Incentive-based Budgeting (IBB)

Presentation to the IBB Committees
October 28, 2013
How did we get here?
What does success look like?
Increase the percentage of undergraduate students graduating in four years

Improve undergraduate student retention, Years 1-4

Improve student advising, both academic and pre-professional/career

Increase interdisciplinary teaching, research, and scholarship

Expand programmatic offerings to include distance and hybrid modes of instructional delivery

Increase research and scholarship in areas that generate high impact, recognition, and visibility

Increase international student enrollments across the University

Increase enrollments in graduate and professional programs
Guiding Principles for IBB @ UVM

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

- Non-degree & Summer Tuition
- Research & ICR
- Other Income
- Grad Tuition
- UG Tuition
- Facilities Costs
- Other Cost Pools
- Interdiscip. Activity

IBB @ UVM
October 2013
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What are some best practices with implementation?

1. Operate with a set of **guiding principles**

2. **Engage** the campus

3. Development → **Calibration** → Implementation → **Assessment**

4. Determine model **without looking at budget numbers** – focus on the actions we want to encourage instead of guarding turf

5. Do not let the “**perfect get in the way of the good**”
What are some of the best practices with model?

1. Conduct a review of the budget model regularly – annual assessment and adjustments, re-visit the model every 3-5 years

2. Keep it simple – the fewer and simpler the rules, the more time for meaningful conversation

3. Implement an **Administrative Unit Review** to ensure that units are getting good service

4. Allocate sufficient funds to **President/Provost** for University-wide strategic initiatives

5. Earmark funds for **collaborative programs**

6. “**Hold units harmless**” in the transition – the focus is **not** on short-term budget reallocations
Closing Remarks