

Responses to Some Common Misconceptions about IBB

March 31, 2017

1. The IBB headcount “tax” is causing deans to hire fewer PT faculty.

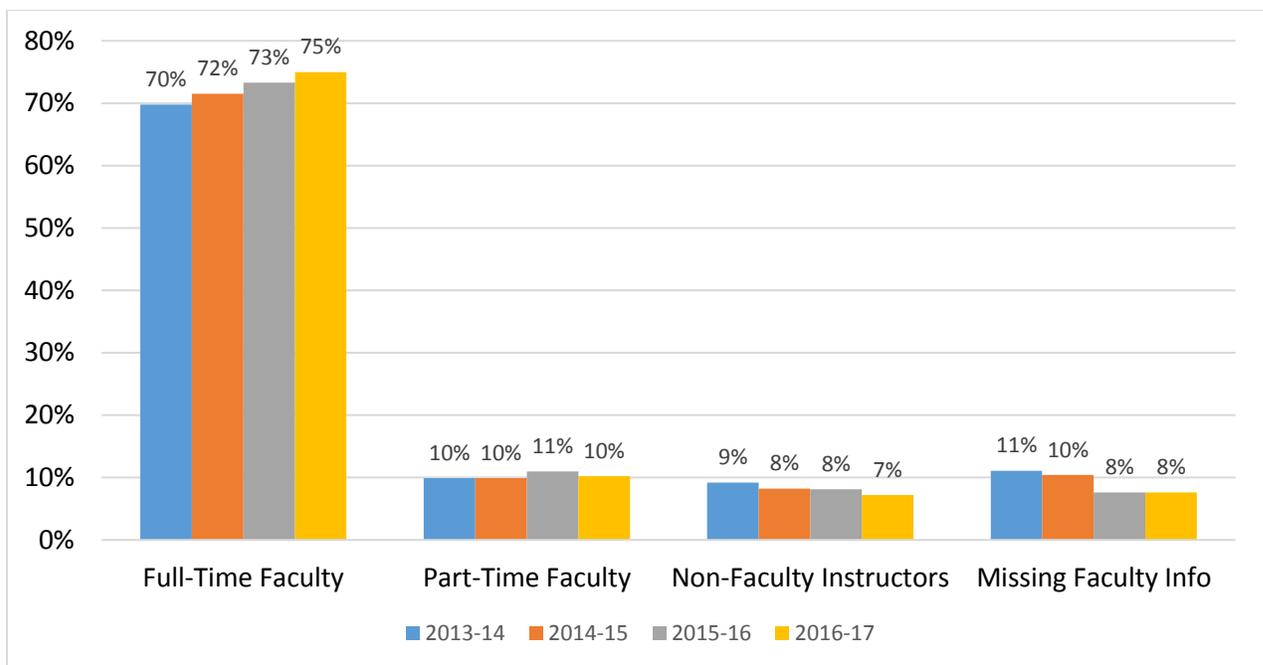
The faculty mix changes each year, but over the last decade, it has held fairly constant at about 80% FT and 20% PT. The actual figures for FY13 to FY16 are:

Full-Time and Part-Time Faculty Headcount by Fiscal Year

| | FT Faculty | % of Total | PT Faculty | % of Total |
|------|------------|------------|------------|------------|
| FY13 | 1248 | 81% | 287 | 19% |
| FY14 | 1241 | 80% | 303 | 20% |
| FY15 | 1244 | 79% | 321 | 21% |
| FY16 | 1241 | 77% | 366 | 23% |

The percentage of course sections taught by part-time faculty has remained stable over the last four years as illustrated in the following table:

Percent of Course Sections Taught by Full-Time/Part-Time Faculty Status¹



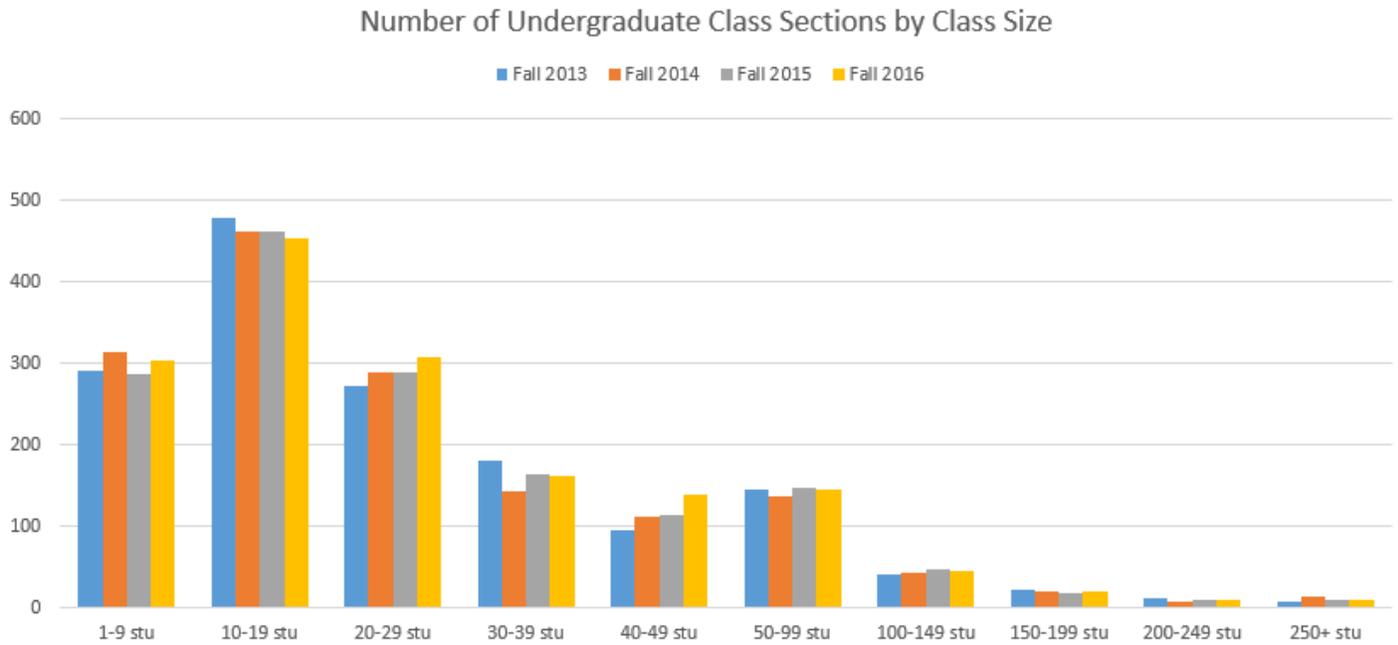
IBB does allocate some costs based on the number of faculty members in a unit (commonly referred to as “head count”). This is the case for certain fixed costs that remain the same whether an individual is

¹ Non-faculty instructors are administrators and staff who teach a course, all of whom have secondary faculty appointments. The missing faculty info category includes instructors with missing social security numbers in Banner (1-2 percent); temporary/non-salaried faculty, many teaching private lessons (3-4 percent); and instructors hired for the spring semester who were not part of the fall IPEDS report (4-5 percent).

full-time or part-time. Other costs, driven by use, are assessed on an FTE (full-time equivalency) basis, reflecting the differential use and impact of full-time and part-time faculty.

2. IBB is causing deans to schedule more large classes and fewer smaller classes.

The class size mix changes each year, but hasn't changed significantly since IBB's implementation in the Fall of 2015, as seen in the following graph:



More information on the class size mix can be found in question #8 in [Information for Students about Incentive-based Budgeting](#) on the IBB website.

3. IBB is pitting colleges against one another and discouraging collaboration, collegiality, and interdisciplinary activity.

Interdisciplinarity is a core value of the University of Vermont. It thrived in the old budget model when participation was purely voluntary and direct returns to participants were non-existent. IBB creates incentives – financial and otherwise – to encourage and support innovative, high-quality interdisciplinary and cross-unit programs

4. Deans are making decisions based on budgetary realities rather than strategic priorities.

It's not an either/or proposition. Colleges and schools have developed academic strategic plans that lead with quality and excellence, identify priorities, and guide financial decisions in support of those priorities. Budgetary realities, however, cannot be ignored, and may impact a plan's content, sequencing, or rate of progress.

5. Subvention is a way to force substantial reductions, year after year, and differentially on colleges/schools.

Subvention reductions are only planned until the Strategic Investment Fund reaches \$8M. At this time, it is estimated that we will reach this goal by FY20. The subvention reductions are modest. In FY17 the

total reduction was \$685K on a total revenue budget of \$313M. The reductions per unit ranged from \$4k to \$132K. The reduction for the College of Arts and Sciences (CAS) was \$122,000 on a total revenue budget of \$107,000,000. This represents about one-tenth of 1% of the CAS revenue budget.

6. The Strategic Investment Fund (SIF) is not transparent. There is no reporting or accountability.

Beginning in IBB's inaugural year, the Provost provided the full Faculty Senate with the first annual presentation on the fund's use. The Provost will also meet regularly with the Financial and Physical Planning Committee of the Faculty Senate to receive feedback on priorities for the use of SIF funding.

7. The Strategic Investment Fund (SIF) grew too fast, resulting in an immediate \$4M in subvention reductions.

This is not true, as the \$4M already existed in the pre-IBB budget. This became the "basis" for the SIF. The resources from the modest subvention reductions that will take place over the next several years will be used to grow the SIF from \$4M to \$8M. The total year-one subvention reduction was \$685K.

8. The College of Arts and Sciences (CAS) is subsidizing all other colleges/schools.

As is true at virtually all comprehensive universities, including all those who have moved to an IBB (RCM) type model in the last 20 years, CAS is the largest generator of undergraduate tuition revenue (the source for subvention funding). CAS, and several other UVM colleges/schools, contribute to the redistribution of tuition revenue, which is the means by which all comprehensive universities support a wide array of programs. This redistribution has always occurred at UVM. It was part of our old budget model and is now transparent in IBB.

9. IBB is not transparent, easily understood, or predictable, and holds too much control centrally.

Every aspect of the model and its supporting data is on the IBB website, the FAB website, and/or contained in the IBB 1.0 Manual. IBB is far more transparent than our previous budget model.

The UVM IBB model has only 7 algorithms. We remain committed to meeting with anyone, anytime to share information about the model. IBB is far easier to understand than our previous budget model.

A college/school can run any number of all-funds, multi-year planning scenarios through the model and will know precisely what their impact will be. IBB is far more predictable than our prior budget model.

The model decentralizes authority and responsibility. It allocates revenues and expenses directly to the colleges/schools. IBB is a decentralized, rather than centralized, model.

10. Faculty are not consulted or engaged in decision-making by the deans.

As was the case in our old budget model, the responsibility for making decisions rests with the deans. IBB is a tool that provides a platform for meaningful conversations and enables collaborative and collective visioning. Its transparency makes clear potential trade-offs, options, and outcomes. The Deans are committed to inclusive and collaborative processes to solicit faculty input. Faculty are encouraged to engage fully in these opportunities.