IBB Implementation Status and Proposed IBB Transition Support Plans

IBB Training & Information Session
January 8, 2015
Richard H. Cate, VP for Finance
on behalf of the IBB Transition Support Team
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   f. Planned support from the Provost and IBB Implementation Team
IBB Implementation Project Accomplishments and Status
IBB Implementation Project Status

On track for July 1 transition to IBB

- Operational work is on or ahead of schedule
- Professional development to date focused on the University Business Advisors (UBA)
- Broader transition support needs assessment and planning

Intensive, collaborative effort

- Over 80 individuals involved from 32 units
- Over 220 meetings to date
- THANK YOU!
Operational Accomplishments

• Provided data and conducted analyses to inform updates to Algorithms 3, 4, and 7

• Developed tools for FY16 budget process

• Piloted new F&A sharing methodology with CALS and CEMS

• Recommended facilities/space procedures

• Guidelines for net assets/reserves under development

• Guidelines for other income and revenue-generating activities under development

• Produced Q1 FY15 “shadow year” reports
Professional Development & Transition Support Accomplishments

• 23 IBB presentations to the UBA since April
• 10 weekly IBB brown-bag sessions for UBA members since November
• Over 40 additional meetings with deans, UBA members, and other academic unit leaders
• 12 project team members certified in change management
• 22 interviews with deans, vice presidents, UBA members, and governance groups re: IBB transition support needs
Still Ahead

**Spring 2015**

- Transition of CDE to a hybrid cost center – new Work Group formed
- Conversion of F&A shared agreement proposals and existing awards to new methodology; entry into PeopleSoft
- Implementation of full benefits-responsibility
- Implementation of transition support plans

**Summer/Fall 2015**

- Details re: FY17 budget process

**Continuous improvement**

- Shadow year reporting
- Modeling tools
- Reconciliation processes
Proposed IBB Transition Support Plan
Transition Support Purpose and Objectives

Purpose:
- Increase the speed of adoption, level of participation/engagement, and proficiency of the UVM community with regard to IBB, allowing UVM to realize the benefits of IBB sooner

Objectives:
- Support the needs of the UVM community during and after the transition to IBB
- Minimize disruptions
- Support the successful implementation and adoption of IBB
Basis of Needs Assessment

Process:
- VP Finance and IBB implementation project manager conducted 22 interviews with:
  - Responsibility Center senior leadership
  - Cost Center senior leadership
  - Faculty Senate Fiscal & Physical Planning Committee, Staff Council Compensation, Benefits & Budget Committee, and Graduate Student Senate Executive Committee (SGA leadership meeting still to be scheduled)
- UBA members asked to complete organizational impact and readiness worksheet for key constituent groups in their unit

Discussion questions:
- Level of awareness and readiness of faculty and staff in the unit
- Tools or other support needed by the dean/VP to sponsor the change in the unit
- Support or messages from the Provost or VP Finance that would be helpful
- Professional development needs and topics
- General IBB questions or concerns
IBB Transition Support Executive Summary

Specific recommendations and guidance compiled from interviews with deans, UBA members, vice presidents, and governance groups

- **Transition to IBB in Responsibility Centers to be led by each Dean**
  - Deans as active and visible sponsors of the transition
  - Approach tailored to each College/School’s needs and characteristics
  - UBA member as resident “IBB expert” and point person for information and education

- **Transition in Cost Centers to be led by each Vice President**
  - Vice Presidents as active and visible sponsors
  - Focus on high-quality service and efficiency/effectiveness measures with leadership teams
  - UBA member/ABSC analyst as resident “IBB expert” and point person for information and education

- **Provost’s Office, IBB Transition Support Team, and IBB Implementation Team to provide continued support, resources, and information**
  - Active and visible executive sponsorship
  - Regular campus-wide communications
  - FAQs, quarterly “shadow year” reports, and other information posted online
  - Documentation of the IBB model
  - Continued professional development for UBA members, faculty, and staff
  - Celebration/recognition of successful transition
Responsibility Center IBB Transition Support Plan

Specific recommendations and guidance compiled from interviews with deans, UBA members, vice presidents, and governance groups
Overview of Recommended Roles & Responsibilities

Specific recommendations and guidance compiled from interviews with deans, UBA members, vice presidents, and governance groups

Deans

• Actively and visibly sponsor the transition to IBB in their College/School
• Formulate a vision and strategy for how IBB will be implemented and managed in their College/School
• Set and communicate expectations re: any new IBB roles and responsibilities

UBA members

• Resident “IBB expert” and point person for information and education
• Support the Dean in developing and implementing the College/School IBB strategy; perform financial analyses of potential program changes

Chairs, Program Directors, Faculty & Staff

• Understand the Dean’s vision and strategy for implementing and managing IBB
• Understand the key IBB leverage points that are most significant to their academic program
• Understand how changes in individual programs can affect the College/School budget
• Participate actively in strategic planning as appropriate for their role
Key Messages for Deans to Communicate to their Faculty and Staff

Specific recommendations and guidance compiled from interviews with deans, UBA members, vice presidents, and governance groups

• We are one University
• We will be using IBB for the long-run, evolving and improving it over time
• Promoting academic quality and excellence is a key guiding principle for IBB
• We need to remain flexible and open as the model evolves
• IBB revenues and expenses are being allocated at the College/School level
  – Individual programs can affect the whole College/School, and vice versa
  – Some programs may subsidize others
  – Strategic needs of the entire College/School will be considered in deciding how to invest any additional resources
• IBB will not solve all problems immediately – we will still have budget challenges
• We cannot solve our budget challenges by cutting costs – we must grow revenue
Professional Development Strategies for Responsibility Center Faculty & Staff

Specific recommendations and guidance compiled from interviews with deans, UBA members, vice presidents, and governance groups

- Create multiple learning/communication opportunities over time
- Emphasize the key IBB leverage points for the College/School
- Rely on UBA members to lead financial/budget discussions and answer specific questions about the model
- Use College/School- or program-specific data to engage faculty
- Use modeling tools and scenarios to illustrate the impacts of program, curriculum, staffing, and other changes
Cost Center IBB Transition Support Plan

Specific recommendations and guidance compiled from interviews with deans, UBA members, vice presidents, and governance groups
Overview of Recommended Roles & Responsibilities

Specific recommendations and guidance compiled from interviews with deans, UBA members, vice presidents, and governance groups

Vice Presidents

• Actively and visibly sponsor the transition to IBB in their Division
• Formulate a vision and strategy for how their unit will respond to the new environment that IBB will create
• Set and communicate expectations re: any new IBB roles and responsibilities

UBA members/ABSC analysts

• Resident “IBB expert” and point person for information and education
• Support the VP in developing and implementing the Division IBB strategy; perform financial analyses of potential service or program changes

Directors

• Formulate a vision and strategy for how their unit will respond to the new environment that IBB will create

Staff

• Understand how their unit may be responding/adjusting to IBB
• Understand any specific IBB-related expectations for their role
• Participate in strategic planning as appropriate for their role
Key Messages for VPs and Directors to Communicate to their Staff

• We are one University
• We will be using IBB for the long-run, evolving and improving it over time
• We all need to remain flexible and open as the model evolves
• Cost centers must:
  – Be transparent re: costs and services so that Responsibility Centers understand what they’re paying for
  – Help Responsibility Centers understand the realities of operations – demands and constraints
  – Demonstrate value
  – Be more specific about what’s included in their basic level of service
• In Cost Centers, the environment for staff will change less than it will for staff in Responsibility Centers
• IBB will not solve all problems immediately – we will still have budget challenges
• The University cannot solve its budget challenges by cutting costs – we must grow revenue
Planned Campus-Wide IBB Transition Support from the Provost and IBB Implementation Team
Key IBB Transition Support Activities

• Communications
• Sponsorship
• Professional Development
• Reinforcement
## 2015 IBB Communications Plan

<table>
<thead>
<tr>
<th>Timing</th>
<th>Activity</th>
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<tbody>
<tr>
<td>Jan</td>
<td>• Leadership training and information session</td>
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<td></td>
<td>• Campus-wide IBB update from the Provost (revised final IBB report)</td>
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<td></td>
<td>• Messages to student governance groups</td>
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<td></td>
<td>• FAQs posted online</td>
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<tr>
<td>Feb</td>
<td>• Board of Trustees update</td>
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<td>• IBB open forum</td>
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<tr>
<td>Mar</td>
<td>• Campus-wide update from the Provost</td>
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<td>• IBB open forum</td>
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<tr>
<td>Apr</td>
<td>• IBB manual posted online</td>
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<td></td>
<td>• IBB open forum</td>
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<tr>
<td>May</td>
<td>• IBB open forum</td>
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<tr>
<td>Jun/Jul</td>
<td>• Celebration of successful transition</td>
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<td>Fall</td>
<td>• Update from Provost re: IBB and cost centers</td>
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<tr>
<td>Ongoing</td>
<td>• PALC meetings</td>
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<td>• UBA meetings and brown-bag lunches</td>
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<td></td>
<td>• Faculty Senate meetings</td>
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<tr>
<td>As requested</td>
<td>• Unit meetings</td>
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<td>• Other governance group meetings</td>
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</tbody>
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# 2015 Provost’s Executive Sponsorship Plan

<table>
<thead>
<tr>
<th>Target Audience</th>
<th>Activity</th>
<th>Date/Time</th>
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<tbody>
<tr>
<td>Deans</td>
<td>IBB leadership retreat</td>
<td>Jan 8-9</td>
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<td></td>
<td>PALC meetings (as needed)</td>
<td>Bi-weekly</td>
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<td></td>
<td>Annual unit budget meetings</td>
<td>March</td>
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<td>Regular 1:1 meetings</td>
<td>Monthly</td>
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<tr>
<td>Vice Presidents</td>
<td>Annual unit budget meetings</td>
<td>March</td>
</tr>
<tr>
<td>Chairs and Program Directors</td>
<td>Attend Responsibility Center faculty/chairs meetings at Deans’ invitation</td>
<td>Jan – Mar</td>
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<tr>
<td>University Community</td>
<td>Issue revised IBB Final Report</td>
<td>Jan</td>
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<tr>
<td></td>
<td>Faculty Senate meetings (as needed)</td>
<td>Spring 2015</td>
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<tr>
<td></td>
<td>Campus IBB updates emphasizing benefits of IBB, reiterating guiding</td>
<td>Jan / Mar /</td>
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<td></td>
<td>principles, and providing information/FAQs</td>
<td>May</td>
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<td></td>
<td>Celebratory message marking the official start of IBB</td>
<td>July 1</td>
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<tr>
<td>Content / Topic</td>
<td>Instructor</td>
<td>Delivery mechanism</td>
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<td>--------------------------------------------------------------------------------</td>
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<tr>
<td>“Finance 101” – key components of UVM’s budget</td>
<td>VP Finance</td>
<td>Jan IBB retreat; online</td>
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<tr>
<td>Key IBB leverage points for academic programs and depts.</td>
<td>UBA members</td>
<td>TBD by Deans and UBA members</td>
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<tr>
<td>Coping with change at work</td>
<td>TBD</td>
<td>Learning Services workshop</td>
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<tr>
<td>Managing and measuring organizational performance</td>
<td>TBD</td>
<td>Learning Services in collaboration with Admin Unit Review Cmte</td>
</tr>
<tr>
<td>IBB overview</td>
<td>Budget Director</td>
<td>EDU@UVM</td>
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<td>Make IBB presentations and models available for use by UBA members in training constituents in their unit</td>
<td>FAB, Implementation Team</td>
<td>Sharepoint site</td>
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<tr>
<td>Evaluate models/planning tools that UBA members develop, as requested</td>
<td>FAB</td>
<td>1:1 meetings</td>
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<tr>
<td>Support UBA members with planning, facilitation, and materials as-needed</td>
<td>FAB, Implementation Team, Transition Support Team</td>
<td>TBD</td>
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<tr>
<td>Continue UBA professional development</td>
<td>FAB, Implementation Team</td>
<td>UBA meetings; Brown bag lunches; 1:1 meetings</td>
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Reinforcement Plan

- Identify potential concerns and develop proactive mitigation strategies
- Monitor implementation and gather feedback from constituents
  - IBB Steering Committee, UBA, governance groups, deans and vice presidents, etc.
- Take action as necessary
- Celebrate success
- Conduct an after-action review of the implementation project and transition support effort
General Fund Revenue & Expense Increase Trend

- **2010**: $6 million
- **2011**: $7 million
- **2012**: $6 million
- **2013**: $12 million
- **2014**: $13 million

**Legend:**
- Blue bars represent Revenue Increase
- Red bars represent Base Expense Need

**Fiscal Year**
- 2010
- 2011
- 2012
- 2013
- 2014
General Fund Revenue by Major Category - $309.3 M

- **State Appropriation**: 13.8%
- **Net Undergrad Tuition**: 56.2%
- **Net Grad & Other Tuition**: 3.7%
- **Medical Tuition**: 7.1%
- **Income Expense Return**: 5.8%
- **F&A/Indirect Recovery**: 8.1%
- **Other Revenue**: 5.2%
FY 15 General Fund by Major Expense Category - $309.3 M

- Colleges & Schools: 45.5%
- Operations & Maintenance: 9.0%
- Institutional Support: 17.6%
- Student Services: 7.6%
- Academic Support: 11.6%
- Debt Service: 6.0%
- Extension & Ag: 2.7%

Total: $309.3 M