TO: Thomas Sullivan, President  
FROM: David V. Rosowsky, Provost and Senior Vice President  
DATE: January 31, 2014  
SUBJECT: Incentive-based Budget (IBB), Interim Report

I am writing to provide an interim report on the progress we have made toward the development and implementation of an Incentive-based Budget (IBB) Model at UVM. You asked for this interim report by the end of January 2014. The next milestone will be the delivery of a recommended IBB model for your review and consideration by the end of June. I am pleased to report that, as a result of the campus’ engagement and the many hours of hard work by so many at our university, we are on-schedule in this first year of what is anticipated to be a two-year process leading to the launch of IBB in FY16.

BACKGROUND

In academic year 2012-13, the UVM community engaged in a discussion about the characteristics and operation of its existing budget model. Those discussions included governance leaders, Trustees, academic and administrative business managers, members of the Faculty Senate, and other constituents. There was uniform agreement with respect to the model’s problems: (1) a lack of transparency, (2) too much complexity, (3) little flexibility, and (4) few incentives. At the start of the fall 2013 semester you asked me, in my role as chief budget officer, to lead the effort to develop a new Incentive-based Budget (IBB) model for the University.

PROJECT ORGANIZATION

A Steering Committee has been established with responsibility for developing a final set of recommendations to you (including specific model elements and operating expectations) by June 2014. The IBB Steering Committee is supported by the following eight subcommittees that each have responsibility for exploring a particular component of the IBB model and providing the Steering Committee with specific recommendations:

1. Cost Pool Methodology
2. Facilities and Space Costs
3. Fee Generating Units
4. Graduate Tuition Revenue and Aid
5. Interdisciplinary Scholarship and Teaching
6. Non-Degree and Online Tuition and Aid
7. Research and Indirect Cost Recovery
8. Undergraduate Tuition Revenue and Aid

The development, implementation and continual assessment of the new budget model will be guided both by the Academic Excellence Goals for the University of Vermont and the following principles which you established last fall:

- Creates incentives that promote academic quality and excellence;
- Creates incentives at all levels of the University that promote financial sustainability;
- Encourages innovation and entrepreneurship throughout the University;
- Provides transparency, clarity, and predictability;
- Can be easily understood, is easy to implement and operate, and is flexible; and
- Can operate in all cycles of the economy, whether robust or downturn.

STEERING COMMITTEE AND (8) SUBCOMMITTEE APPOINTMENTS

The senior academic and administrative leadership of the University was asked to nominate candidates to serve on the Steering Committee. From these nominations, I assembled a Steering Committee that reflects the enormous talent, expertise, and dedication that are the hallmarks of our community (Appendix A), while also ensuring diverse and broad representation. The 22-member Steering Committee was announced to the campus on September 16, 2013 and includes 11 faculty, 5 staff, 2 senior administrators, 2 deans, and 2 students. Four members of the committee are department chairs, 5 hold named professorships, and 3 are Faculty Senators. All of the degree-granting units have membership on the Steering Committee.

At the time the Steering Committee was announced, I put out a call to the entire campus for self-nominations for membership on one of the subcommittees. We had a tremendous response from the campus community and on October 4, 2013 subcommittee membership was announced to the campus (Appendix B). Membership on the eight subcommittees includes 43 faculty, 10 deans or vice presidents, 27 staff and 1 student. (Two members of each subcommittee, including the subcommittee chair, are also members of the Steering Committee.)

In all, we had almost 200 nominations for membership on the Steering Committee and subcommittees. When assembling the committees, we strove for balance along a number of dimensions of diversity and inclusiveness both within and among the subcommittees. We were attentive to intellectual, gender, cultural, faculty/staff, home unit, and self-nomination/central nomination mixes. We also were careful to include the right backgrounds and expertise to ensure robust and productive subcommittee discussions.

Additionally, the following individuals have provided assistance, institutional data/research, and staffing support to the Steering Committee and subcommittees:

- Kerry Castano, Assistant Provost and Chief of Staff to the Provost, Office of the Provost
- Alberto Citarella, University Budget Director, Office of Financial Analysis and Budgeting
- Gary Derr, Vice President for Executive Operations, Office of the President
- John Ryan, Director, Office of Institutional Research
COMMUNICATIONS TO THE CAMPUS

We are committed to an open and transparent process and have communicated with campus in the following ways:

Website:
An IBB website\(^1\) was established in September 2013 and includes information on the Steering Committee, the subcommittees, the project timeline, campus communications, presentations, reports and IBB informational resources. The website also includes a link which allows users to provide feedback, ask questions, and submit suggestions.

Campus-wide Memos:
Five campus-wide IBB memos have been issued (to-date) and posted on the IBB Website. The November 2013 issue of *Across the Green*, my memo to the UVM academic community, also included an update on IBB and is posted on the Provost’s Office website\(^2\).

Presentations and Meetings:
The IBB website underscores our commitment to communication throughout the process and includes the following invitation, “We will meet with anyone, anytime, anywhere to discuss IBB.” In the fall, 18 meetings were held with governance groups and campus leadership to share information on the IBB development effort, as well as to provide general information on how IBB models work at other universities. I also provided an interview to the *Vermont Cynic*\(^3\).

ACTIVITIES TO-DATE

Steering Committee:
The Steering Committee has met five times as of January 17, 2014. Its work has included affirming the project’s guiding principles, participation in the selection of the subcommittee members, reviewing the subcommittee charges, educating itself on IBB models, receiving updates from the subcommittee chairs, and determining the process for reviewing the subcommittee reports. The Steering Committee is scheduled to meet six times this spring.

Subcommittees:
On October 8\(^{th}\), the subcommittees were issued their charges (Appendix C). They have been meeting regularly since then to consider and suggest specific IBB algorithms to the Steering Committee (which were due January 24, 2014).

IBB Retreat:
On October 28\(^{th}\), members of the Steering Committee and subcommittees participated in a day-long retreat with presentations by Professor Doug Priest and Associate Vice President and Budget Director Aimee Heeter of Indiana University-Bloomington, a university that implemented its IBB budget model over 20 years ago. This retreat provided the groups with an opportunity to further their understanding of IBB models, to learn from the experience of another university, and to ask questions related to the work of their committees.

\(^1\) [http://www.uvm.edu/provost/IBB/](http://www.uvm.edu/provost/IBB/)
\(^2\) [http://www.uvm.edu/~provost/Across%20the%20Green_Nov%202013.pdf](http://www.uvm.edu/~provost/Across%20the%20Green_Nov%202013.pdf)
\(^3\) [http://www.uvm.edu/provost/IBB/Rosowsky%20Cynic%20IBB%20Q&A.pdf](http://www.uvm.edu/provost/IBB/Rosowsky%20Cynic%20IBB%20Q&A.pdf)
IBB Off-site Visits:
On August 22\textsuperscript{nd} and September 23\textsuperscript{rd}, a group of deans, business managers from the colleges and schools and members of UVM’s Division of Finance visited the University of New Hampshire and the University of Delaware to learn about their IBB models, implementation processes, and experiences.

SPRING 2014 ACTIVITIES

The reports from the IBB subcommittees were due on January 24, 2014. All subcommittee reports were submitted on-time and have been posted on the IBB website. In January and February, the Steering Committee will review the reports and identify algorithms that may make sense for a University of Vermont IBB model. The University’s finance team will then run financial models based on the proposed algorithms, and bring that analysis to the Steering Committee for its review.

In February and March, members of the Steering Committee, subcommittees, and project staff will be reaching out to the broader campus community in the IBB discussion through an engagement campaign that will include meetings with the following leadership and governance groups:

- Budget, Finance and Investment Committee of the Board of Trustees
- President’s Advisory Council
- President’s Senior Leadership Council
- Provost’s Academic Leadership Council
- Faculty Senate Executive Council
- Faculty Senate Finance and Physical Planning Committee
- Faculty Senate – Full Senate
- Graduate Student Senate
- Staff Council
- Student Government Association
- University Business Advisors

In April and May, the Steering Committee will review the financial analysis of the proposed algorithms along with feedback and suggestions received as part of the engagement campaign, and will make recommendations on the design and overall methodology of an IBB model. We are still on-track to be able to provide you with a recommended IBB model by the end of June.

FINAL THOUGHTS

As I have shared with you many times since we started this important work last September, I have been enormously impressed by and grateful for the response of the UVM community in stepping up to meet the challenge of creating a new budget model for the University. I am grateful to everyone that took the time to learn about IBB models, to think critically and creatively about how we might operate under a new budget model, and to offer their time and their energy to serve on committees or participate in one of the many campus presentations and conversations. The members of the Steering Committee and subcommittees, in particular, have invested countless hours in the very significant tasks that were set before them. They have been creative, thoughtful, and engaged University citizens that have brought the full complement of their intellect, experience and expertise to this work.
To: Faculty and Staff of the University of Vermont

From: David V. Rosowsky, Provost and Senior Vice President

Subject: Incentive-based Budget Model: Steering Committee Membership, Call for Subcommittee Self-Nominations, and the IBB Website

President Sullivan has asked me to lead the effort to develop a new incentive-based budget (IBB) model for the University of Vermont. The cornerstone of this model is the creation of clear incentives to ensure academic quality and financial sustainability. This effort will be overseen by a broad-based Steering Committee (SC) that will be responsible for the final recommendations on the design and methodology of an overall incentive-based budget model for the University of Vermont.

The assembled Steering Committee reflects the enormous talent, expertise and dedication that are the hallmarks of our community. They will approach this work openly, with a vested interest only in that which is best for our University as a whole. They will also serve as vital communication links across campus and will help ensure a transparent, consultative and ultimately successful process.

**IBB Steering Committee Membership**

*David Rosowsky*, Committee Chair; Provost and Senior Vice President

*Lisa Aultman-Hall*, Professor, School of Engineering and Transportation Research Center

*Joshua Barry*, Undergraduate Student, College of Engineering and Mathematical Sciences; Treasurer, Student Government Association

*Shari Bergquist*, Assistant Dean for Business Operations, College of Nursing and Health Sciences

*Breck Bowden*, Patrick Professor of Watershed Science and Planning; Director, Water Resources and Lake Studies Center

*Johanna Brabham*, Manager, Residential Life and Davis Center Custodial Services Department

*Richard Cate*, Vice President for Finance and Treasurer

*Rex Forehand*, Heinz and Rowena Ansbacher Endowed University Distinguished Professor

*Jennifer Gagnon*, Interim Associate Vice President for Research Administration

*Jane Kolodinsky*, Professor and Chair, Department of Community Development and Applied Economics

*Fayneese Miller*, Dean, College of Education and Social Services

*Rick Morin*, Dean, College of Medicine

*Owen Myers*, Graduate Student, Materials Science; Treasurer, Graduate Student Senate
Rae Nishi, Professor, Neurological Sciences; Director, Neuroscience Graduate Program; Director, Neuroscience, Behavior and Health Transdisciplinary Research Initiative

Polly Parsons, E.L. Amidon Professor of Medicine and Chair, Department of Medicine

Don Ross, Research Professor, Department of Plant and Soil Science; Director, CALS Environmental Sciences Major; Chair, Faculty Senate Financial and Physical Planning Committee

George Salembier, Associate Professor and Chair, Department of Education

Beth Taylor-Nolan, Assistant Dean, Continuing Education

Richard Vanden Bergh, Associate Professor, School of Business Administration

Jim Vigoreaux, Breazzano Endowed Professor and Chair, Department of Biology

Beth Wiser, Director, Office of Admissions

**Call for Subcommittee Self-Nominations**

The IBB Steering Committee will be supported by subcommittees that will explore a particular component of the IBB model, ultimately recommending a course of action for the Steering Committee’s consideration. Membership on a subcommittee will require a substantial time commitment throughout this academic year. The initial list of subcommittees includes:

- **Cost Pool Methodology** – *Chaired by Professor Polly Parsons*
- **Facilities and Space Costs** – *Chaired by Professor Don Ross*
- **Fee Generating Units** – *Chaired by Professor Breck Bowden*
- **Graduate Tuition Revenue and Aid** – *Chaired by Professor Rae Nishi*
- **Non-Degree and Online Tuition and Aid** – *Chaired by Professor Jane Kolodinsky*
- **Research and Indirect Cost Recovery** – *Chaired by Professor Jim Vigoreaux*
- **Undergraduate Tuition Revenue and Aid** – *Chaired by Professor Lisa Aultman-Hall*

I invite faculty and staff members to self-nominate for service on a subcommittee. Your self-nomination should include (1) the name of the subcommittee(s) on which you’d like to serve if you have a particular preference, (2) your title and a one-paragraph summary of your University experience, and (3) the perspective and/or expertise you would bring to the subcommittee. Please e-mail your self-nomination to Provost.Office@uvm.edu by noon on Thursday, September 19, 2013. If you have any questions about subcommittee membership, please contact Kerry Castano at 61299 or Kerry.Castano@uvm.edu. Note: if you were nominated for the Steering Committee you are already on the list of potential subcommittee members.

**IBB Website**

We are committed to transparency and open communications throughout this process. To that end, we have developed an IBB website at [http://www.uvm.edu/provost/IBB](http://www.uvm.edu/provost/IBB) which will provide current information about the project, its timeline, communications to campus, presentations, reports and informational resources. It will also provide mechanisms for members of the campus community to provide feedback and respond to surveys or interim reports that are posted as our work progresses. Please bookmark this site and visit it often.
We also welcome opportunities to meet with smaller groups to provide information and answer questions. **We will meet with anyone, anytime, anywhere to discuss IBB.** If you’d like to set up an IBB meeting, contact University Budget Director Alberto Citarella at [alberto.citarella@uvm.edu](mailto:alberto.citarella@uvm.edu).

This exercise is certain to be exciting and enlightening. It will challenge many long-held practices and beliefs and will fundamentally transform our culture. As our work unfolds, I ask you to believe in the best in each other and to help determine what’s best for our University. Together we have a remarkable opportunity to position UVM for success in a future that is also certain to be exciting, enlightening and challenging.

Thank you.
To:
Faculty and Staff of the University of Vermont

From:
David V. Rosowsky, Provost and Senior Vice President

Subject:
Incentive-based Budgeting (IBB) Subcommittee Membership

We had a tremendous response from the campus community to participate on the IBB subcommittees. With so many outstanding nominees from across our campus, determining IBB subcommittee membership was a challenge, but a challenge of the very best sort. Upon reviewing the list of nominees, my respect and admiration for the experience, expertise and dedication of our faculty and staff has deepened. I am honored to be working with all of you and I am grateful for your willingness to engage in this important conversation.

When assembling the subcommittees, we sought balance along a number of dimensions of diversity and inclusiveness both within and among the subcommittees. We were attentive to gender, cultural, intellectual, faculty/staff, home unit, and self-nomination/central nomination mixes. That said, we also needed the right backgrounds and expertise at the table to ensure productive subcommittee discussions. While we endeavored for balance across a number of dimensions, it was not possible in all cases. I am confident we have assembled outstanding subcommittees that will effectively and actively represent our entire community. These individuals are serving as university citizens who will bring the entirety of their talents and intellect to this work on behalf of all of us.

As noted in my IBB update memo to campus on September 23, we have added a subcommittee on Interdisciplinary Scholarship and Teaching, which will be chaired by Professor William Mierse. By design, this subcommittee is comprised entirely of faculty and includes a broad range of academic disciplines with slightly less focus on balance among units.

The IBB subcommittees will, of course, draw on expertise from across campus as they conduct their work. As always, you can find current information at the IBB website.

I extend my sincerest thanks to those who were willing to be considered for appointment to these subcommittees, and to those who accepted appointments.

(membership listing begins on page 2)
INCENTIVE-BASED BUDGETING – SUBCOMMITTEE MEMBERSHIP

COST POOL METHODOLOGY:
Polly Parsons, Professor and Chair, Department of Medicine (Chair)
Mike Austin, Director of System Administration, Enterprise Technology Services
Shari Bergquist, Asst. Dean for Business Operations, College of Nursing and Health Sciences
Stephen Dempsey, Associate Professor, School of Business Administration
Rose Feenan, Asst. Dean for Business Operations, Rubenstein School of Environment and Natural Resources
Cathy Krupp, Financial Manager, Continuing and Distance Education
Patricia Redmond, Assistant to the Dean, Honors College
Mara Saule, Chief Information Officer and Dean, Libraries and Learning Resources
Ross Thomson, Professor, Department of Economics
Gregory Warrington, Assistant Professor, Department of Mathematics and Statistics

FACILITIES AND SPACE COSTS:
Don Ross, Research Professor, Department of Plant and Soil Science (Chair)
Alison Armstrong, Library Professor, Bailey Howe Library Information and Instruction Services
Johanna Brabham, Manager, Residential Life and Davis Center Custodial Services Department
Linda Burnham, Assistant Dean for Business Operations, College of Arts and Sciences
Brian Cote, Senior Associate Dean for Finance and Administration, College of Medicine
Gary Hawley, Research Associate, Rubenstein School of Environment and Natural Resources
Josie Mercure, Associate Director, Financial Analysis and Budgeting
Kim Parker, Associate Director, Residential Life
Sanjay Sharma, Dean, School of Business Administration
Robert Vaughan, Director, Capital Planning and Management

GRADUATE TUITION REVENUE AND AID:
Rae Nishi, Professor, Department of Neurological Sciences (Chair)
Penny Bishop, Professor, Department of Education
Norman Craige, Associate Director, Student Financial Services
Paul Deslandes, Associate Professor and Chair, Department of History
Cindy Forehand, Interim Dean, Graduate College
Luis Garcia, Dean, College of Engineering and Mathematical Sciences
Diane Jette, Professor and Chair, Department of Rehabilitation and Movement Science
Christopher Koliba, Professor, Department of Community Development and Applied Economics
Erin Montgomery, Program Administrator, Cell and Molecular Biology Program
Richard Vanden Bergh, Associate Professor, School of Business Administration
INTERDISCIPLINARY SCHOLARSHIP AND TEACHING:
William Mierse, Department of Art and Art History (Chair)
David Barrington, Professor, Department of Plant Biology
Christopher Berger, Associate Professor, Department of Molecular Physiology and Biophysics
Rosemary Dale, Clinical Professor and Chair, Department of Nursing
Maggie Eppstein, Associate Professor and Chair, Department of Computer Science
Stephanie Kaza, Professor, Rubenstein School of Environment and Natural Resources
Tammy Kaza, Assistant Professor, Department of Leadership and Developmental Sciences
Charlotte Mehrten, Professor, Department of Geology
Wolfgang Mieder, Professor, Department of German and Russian
David Novak, Associate Professor, School of Business Administration
Julie Roberts, Professor, Department of Romance Languages and Linguistics

NON-DEGREE AND ONLINE TUITION REVENUE AND AID:
Jane Kolodinsky, Professor and Chair, Department of Community Development and Applied Economics (Chair)
Jennifer Dickinson, Associate Professor, Department of Anthropology
Cynthia Gerstl-Pepin, Associate Dean, College of Education and Social Services
William Jeffries, Senior Associate Dean for Medical Education, College of Medicine
Jill King, Associate Director, Student Financial Services
Daniel Lerner, Associate Dean, UVM Extension
Patricia Prelock, Dean, College of Nursing and Health Sciences
Abu Rizvi, Dean, Honors College
Beth Taylor-Nolan, Assistant Dean, Continuing and Distance Education
Keith Williams, Registrar, Office of the Registrar

OTHER REVENUE AND FEES:
Breck Bowden, Professor, Rubenstein School of Environment and Natural Resources (Chair)
Joshua Barry, Undergraduate Student, College of Engineering and Mathematical Sciences
Cynthia Belliveau, Dean, Continuing and Distance Education
Dennis DePaul, Assistant Dean for Business Operations, Dean of Students
Stephanie Dion, Director, Administrative Business Service Center
Patricia Eldred, Director, Administrative and Facilities Services Auxiliary Services
Mary Peabody, Extension Professor, UVM Extension
Julia Russell, Associate Chief Information Officer, Enterprise Technology Services
Susan Ryan, Professor and Director, Center on Disability and Community Inclusion
Jeff Schulman, Associate Director, Athletics
RESEARCH AND INDIRECT COST RECOVERY:
Jim Vigoreaux, Professor and Chair, Department of Biology (Chair)
Paula Deming, Associate Professor, Department of Medical Laboratory and Radiation Sciences
John Evans, Interim Vice President for Research
Jennifer Gagnon, Interim Associate Vice President for Research Administration
Dryver Huston, Professor, School of Engineering
Robin Lockerby, Evaluation Data Specialist, UVM Extension
Jessica Strolin, Associate Professor, Department of Social Work
Russell Tracy, Professor, Department of Pathology
Kevin Trainor, Professor and Chair, Department of Religion
Tom Vogelmann, Dean, College of Agriculture and Life Sciences

UNDERGRADUATE TUITION REVENUE AND AID:
Lisa Aultman-Hall, Professor, School of Engineering (Chair)
Pamela Blum, Assistant Dean for Business Operations, College of Education and Social Services
Antonio Cepeda-Benito, Dean, College of Arts and Sciences
Richard Fanus, Assistant Dean for Business Operations, College of Agriculture and Life Sciences
Marie Johnson, Director, Student Financial Services
Thomas Noordewier, Associate Dean, School of Business Administration
Lisa Schnell, Associate Dean, Honors College
Jeremy Sibold, Associate Professor, Department of Rehabilitation and Movement Science
Deane Wang, Associate Professor, Rubenstein School of Environment and Natural Resources
Beth Wiser, Director, Office of Admissions
Introduction:
In academic year 2012-13, the University community engaged in a discussion about the characteristics and operation of its existing budget model. Those discussions included governance leaders, Trustees, academic and administrative business managers, members of the Faculty Senate, and other constituents. There was uniform agreement over the model’s problems: lack of transparency, too much complexity, little flexibility, and few incentives.

President Sullivan has asked Provost David Rosowsky, in his role as UVM’s Chief Budget Officer, to lead the effort to develop a new incentive-based budget (IBB) model for the University. The Provost will chair the IBB Steering Committee that will be responsible for the final recommendations that will be made to the President on the design and methodology of an overall incentive-based budget model for the University of Vermont.

Members of the IBB Steering Committee will chair and/or serve on IBB subcommittees that will explore particular components of the IBB model, providing possible courses of action for the Steering Committee’s consideration.

Guiding Principles:
The development, implementation and continuing assessment of the new Incentive-based Budget Model will be guided by the following principles:

- Creates incentives that promote academic quality and excellence
- Creates incentives at all levels of the University that promote financial sustainability
- Encourages innovation and entrepreneurship throughout the University
- Provides transparency, clarity, and predictability
- Can be easily understood, is easy to implement and operate, and is flexible
- Can operate in all cycles of the economy, whether robust or downturn

Cost Pool Methodology Subcommittee Membership:
Polly Parsons, Professor and Chair, Department of Medicine (Chair)
Mike Austin, Director of System Administration, Enterprise Technology Services
Shari Bergquist, Asst. Dean for Business Operations, College of Nursing and Health Sciences
Stephen Dempsey, Associate Professor, School of Business Administration
Rose Feenan, Asst. Dean for Business Operations, Rubenstein School of Environment and Natural Resources
Cathy Krupp, Financial Manager, Continuing and Distance Education
Patricia Redmond, Assistant to the Dean, Honors College
Mara Saule, Chief Information Officer and Dean, Libraries and Learning Resources
Ross Thomson, Professor, Department of Economics
Gregory Warrington, Assistant Professor, Department of Mathematics and Statistics
**Charge:**
By January 24, 2014, submit for the IBB Steering Committee’s consideration a report that includes a minimum of two algorithms to allocate the cost of University-wide common goods and administrative services among the revenue-generating Responsibility Centers. The report should include:

- A description of the process by which the algorithms were developed
- An explanation of the algorithms and their component parts
- A discussion of how the algorithms support the IBB guiding principles
- Any additional information that would be useful to the Steering Committee as it considers the algorithms

**Questions to Consider:**
The following list of questions is not intended to be comprehensive. It is a guide that may be helpful to the subcommittee as it begins its work.

- What expenses should be included in the University’s cost pool?
- How many cost pools should be utilized?
- On what basis should cost pool expenses be allocated to the Responsibility Centers?
- Should the administrative or co-curricular Responsibility Centers be subject to the same cost pool assessments as the academic Responsibility Centers?

**Resources and Support:**
Each IBB subcommittee will be provided with a budget of $500 to assist with photocopying, supplies, room reservation charges, meals and other related expenses.

A Sharepoint site has been established to facilitate the work of the subcommittees. The site address is: [https://sharepoint.uvm.edu/sites/ibb](https://sharepoint.uvm.edu/sites/ibb)

The following individuals are available to provide the subcommittees with data and other information, to help answer questions, and to attend subcommittee meetings if that will be helpful to the groups. The subcommittees may also draw on relevant expertise from other campus resources.

- Alberto Citarella, Director of the Office of Financial Analysis and Budgeting, 656-1164, Alberto.Citarella@uvm.edu
- John Ryan, Director of the Office of Institutional Research, 656-4418, John.F.Ryan@uvm.edu
- Stephanie Dion, Director, Administrative Business Service Center, 656-4368, Stephanie.Dion@uvm.edu
Introduction:
In academic year 2012-13, the University community engaged in a discussion about the characteristics and operation of its existing budget model. Those discussions included governance leaders, Trustees, academic and administrative business managers, members of the Faculty Senate, and other constituents. There was uniform agreement over the model’s problems: lack of transparency, too much complexity, little flexibility, and few incentives.

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- Can operate in all cycles of the economy, whether robust or downturn

Facilities and Space Costs Subcommittee Membership:
Don Ross, Research Professor, Department of Plant and Soil Science (Chair)
Alison Armstrong, Library Professor, Bailey Howe Library Information and Instruction Services
Johanna Brabham, Manager, Residential Life and Davis Center Custodial Services Department
Linda Burnham, Assistant Dean for Business Operations, College of Arts and Sciences
Brian Cote, Senior Associate Dean for Finance and Administration, College of Medicine
Gary Hawley, Research Associate, Rubenstein School of Environment and Natural Resources
Josie Mercure, Associate Director, Financial Analysis and Budgeting
Kim Parker, Associate Director, Residential Life
Sanjay Sharma, Dean, School of Business Administration
Robert Vaughan, Director, Capital Planning and Management
Charge:
By January 24, 2014, submit for the IBB Steering Committee’s consideration a report that includes a minimum of two algorithms to allocate all costs associated with the University’s physical space among the revenue-generating Responsibility Centers. The report should include:

A description of the process by which the algorithms were developed

An explanation of the algorithms and their component parts

A discussion of how the algorithms support the IBB guiding principles

Any additional information that would be useful to the Steering Committee as it considers the algorithms

Questions to Consider:
The following list of questions is not intended to be comprehensive. It is a guide that may be helpful to the subcommittee as it begins its work.

How will utility and custodial expenses be allocated to Responsibility Centers?

Taking into account the special needs of heritage buildings, and the differences in operating efficiencies between new and old buildings, how will operation and maintenance expenses (including deferred maintenance) be allocated to Responsibility Centers?

How will the expenses associate with common spaces be allocated? Classrooms? Relinquished space? Leased space?

How will new construction expenses/new capital debt be allocated? How will expenses associated with existing capital debt be allocated?

Resources and Support:
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A Sharepoint site has been established to facilitate the work of the subcommittees. The site address is: https://sharepoint.uvm.edu/sites/ibb

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- Alberto Citarella, Director of the Office of Financial Analysis and Budgeting, 656-1164, Alberto.Citarella@uvm.edu
- John Ryan, Director of the Office of Institutional Research, 656-4418, John.F.Ryan@uvm.edu
- Claire Burlingham, University Controller, 656-8356, Claire.Burlingham@uvm.edu
An Incentive-Based Budget Model for the University of Vermont
Charge to the Subcommittee on Graduate Tuition Revenue and Aid
October 8, 2013

Introduction:
In academic year 2012-13, the University community engaged in a discussion about the characteristics and operation of its existing budget model. Those discussions included governance leaders, Trustees, academic and administrative business managers, members of the Faculty Senate, and other constituents. There was uniform agreement over the model’s problems: lack of transparency, too much complexity, little flexibility, and few incentives.

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Members of the IBB Steering Committee will chair and/or serve on IBB subcommittees that will explore particular components of the IBB model, providing possible courses of action for the Steering Committee’s consideration.

Guiding Principles:
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- Creates incentives that promote academic quality and excellence
- Creates incentives at all levels of the University that promote financial sustainability
- Encourages innovation and entrepreneurship throughout the University
- Provides transparency, clarity, and predictability
- Can be easily understood, is easy to implement and operate, and is flexible
- Can operate in all cycles of the economy, whether robust or downturn

Graduate Tuition Revenue and Aid Subcommittee Membership:
Rae Nishi, Professor, Department of Neurological Sciences (Chair)
Penny Bishop, Professor, Department of Education
Norman Craige, Associate Director, Student Financial Services
Paul Deslandes, Associate Professor and Chair, Department of History
Cindy Forehand, Interim Dean, Graduate College
Luis Garcia, Dean, College of Engineering and Mathematical Sciences
Diane Jette, Professor and Chair, Department of Rehabilitation and Movement Science
Christopher Koliba, Professor, Department of Community Development and Applied Economics
Erin Montgomery, Program Administrator, Cell and Molecular Biology Program
Richard Vanden Bergh, Associate Professor, School of Business Administration
Charge:
By January 24, 2014, submit for the IBB Steering Committee’s consideration a report that includes a minimum of two algorithms to allocate the revenues and expenses associated with graduate tuition, aid and stipends to the revenue-generating Responsibility Centers. The report should include:

- A description of the process by which the algorithms were developed
- An explanation of the algorithms and their component parts
- A discussion of how the algorithms support the IBB guiding principles
- Any additional information that would be useful to the Steering Committee as it considers the algorithms

Questions to Consider:
The following list of questions is not intended to be comprehensive. It is a guide that may be helpful to the subcommittee as it begins its work.

- Where does the responsibility for the expenses and revenue associated with graduate tuition, aid and stipends reside: at the level of the Graduate College or the other colleges and schools?

- How should the revenue generated by graduate tuition be allocated? Some possibilities: by student credit hour taught; by degree program/major; with or without a distinction for in-state, out-of-state, and international student revenue.

- How should graduate financial aid expenses be distributed in an IBB model?

- How do the algorithms facilitate interdisciplinary graduate programs?

- How/should the algorithms account for the differing levels of graduate education (masters and doctoral)? How/should they create incentives for supporting doctoral education?

Resources and Support:
Each IBB subcommittee will be provided with a budget of $500 to assist with photocopying, supplies, room reservation charges, meals and other related expenses.

A Sharepoint site has been established to facilitate the work of the subcommittees. The site address is: https://sharepoint.uvm.edu/sites/ibb

The following individuals are available to provide the subcommittees with data and other information, to help answer questions, and to attend subcommittee meetings if that will be
helpful to the groups. The subcommittees may also draw on relevant expertise from other campus resources.

Alberto Citarella, Director of the Office of Financial Analysis and Budgeting, 656-1164, Alberto.Citarella@uvm.edu

John Ryan, Director of the Office of Institutional Research, 656-4418, John.F.Ryan@uvm.edu
Introduction:
In academic year 2012-13, the University community engaged in a discussion about the characteristics and operation of its existing budget model. Those discussions included governance leaders, Trustees, academic and administrative business managers, members of the Faculty Senate, and other constituents. There was uniform agreement over the model’s problems: lack of transparency, too much complexity, little flexibility, and few incentives.

President Sullivan has asked Provost David Rosowsky, in his role as UVM’s Chief Budget Officer, to lead the effort to develop a new incentive-based budget (IBB) model for the University. The Provost will chair the IBB Steering Committee that will be responsible for the final recommendations that will be made to the President on the design and methodology of an overall incentive-based budget model for the University of Vermont.

Members of the IBB Steering Committee will chair and/or serve on IBB subcommittees that will explore particular components of the IBB model, providing possible courses of action for the Steering Committee’s consideration.

Guiding Principles:
The development, implementation and continuing assessment of the new Incentive-based Budget Model will be guided by the following principles:

- Creates incentives that promote academic quality and excellence
- Creates incentives at all levels of the University that promote financial sustainability
- Encourages innovation and entrepreneurship throughout the University
- Provides transparency, clarity, and predictability
- Can be easily understood, is easy to implement and operate, and is flexible
- Can operate in all cycles of the economy, whether robust or downturn

Interdisciplinary Scholarship and Teaching Subcommittee Membership:
William Mierse, Department of Art and Art History (Chair)
David Barrington, Professor, Department of Plant Biology
Christopher Berger, Associate Professor, Department of Molecular Physiology and Biophysics
Rosemary Dale, Clinical Professor and Chair, Department of Nursing
Maggie Eppstein, Associate Professor and Chair, Department of Computer Science
Stephanie Kaza, Professor, Rubenstein School of Environment and Natural Resources
Tammy Kolbe, Assistant Professor, Department of Leadership and Developmental Sciences
Charlotte Mehrtens, Professor, Department of Geology
Wolfgang Mieder, Professor, Department of German and Russian
David Novak, Associate Professor, School of Business Administration
Julie Roberts, Professor, Department of Romance Languages and Linguistics
Charge:
By January 24, 2014, submit for the IBB Steering Committee’s consideration a report that identifies the potential impact of an IBB budget model on interdisciplinary scholarship and teaching, as well as suggestions for how a new budget model might foster interdisciplinarity. The report should include:

Identification and definition of the different types of interdisciplinary scholarly and teaching activity on campus

Identification of the different types of interdisciplinary organizational units on campus, including research centers

A determination of which of these activities/organizational units have budget model implications; identification of those implications

Suggestions related to the design of the budget model that will foster interdisciplinarity

Identification of metrics that will allow for the measurement of interdisciplinary activity on campus

Resources and Support:
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Guiding Principles:
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Non-Degree and Online Tuition Revenue and Aid Subcommittee Membership:
Jane Kolodinsky, Professor and Chair, Department of Community Development and Applied Economics (Chair)
Jennifer Dickinson, Associate Professor, Department of Anthropology
Cynthia Gerstl-Pepin, Associate Dean, College of Education and Social Services
William Jeffries, Senior Associate Dean for Medical Education, College of Medicine
Jill King, Associate Director, Student Financial Services
Daniel Lerner, Associate Dean, UVM Extension
Patricia Prelock, Dean, College of Nursing and Health Sciences
Abu Rizvi, Dean, Honors College
Beth Taylor-Nolan, Assistant Dean, Continuing and Distance Education
Keith Williams, Registrar, Office of the Registrar
Charge:
By January 24, 2014, submit for the IBB Steering Committee’s consideration a report that includes a minimum of two algorithms to allocate the revenues and expenses associated with non-degree, summer and online education to the revenue-generating Responsibility Centers. These models should reflect the University’s current organization and practices related to non-degree, summer and online education. The subcommittee may also choose to submit additional algorithms that propose an alternative organizational model for non-degree, summer and online education. The report should include:

- A description of the process by which the algorithms were developed
- An explanation of the algorithms and their component parts
- A discussion of how the algorithms support the IBB guiding principles
- Any additional information that would be useful to the Steering Committee as it considers the algorithms

Questions to Consider:
The following list of questions is not intended to be comprehensive. It is a guide that may be helpful to the subcommittee as it begins its work.

- Where does the responsibility for the expenses and revenues associated with non-degree, summer and online education reside: with Continuing and Distance Education or with the other colleges and schools?

- How should the revenue generated by non-degree, summer and online education be allocated? Should this allocation methodology mirror the methodology for undergraduate tuition revenue and aid? Graduate tuition revenue and aid?

- Should non-degree, summer and online financial aid expenses be distributed universally or differentially? By what factors?

Resources and Support:
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- Alberto Citarella, Director of the Office of Financial Analysis and Budgeting, 656-1164, Alberto.Citarella@uvm.edu
- John Ryan, Director of the Office of Institutional Research, 656-4418, John.F.Ryan@uvm.edu
An Incentive-Based Budget Model for the University of Vermont
Charge to the Subcommittee on Other Revenue and Fees
October 8, 2013

Introduction:
In academic year 2012-13, the University community engaged in a discussion about the characteristics and operation of its existing budget model. Those discussions included governance leaders, Trustees, academic and administrative business managers, members of the Faculty Senate, and other constituents. There was uniform agreement over the model’s problems: lack of transparency, too much complexity, little flexibility, and few incentives.

President Sullivan has asked Provost David Rosowsky, in his role as UVM’s Chief Budget Officer, to lead the effort to develop a new incentive-based budget (IBB) model for the University. The Provost will chair the IBB Steering Committee that will be responsible for the final recommendations that will be made to the President on the design and methodology of an overall incentive-based budget model for the University of Vermont.

Members of the IBB Steering Committee will chair and/or serve on IBB subcommittees that will explore particular components of the IBB model, providing possible courses of action for the Steering Committee’s consideration.

Guiding Principles:
The development, implementation and continuing assessment of the new Incentive-based Budget Model will be guided by the following principles:

- Creates incentives that promote academic quality and excellence
- Creates incentives at all levels of the University that promote financial sustainability
- Encourages innovation and entrepreneurship throughout the University
- Provides transparency, clarity, and predictability
- Can be easily understood, is easy to implement and operate, and is flexible
- Can operate in all cycles of the economy, whether robust or downturn

Other Revenue and Fees Subcommittee Membership:
Breck Bowden, Professor, Rubenstein School of Environment and Natural Resources (Chair)
Joshua Barry, Undergraduate Student, College of Engineering and Mathematical Sciences
Cynthia Belliveau, Dean, Continuing and Distance Education
Dennis DePaul, Assistant Dean for Business Operations, Dean of Students
Stephanie Dion, Director, Administrative Business Service Center
Patricia Eldred, Director, Administrative and Facilities Services Auxiliary Services
Mary Peabody, Extension Professor, UVM Extension
Julia Russell, Associate Chief Information Officer, Enterprise Technology Services
Susan Ryan, Professor and Director, Center on Disability and Community Inclusion
Jeff Schulman, Associate Director, Athletics
Charge:
By January 24, 2014, submit for the IBB Steering Committee’s consideration a report that includes a minimum of two algorithms to allocate the revenues and expenses associated with revenue-generating activities that do not reach the threshold of formal Responsibility Centers, as well as other revenue. The report should include:

A description of the process by which the algorithms were developed

An explanation of the algorithms and their component parts

A discussion of how the algorithms support the IBB guiding principles

Any additional information that would be useful to the Steering Committee as it considers the algorithms

Questions to Consider:
The following list of questions is not intended to be comprehensive. It is a guide that may be helpful to the subcommittee as it begins its work.

Should income/expense activities that reside in academic Responsibility Centers (e.g. the Melosira in RSENR and the Luse Center in CNHS) continue operate under the umbrella of that Responsibility Center or should their revenues and expenses be handled differently?

Should income/expense activities that reside in administrative or co-curricular units (e.g. Print and Mail in Administrative and Facilities Services and Telecommunications in Enterprise Technology Services) continue to operate under the umbrella of that unit, or should their revenues and expenses be handled differently?

Where should existing fees that are currently allocated to the general fund (e.g. admissions and vending fees) be allocated?

Should existing fees that are currently allocated back to particular units (e.g. course supply fees) continue to be allocated back to a particular unit?

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Alberto Citarella, Director of the Office of Financial Analysis and Budgeting, 656-1164, Alberto.Citarella@uvm.edu

John Ryan, Director of the Office of Institutional Research, 656-4418, John.F.Ryan@uvm.edu

Stephanie Dion, Director, Administrative Business Service Center, 656-4368, Stephanie.Dion@uvm.edu
An Incentive-Based Budget Model for the University of Vermont  
Charge to the Subcommittee on Research and Indirect Cost Recovery  
October 8, 2013

Introduction:  
In academic year 2012-13, the University community engaged in a discussion about the characteristics and operation of its existing budget model. Those discussions included governance leaders, Trustees, academic and administrative business managers, members of the Faculty Senate, and other constituents. There was uniform agreement over the model’s problems: lack of transparency, too much complexity, little flexibility, and few incentives.

President Sullivan has asked Provost David Rosowsky, in his role as UVM’s Chief Budget Officer, to lead the effort to develop a new incentive-based budget (IBB) model for the University. The Provost will chair the IBB Steering Committee that will be responsible for the final recommendations that will be made to the President on the design and methodology of an overall incentive-based budget model for the University of Vermont.

Members of the IBB Steering Committee will chair and/or serve on IBB subcommittees that will explore particular components of the IBB model, providing possible courses of action for the Steering Committee’s consideration.

Guiding Principles:  
The development, implementation and continuing assessment of the new Incentive-based Budget Model will be guided by the following principles:

- Creates incentives that promote academic quality and excellence
- Creates incentives at all levels of the University that promote financial sustainability
- Encourages innovation and entrepreneurship throughout the University
- Provides transparency, clarity, and predictability
- Can be easily understood, is easy to implement and operate, and is flexible
- Can operate in all cycles of the economy, whether robust or downturn

Research and Indirect Cost Recovery Subcommittee Membership:  
Jim Vigoreaux, Professor and Chair, Department of Biology (Chair)  
Paula Deming, Associate Professor, Department of Medical Laboratory and Radiation Sciences  
John Evans, Interim Vice President for Research  
Jennifer Gagnon, Interim Associate Vice President for Research Administration  
Dryver Huston, Professor, School of Engineering  
Robin Lockerby, Evaluation Data Specialist, UVM Extension  
Jessica Strolin, Associate Professor, Department of Social Work  
Russell Tracy, Professor, Department of Pathology  
Kevin Trainor, Professor and Chair, Department of Religion  
Tom Vogelmann, Dean, College of Agriculture and Life Sciences
Charge:
By January 24, 2014, submit for the IBB Steering Committee’s consideration a report that includes a minimum of two algorithms to allocate the revenues and expenses associated with research that has budgetary implications, and any related indirect cost recovery, to the revenue-generating Responsibility Centers. The report should include:
  - A description of the process by which the algorithms were developed
  - An explanation of the algorithms and their component parts
  - A discussion of how the algorithms support the IBB guiding principles
  - Any additional information that would be useful to the Steering Committee as it considers the algorithms

Questions to Consider:
The following list of questions is not intended to be comprehensive. It is a guide that may be helpful to the subcommittee as it begins its work.
  - How should the revenue and expenses associated with funded research and indirect cost recovery be allocated between and/or among the Office of the Vice President for Research, the colleges and schools, research centers, departments, and PIs?
  - Should indirect cost recovery revenues be used to offset administrative expenses associated with sponsored research?
  - Should indirect cost recovery revenues be used to create a central investment pool to further the research enterprise of the University?
  - How do the algorithms address and support funded collaborative and/or interdisciplinary research programs and centers?

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- John Ryan, Director of the Office of Institutional Research, 656-4418, John.F.Ryan@uvm.edu
- Claire Burlingham, University Controller, 656-8356, Claire.Burlingham@uvm.edu
An Incentive-Based Budget Model for the University of Vermont
Charge to the Subcommittee on Undergraduate Tuition Revenue and Aid
October 8, 2013

Introduction:
In academic year 2012-13, the University community engaged in a discussion about the characteristics and operation of its existing budget model. Those discussions included governance leaders, Trustees, academic and administrative business managers, members of the Faculty Senate, and other constituents. There was uniform agreement over the model’s problems: lack of transparency, too much complexity, little flexibility, and few incentives.

President Sullivan has asked Provost David Rosowsky, in his role as UVM’s Chief Budget Officer, to lead the effort to develop a new incentive-based budget (IBB) model for the University. The Provost will chair the IBB Steering Committee that will be responsible for the final recommendations that will be made to the President on the design and methodology of an overall incentive-based budget model for the University of Vermont.

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Guiding Principles:
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- Can be easily understood, is easy to implement and operate, and is flexible
- Can operate in all cycles of the economy, whether robust or downturn

Undergraduate Tuition Revenue and Aid Subcommittee Membership:
Lisa Aultman-Hall, Professor, School of Engineering (Chair)
Pamela Blum, Assistant Dean for Business Operations, College of Education and Social Services
Antonio Cepeda-Benito, Dean, College of Arts and Sciences
Richard Fanus, Assistant Dean for Business Operations, College of Agriculture and Life Sciences
Marie Johnson, Director, Student Financial Services
Thomas Noordewier, Associate Dean, School of Business Administration
Lisa Schnell, Associate Dean, Honors College
Jeremy Sibold, Associate Professor, Department of Rehabilitation and Movement Science
Deane Wang, Associate Professor, Rubenstein School of Environment and Natural Resources
Beth Wiser, Director, Office of Admissions
Charge:
By January 24, 2014, submit for the IBB Steering Committee’s consideration a minimum of two algorithms to allocate the revenues and expenses associated with undergraduate tuition and aid to the revenue-generating Responsibility Centers. The report should include:
   A description of the process by which the algorithms were developed
   An explanation of the algorithms and their component parts
   A discussion of how the algorithms support the IBB guiding principles
   Any additional information that would be useful to the Steering Committee as it considers the algorithms

Questions to Consider:
The following list of questions is not intended to be comprehensive. It is a guide that may be helpful to the subcommittee as it begins its work.
   How should the revenue generated by undergraduate tuition be allocated? Some possibilities: by student credit hour taught; by degree program/major; by number of graduates; with or without a distinction for in-state, out-of-state, and international student revenue.
   How should undergraduate financial aid expenses be distributed in an IBB model?
   Should the algorithm account for the differing costs of instruction among academic units? If so, in what way?
   How do the algorithms address and support collaborative and interdisciplinary instruction?

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   John Ryan, Director of the Office of Institutional Research, 656-4418, John.F.Ryan@uvm.edu