseline	SCH's by Course Level
	SCH Premium	Interdisciplinary SCH's (3-Year Average)
		Tech Talent SCH's
Enrollment (23% of overall SCH + Enrollment Allocations)	Enrollment Baseline	All Majors
	Enrollment Premium	Tech Talent Majors
Research & Scholarship ^(a)	Research & Scholarship	Composite metric, including extramural research, post-doctoral appointments, doctoral degrees awarded, publications, & citations (3-Year Average)

a) Based on subset of Association of American Universities (AAU) membership indicators. All AAU membership indicators are as follows:
Phase 1 Indicators: Competitively funded federal research support; membership in the National Academies (NAS, NAE, IOM); faculty awards, fellowships, and memberships; and, citations
Phase 2 Indicators: USDA, state, and industrial research funding; doctoral education; number of postdoctoral appointees, and undergraduate education

Partnership for an Incentive-Based Budget (PIBB)

PIBB 2.0 Prototype Model

Basis for Annual Evaluations

Scorecard Group	Scorecard Category	Scorecard Metric	Development Stage
Faculty Success	Faculty Diversity	% full-time female instructional and research faculty	Completed
		% full-time underrepresented minority (URM) instructional and research faculty	Completed
	Faculty Scholarship	Publications	<i>In Process</i>
		Citations	<i>In Process</i>
		Others	<i>In Process</i>
	Faculty Awards	Awards Recognized for AAU Membership	<i>In Process</i>
Student Success	Undergraduate Students	In-college four-year graduation rate for entering freshmen	Completed
		In-college four-year graduation rate disparity for URM and/or underserved students (USS)	Completed
		In-college three-year graduation rate for transfers (<i>upper division</i>)	Completed
		In-college three-year graduation rate disparity for URM and/or USS (<i>upper division</i>)	Completed
		Undergraduate Programs with Experiential Learning Component	<i>In Process</i>
		Post Graduation Placement	<i>Not Started</i>
	Graduate Students	Graduate Student Graduation Rates	<i>Not Started</i>
		Graduate Student Graduation Rate Disparity for URM and/or Underserved Students (USS)	<i>Not Started</i>
		Post Graduation Placement	<i>Not Started</i>

Partnership for an Incentive-Based Budget (PIBB)

PIBB 2.0 Prototype’s Example College Budget

Metric	Unit Value	College Goal	Budget
Student Credit Hours			
<u>SCH Baseline</u>			
Lower Division	\$ 95.50	106,000	\$ 10,123,000
Upper Division	160.25	75,000	12,018,750
Master's Level	314.50	8,000	2,516,000
Doctoral Level	410.75	7,000	2,875,250
<u>SCH Premium (Additive)</u>			
Interdisciplinary SCH's	54.00	150,000	8,100,000
Tech Talent Pipeline, UG SCH's	11.75	10,000	117,500
Enrollment			
Enrollment Baseline	\$ 1,460.00	4,600	\$ 6,716,000
<u>Enrollment Premium (Additive)</u>			
Tech Talent Pipeline Majors	110.00	-	-
Research & Scholarship Composite	Calculated separately		\$ 7,350,000
Total Value of Measured Activity			\$ 49,816,500
Earmarked Allocations			
Special Sessions			\$ 2,000,000
Differential Tuition			10,100,000
Distance Learning Revenues			1,800,000
Total Budget			\$ 63,716,500



Partnership for an Incentive-Based Budget (PIBB)

PIBB 2.0 Prototype's Course Level Instructional Cost Methodology

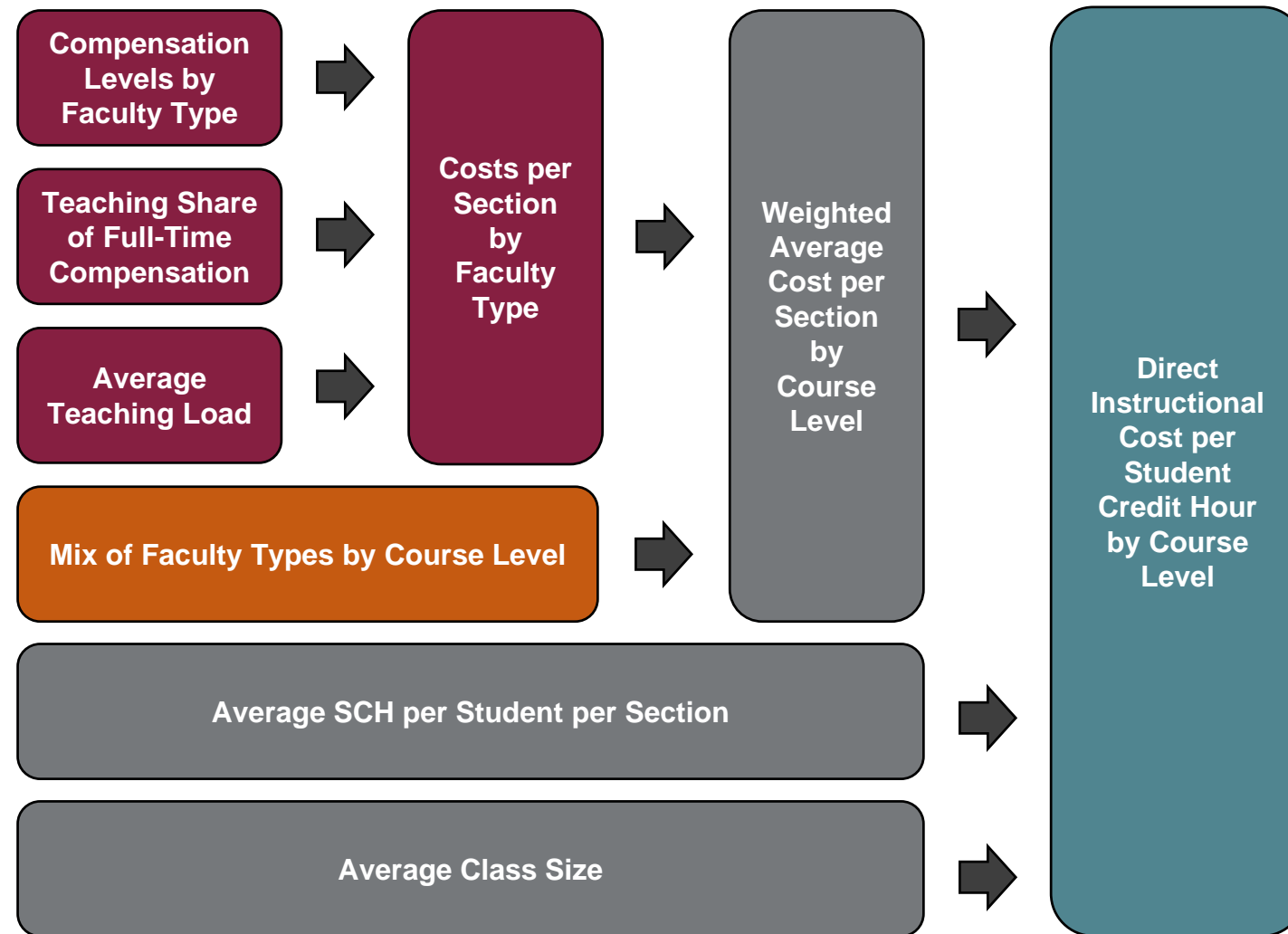


Diagram modified from Gray Associates article, "What drives curricular efficiency?" <https://www.grayassociates.com/blog/what-drives-curricular-efficiency>



DISCUSSION