

WACUBO 



Rising to the Challenge

2023 WACUBO ANNUAL CONFERENCE

Inclusive Structures in Budget Planning and Decision Making

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Boulder



After this session, the challenges you'll be ready to meet include:

- **Create questions** to help you identify an inclusive project governance structure
- **Define decision-making** opportunities at each level of governance
- **Train and support faculty, staff and students** who serve on budget governance groups
- Identify opportunities for **communication and engagement** with stakeholders
- Effectively **direct and work with consultants** in budget governance



Go to www.menti.com and use the code 6198 9879

What two or three words come to mind when you think about shared governance in budgetary decision-making?





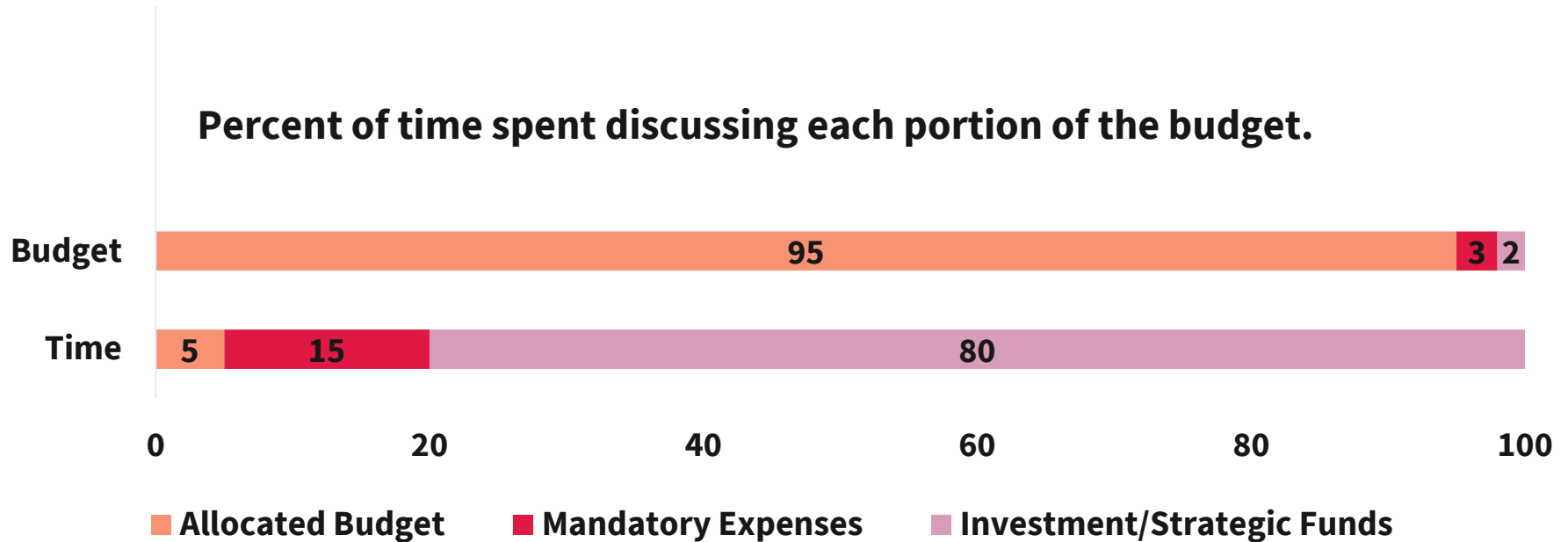
University of Colorado **Boulder**

Leveraging consultant
expertise for campus-
determined budget model
outcomes

Be Boulder.

CU Boulder's Budget Journey 2017

“We need to change our budget model”



CU Boulder's Budget Journey: 2019 Beginning conversations with key stakeholders



Background, Purpose & Goals

“The campus budget should serve as a tool for accomplishing our mission” as a comprehensive public teaching and research university. (Academic Futures Report, 2018)

Purpose

Charge CU Boulder stakeholders in the **design, refinement and recommendation** of a new campus budget model built *for* CU Boulder *by* CU Boulder.

Goals

- Increased **transparency**; the flow of funds is clearer
- Increased **flexibility**; campus, schools/colleges, and administrative support units have increased ability to respond to shifts, opportunities, and challenges
- **Support** of our mission-critical activities and outcomes; for example, increased student retention and graduation



CU Boulder's Budget Journey

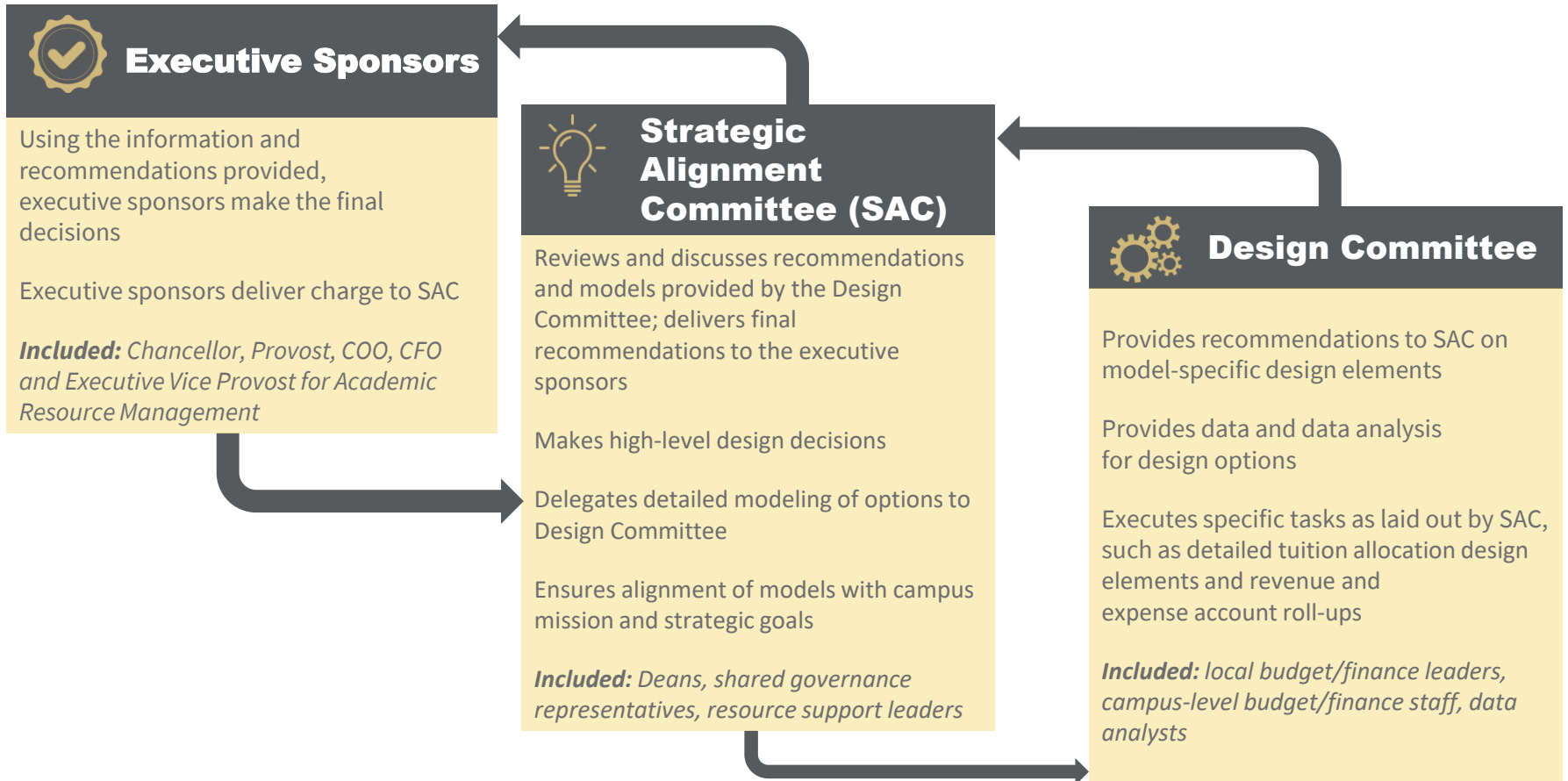
2020 Relaunch of the Budget Model Redesign

Key decisions made prior to the launch

- **Decide on project governance and committee make-up**
 - Whom do we include?
 - How does our campus culture inform our choices?
 - What work do we envision each group doing?
 - What support will they need to do what we are asking?
- **Determine initial design parameters**
 - What values, goals or priorities should the model support?
 - What constraints or vulnerabilities do we need to take into account?
 - What, if anything, is “off the table?”



How we built the model: project governance



How we built the model: design parameters

Executive Sponsors determined **design parameters**:

- The new budget should be an **incentive-based**, vs. **incremental-based model**.
- The redesigned allocation methodology will focus on the allocation of **net tuition**.
- Initially, the model will be based on a **65/35 percent split** of net tuition to colleges and schools / campus support units.
- Indirect Cost Recovery (ICR) distributions, including Department Allocation of Indirect Cost Recovery (DAICR), will not be included in the new allocation initially.
- State funding and auxiliary funds are also excluded.
- Legacy revenue sharing agreements will be assessed as part of the redesign.
- A strategic fund must be included in the model to provide pooled funds for strategic investment.



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Are you considering a change to your budget governance structure?

Mentimeter



- No, not considering change
- Starting to plan for a change
- In the middle of a change process
- Just completed a change



Effective utilization of a university-level budget advisory committee to improve budget understanding



Creation of University Budget Advisory Committee (UBAC)

Representative group appointed:

Chairs: Provost and Senior Vice Chancellor for Business & Financial Affairs

Vice-chairs: Chair of faculty senate finance committee and Senior Vice Provost for University Budget, Planning & Administration

2 deans, appointed by the Provost

2 vice chancellors, appointed by the Chancellor

2 staff, appointed by Staff Advisory Council

3 faculty, appointed by Faculty Senate

1 graduate student, appointed by Graduate Student Government

1 undergraduate student, appointed by Undergraduate Student Government



Charge for University Budget Advisory Committee (UBAC)

- Guided by **strategic plan and strategic imperatives**
- **Inform resource allocation** recommendations
- **Optimize use** of University resources
- Maintain a **transparent, informative, and participatory** budget process
- Review pertinent **peer practices, data and research**
- **Share ideas** on cost containment, efficiency of operations and redundancies, and possibilities for revenue enhancement
- **Discuss** current budget issues

<https://www.du.edu/about/leadership/provost/budget/advisory-committee>



UBAC Confidentiality

- **Confidentially is an integral part** of the University Budget Advisory Committee deliberations
- To **promote free exchange** of detailed information and ideas at these committee meetings, confidentiality is expected
- It is also important that such **discussions not be construed as a commitment** by UBAC, or any of its members, to a particular action plan
- This said, there will be information committee members will bring from and **share with their constituent groups**



Key Priorities and Guiding Principles

Resource allocation decisions are driven by the mission and vision of the University and will promote excellence in the University's five strategic imperatives:

SI #1: Ensure a bold, enduring future for the next generation through our financial, reputational, and operational practices: Focusing on affordability, access and opportunity.

SI #2: Create a unique global, holistic, '4D' student experience: Helping students thrive academically, personally and professionally

SI #3: Cultivate an exceptionally diverse, inclusive, equitable, and welcoming community: Working together for equity and uplift.

SI #4: Define and model a global, engaged research university: Making an impact in Colorado and around the world.

SI #5: Ensure academic excellence with a signature portfolio of academic programs and a relentless pursuit of quality: A relentless pursuit of excellence.



Key Priorities and Guiding Principles

The principles and processes guiding budget allocations will:

be transparent, documented, and accessible to all employees, faculty, staff, and students. This is supported by representation on the University Budget Advisory Committee (UBAC), quarterly meetings with constituent groups, and the publishing of the annual University Budget Transmittal.

encourage responsible, prudent, and sustainable stewardship of resources, including requiring streamlined operations, eliminating duplication, and creating efficiencies. The University will avoid excessive financial commitments and overspending while encouraging development of current and new revenue streams.

align responsibility, decision-making authority, and control over resources. Aligning resources where knowledge is housed, and data-informed decisions are made and implemented

UBAC Meeting Structure and Topics

Topics

- Budget development updates and process
- Tuition rate setting and financial aid leveraging model
- Employee salaries and benefits
- Endowment management
- Year-end carry forward policy
- Strategic modeling, operating fund to statement of activities
- Values and budget metrics

Methods of Communication

- Visitors, presentations, discussion
- Individual/small group
- Teams site
- “Flip the Classroom”



UBAC March 2023

Zoom Recording ID: 86501127552 UUID: 8dr6c+9ST2+dw

Unlisted

Owner • on March 13th, 2023

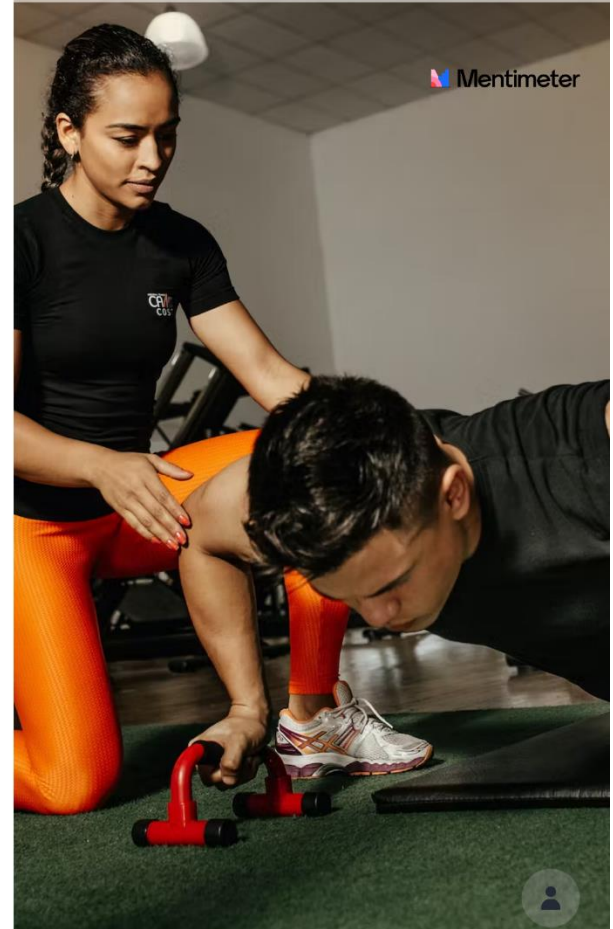
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Shared governance in budgetary decision-making on your campus



Why? What factors did you consider when answered as weak or strong?

Press **ENTER** to show answers





Go to www.menti.com and use the code 6198 9879

Who is included in budgetary decision-making on your campus?



Training and support for committee members

- **Norms of participation** can be seeded and co-created with committee members to establish shared expectations for the way they will work together
- Sharing **materials in advance** allows members to become familiar with the discussion and bring questions to the discussions – videos and teams group
- Individual and small group **office hours** create a space for individuals or small groups to unpack information, ask questions and share ideas
- **Targeted training sessions** for student, faculty and staff representatives can increase understanding and on-board these members to more fully participate



Communication and engagement opportunities

Identify existing or needed communication channels at various levels

- Is there a newsletter or other campus-wide communication channel you can leverage for announcements and updates?
- Can you offer in-person or virtual presentations or town hall-style information sessions?
- Do you have a website that can house resources and materials?

Solicit feedback and insight from committee members about how to reach their constituents

Develop a plan for broad vs. targeted communications, including short-term and long-term assets

Opportunities to learn more

Colorado.edu/budget

- Web updates
- Videos
- [Interactive flowchart](#)
- Coffee & the Campus Budget
- FAQs

University of Colorado Boulder

Budget & Fiscal Planning
PART OF FINANCE AND BUSINESS STRATEGY

About Budget Overview Resources & Training Policies & Procedures **Budget Model**

Budget Model

CU Boulder has launched a new budget model.

Campus stakeholders, including faculty, students, staff and administrators, have designed a model that will serve as a tool for accomplishing our mission as a comprehensive public teaching and research university.

The new model took effect July 1, 2022.

Why a New Model?
How Was It Built?
How Will It Work?
Resources

Dive Into Learning About the Budget Model

Click through this interactive flowchart to learn more about how the budget is allocated, the reasons behind budget model decisions, and the potential impacts of the new budget model components.

[Explore the Interactive Budget Allocation Model Flowchart](#)

Budget 101

Curious about the campus budget? Whether you are new to CU or have been a member of the community for years, we invite you to learn about CU's sources of funding, its commitment to affordability and the budget model redesign project.

Getting Ready for a New Budget Model

In July 2022, CU Boulder launched a newly redesigned budget model. Watch this short video to learn about how the new model was built, how it differs from the old model and how the new model will be implemented.



Direct and Work with Consultants

Understand your institution and ensure solutions are designed specific to your organization

Decide if you want consultants to lead conversations or **support the leadership** of your institutional leaders

Have a **clear project management strategy** and touch base regularly to ensure timeline is maintained.



Ideas and Questions

- Share with a neighbor ideas related to shared governance for budget on your campus
- Any ideas you'd like to share?
- Questions for us?



Let us know if you have questions!



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Appendix



Confidentiality Agreement

CONFIDENTIALITY ACKNOWLEDGEMENT University Budget Advisory Committee



I understand that I am being invited to serve as a member of the University Budget Advisory Committee (UBAC) in my capacity as a community stakeholder. I accept my responsibility to protect the integrity of the UBAC process and to protect the confidentiality of all information and documentation, whether verbal or in the form of papers, books, files, documents, electronic communications or any other form or format, which comes into my possession or knowledge as a member of the UBAC, as confidential information ("Confidential Information"), both during the period that the UBAC is active and at any and all times thereafter.

I understand that confidentiality and information management is critical to DU's reputation and that any compromise of that confidentiality could be harmful to DU staff, faculty, and students, as well as to DU's financial sustainability. Therefore, I will treat all of the UBAC's deliberations as well as all information related to the work of the UBAC as Confidential Information.

Upon completion of my term on the UBAC, I agree to return or destroy any materials related to the UBAC, specifically: 1) I agree to return any written material that I have in my possession, including my own hand-written notes, to the vice provost for university budget, planning, & administration; and 2) I agree to delete any electronic materials that I downloaded, copied, or otherwise received, along with any electronic notes or other documents that I created.

I understand that my promise to maintain confidentiality is a condition of my participation on the UBAC. I further understand that if I violate any obligation of this acknowledgement, the University will immediately remove me from the UBAC and may pursue disciplinary action for violation of the University's Code of Business Conduct concerning confidential information (3.20.070(III)(H)) and/or the Honor Code, with all attendant consequences.

Signature



Strategic Alignment Committee (SAC): Norms of Participation

We need **strong participation** from SAC members, and ask that committee members follow these **expectations**:

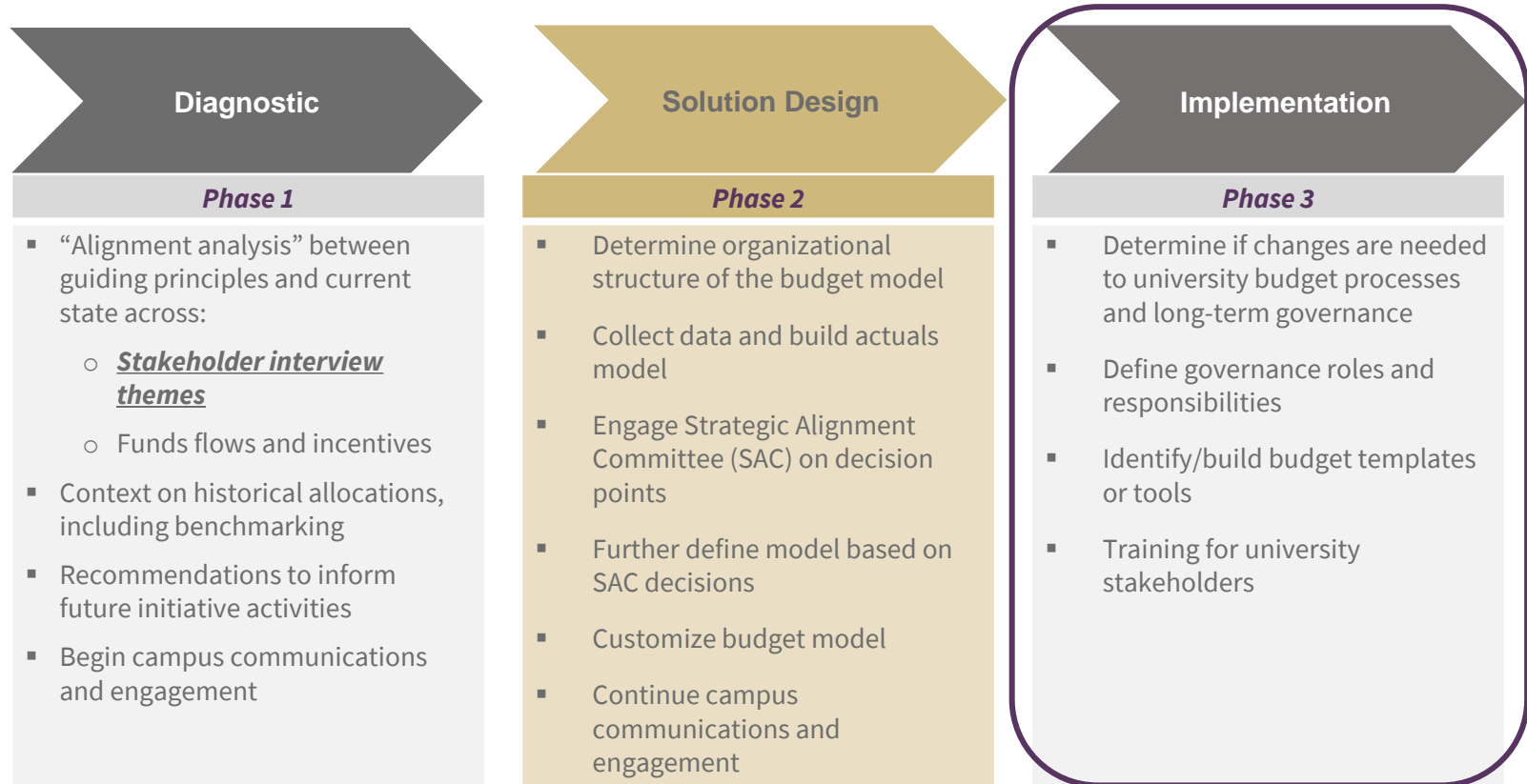
- Understand the committee's role and purpose as an overarching body, representing all units and the best interests of the university. "University First" needs to be the goal as we work through this initiative
- Attend all committee meetings when possible; substitutions/proxies are not allowed
- Participate actively and work cooperatively with other members and support staff
- Prepare for all committee meetings by reading and considering agenda items. It is expected that each meeting will require at least 1 hour of preparation.
- Preserve confidentiality of discussions and data; do not distribute materials unless committee has agreed on distribution
- SAC role includes escalating issues of concern and developing solution recommendations
- Zoom norms: please have video on whenever possible; use raise hand function; if chiming in to agree with someone else, please put this in chat instead of raising hand; there will be times when, during a presentation, we will turn off chat functions

What other norms should we as a committee adopt? How will we keep ourselves in a "University First" mindset?



Budget model redesign phases

A phased approach is being taken toward achievement of project goals and deliverables.



We are currently in the **Implementation** phase of the Budget Model Redesign.

Where are we in the process?

We are completing the hold harmless year, FY23, and projections have gone out to schools/colleges for the FY24 allocations. FY24 will be the first full year in the new model.

	FY21 (Jul. '20 – Jun. '21)	FY22 (Jul. '21 – Jun. '22)	FY23 (Jul. '22 – Jun. '23)	FY24 (Jul. '23 – Jun. '24)
A) Model Design (How money will flow across CU-B)	Complete			
B) Model Testing (Parking lot items, initial reporting, sensitivity analysis, evaluate overall model)		Complete		
C) Implementation Readiness (Broader training/education, processes/policies, define workflows, model refinements, undertake first new budget process)		In Progress		
D) Go-live (Year 1) (“Hold Harmless”) (Multi-year reporting, reflects new budget model approach)			In Progress	
E) Full New Budget Model Implementation				

Today



What the budget model doesn't do

A budget model is simply a revenue allocation method.

- New budget models **do not generate new resources**; therefore, initial modifications will not necessarily equate to more funding for a given college/school/unit.
- Well-designed models **do not automate all funding decisions**. The formulaic allocations in the model need to work in concert with discretionary, strategic decision-making.
- Our model **doesn't solve every budget issue** for CU Boulder; we still need policies, procedures, tools and governance to support the model and address concerns.
- Budget models are management tools that support leaders in managing their operations by informing decisions with an understanding of their financial impact. They are **not magic solutions** and on their own will not accomplish strategic goals for the institution.



Resource decisions: who decides what

