

MINUTES
UNIVERSITY ADVISORY COUNCIL ON
STRATEGIC BUDGETING AND PLANNING
October 15, 2020

PRESENT: Awad Abdelhalim, Scott Case, Carl Cash, Terry Clements, William Dougherty, Joell Eifert, Daniel Harrington, Donald Hatfield, Jia-Qiang He, Bob Hicok, Tim Hodge, Ed Lener, Erin McCann, Ken Miller, Joe Merola, Ken Smith, Michael Sorice and Jeff Earley (guest).

ABSENT: Angel Carter, Cyril Clarke, John Fike and Liza Morris.

1. CALL TO ORDER AND WELCOME NEW MEMBERS

Mr. Tim Hodge, Associate Vice President for Budget and Financial Planning, called the meeting to order. The council members introduced themselves and what group/department they represented on the Council.

2. APPROVAL OF THE SEPTEMBER 17, 2020 MINUTES

The September 17, 2020 minutes have been approved and forwarded to the University Council for posting on the web.

3. UPDATE ON SPECIAL SESSION

Mr. Hodge reminded the Council that the General Assembly closed their regular session without finalizing the biennial budget due to the uncertainties caused by the pandemic. The Commonwealth planned a reforecast of revenue in September and the General Assembly convened a Special Session on August 18th to address the state budget. On October 14th, the General Assembly released their conference budget and Mr. Hodge highlighted several items, such as no reduction in the state General Funds to the University and \$4 million in one-time General Fund for the first year for pandemic impacts. The Commonwealth also set aside \$120 million in federal CARES Act support, in which public institutions of higher education may apply for support. The Commonwealth also updated language authorizing financial flexibility to deal with pandemic impacts, contingent upon BOV approval and notification to the House and Senate. They also recommended in FY21 a Health Care Holiday in December and in FY22, a lower Health Care premium increase of 3.35% (previously identified to be 6.7%). The General Assembly also recommended a \$1,500 bonus for all Full-time employees in September 2021, contingent upon state revenue collections in FY21. The presentation is attached to these minutes.

4. UPDATE ON IMPLEMENTATION OF THE PIBB

Ken Smith, Vice Provost for Academic Resource Management and Jeff Earley, Associate Vice Provost for Finance, presented an update on the Partnership for an Incentive-Based Budget (PIBB), focusing on implementation. Smith gave a brief overview of what the PIBB is and how it was developed. He shared that the PIBB was built to be Strategic (goal-based performance), Inclusive (performance goals established in collaboration), Predictable (promotes transparent institutional decision making), and Responsive (enables leaders to manager resources). He also

shared that the PIBB looks at three components to determine a college's budget, Unit Allocations, Scorecard Allocations and Earmarked Allocations. Smith then walked the Council through an example of how a college budget is determined. Jeff Earley reviewed current and planned performance metrics and measures that are used, the descriptions for the metrics and measures are very specific to ensure reliable data, and the annual budget cycle timeline. The Council requested to bring this discussion back at our next meeting for further discussion. The presentation is attached to these minutes.

5. No further business was discussed, and the meeting adjourned at 5:12 p.m.

Partnership for an Incentive Based Budget (PIBB) Update

Jeff Earley, Associate Vice Provost for Finance

Ken Smith, Vice Provost for Academic Resource Management

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OCTOBER 15, 2020



Partnership for an Incentive-Based Budget (PIBB)

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)

Performance Components



Example college budget

Unit Allocations



Scorecard Allocations



Earmarked Allocations

Metric	Unit Value	College Goal	Budget
Student Credit Hours			
All Student Credit Hours	\$ 96.75	196,000	\$ 18,963,000
Graduate Section	48.25	49,000	2,364,250
Cross Disciplinary	9.75	15,000	146,250
Target Section Size	9.75	47,000	458,250
Tech Talent Pipeline	7.00	5,000	35,000
Core Curriculum	4.50	10,000	45,000
Destination Area Course	4.50	47,000	211,500
Honors Course	3.00	100	300
Enrollment			
All Enrollment (by Primary Major)	\$ 740.00	9,700	\$ 7,178,000
Out of State, Undergraduate	740.00	4,400	3,256,000
Graduate Majors	450.00	2,000	900,000
Tech Talent Pipeline	60.00	-	-
Additional Major(s)	40.00	150	6,000
External Funding			
New Gifts and Commitments	\$ 0.08	\$ 22,000,000	\$ 1,760,000
to Professorship Endowments	0.03	150,000	4,500
to Scholarship Endowments	0.03	3,000,000	90,000
Sponsored Expenditures	0.12	98,000,000	11,760,000
Ancillary Income	0.10	-	-
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Unit Allocation Associated Value			\$ 47,178,050
Scorecard Value Associated with Other Outcomes	32% of performance budget		22,201,435
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Total Value of Measured Activity			\$ 69,379,485
Earmarked Allocations			
Special Sessions			\$ 2,000,000
Differential Tuition			10,100,000
Distance Learning Revenues			1,800,000
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			\$ 83,279,485

PIBB Performance Metrics

Faculty Success Measures (SC):

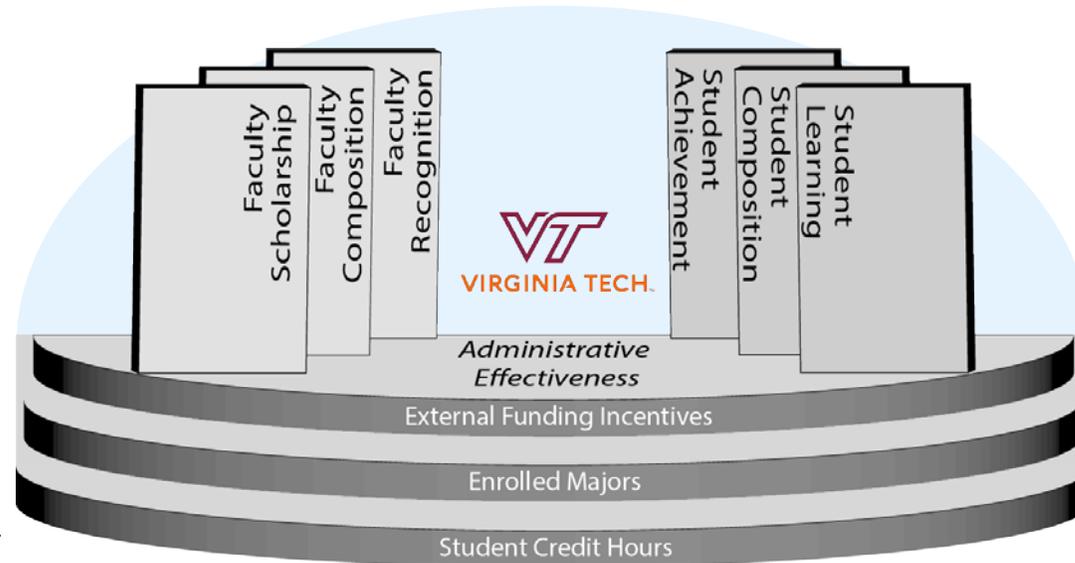
- Percent of Full-time Female Instructional and Research Faculty, Both Tenured/Tenure-Track & Non-Tenured
- Percent of Full-time URM Instructional and Research Faculty, Both Tenured/Tenure-Track & Non-Tenured
- Publications
- Citations
- Awards

Administrative Effectiveness Measures (SC):

- Percent of Updated Academic Assessment Plans
- Utilization of College-Based Scholarships and Professorships
- Competitive Faculty Salaries
- Competitive Graduate Assistantship Stipends

Student Success Measures (SC):

- In-College Four-Year Graduation Rate for Entering Freshmen
- In-College Three-Year Graduation Rate for Transfers
- Graduation Rate Disparity for URM and/or Underserved Students (USS), Entering Freshmen and Transfers
- Undergraduate Programs with Experiential Learning Component
- Undergraduate Participation in Living Learning Communities
- Graduate Student Graduation Rates
- Graduate Student Graduation Rate Disparity for URM and/or Underserved Students (USS)
- Graduate Programs w/ Cultural Competency Component



Student Credit Hour Metrics (UA):

- Student Credit Hour (SCH) Baseline, All
- SCH Premiums:
 - SCHs in Graduate Courses
 - SCHs to Other College Majors
 - SCHs in Target Section Sizes
 - SCHs to Tech Talent Pipeline Majors
 - SCHs in Pathway Courses
 - SCHs in Destination Area Courses
 - SCHs in Honors Courses

Enrolled Major Metrics (UA):

- Majors Baseline, All
- Enrollment Premiums:
 - Out-of-State Undergraduate Majors
 - Graduate Majors
 - Tech Talent Pipeline Majors
 - Students in More Than One Major

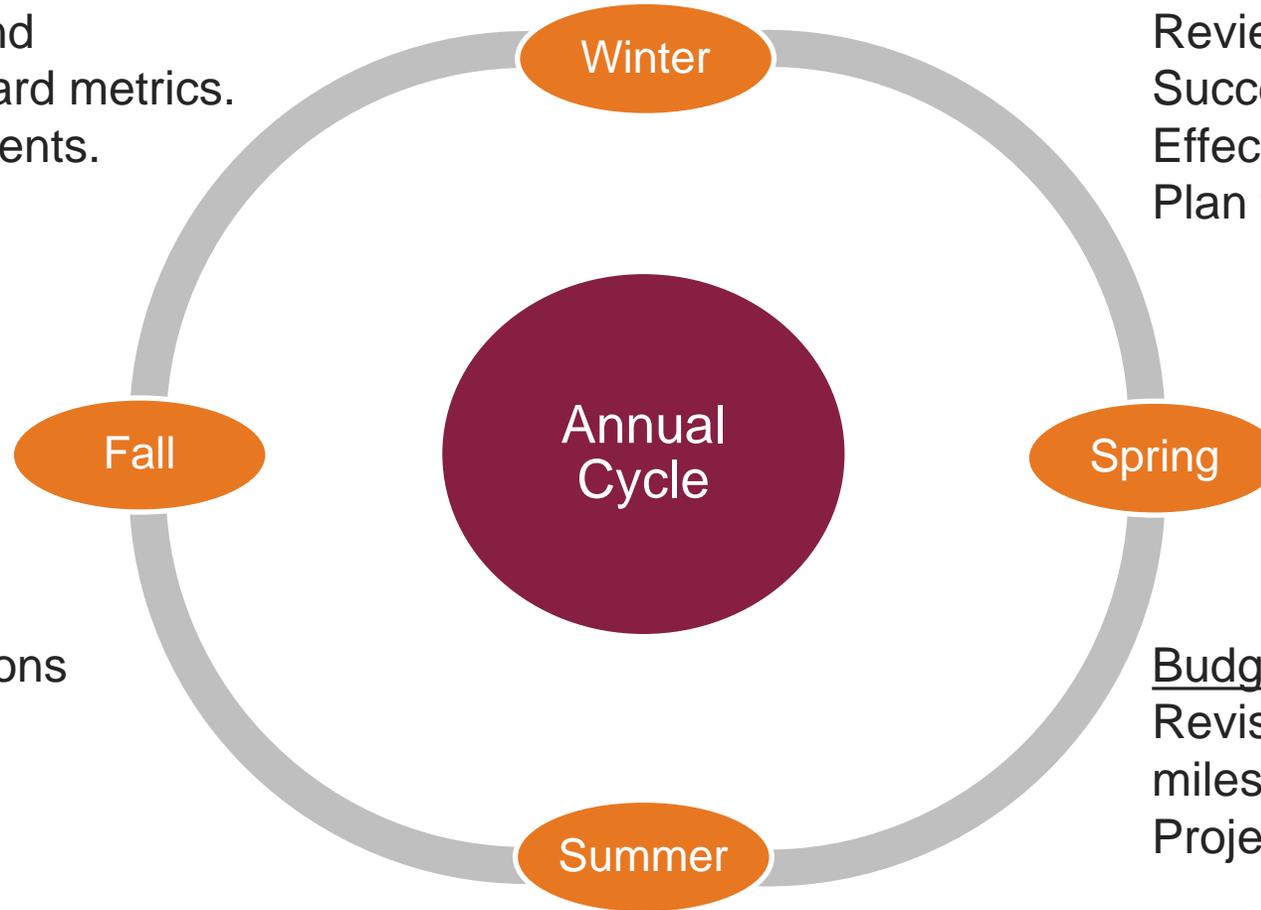
External Funding Incentive Metrics (UA):

- New Gifts and Commitments, All
- New Gifts and Commitment Premiums:
 - Scholarship Endowments
 - Professorship Endowments
- Sponsored Expenditures, All
- Sponsored Expenditures Premium:
 - Industry-Funded Research
- Ancillary Income

PIBB Annual Development Cycle

Review Unit Allocation and Student Success Scorecard metrics. Plan for model improvements.

Review Unit Allocation, Faculty Success, & Administrative Effectiveness Scorecard metrics. Plan for model improvements.



Performance variations applied in carryover

Budget Development:
Revise multi-year metric milestones and values.
Project Earmarked Allocations.

Publish Budget



THANK YOU

Special Session – As of Oct 15, 2020

No reduction of state General Funds (GF)

\$4M one-time GF in the first year for pandemic impacts

System-wide: \$120M federal CARES Act support for higher ed.
Defines a process for how institutions may apply.

Language authorizing financial flexibility to deal with pandemic impacts, but requires BOV approval and notification to House and Senate.

FY21 Health Care Holiday (December- 2 pay periods)

FY22 Health Care premium increase of 3.35% (instead of 6.7%)

Law Enforcement Officer Bonus of \$500 in December 2020

Revenue Contingent Full-time Employee bonus of \$1500 Sept 2021