



TO: Faculty and Staff of the University of Vermont

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

DATE: April 30, 2018

SUBJECT: Incentive-based Budget Model – Campus Update #7

I am writing to update you on the Incentive-based Budget (IBB) Model 2.0 process.

First, thank you to all who provided feedback in response to the November 29, 2017 call for input on IBB Model 2.0. The feedback has been posted on the [IBB website](#), has been shared with the IBB Steering Committee, and will continue to inform our work throughout the IBB 2.0 process.

IBB Model Areas Under Review

After reviewing campus feedback, the IBB Steering Committee identified three major areas that will be the focus going forward (Model 2.0 work):

Algorithm 1 – Undergraduate Net Tuition: Focusing on (a) the weightings, and (b) whether the 85/15 split should be revised vis-à-vis the role, if any, it plays in curricular/course offering decisions.

Algorithm 6 – Facilities: Investigating whether the current methodology can/should be revised to account for space weighting by functional use, remediation obligations, and utility costs.

Algorithm 7 – Support Center¹ Pools: To review (a) the headcount cost driver in particular, and (b) to determine whether the formula can be simplified.

Several important issues outside of the algorithms will also be addressed, including:

- (1) the role and authority of the Educational Stewardship Committee,
- (2) whether and how to incorporate retention and 4-year graduation rates into the model,
- (3) whether refinements to the metrics used to evaluate the model are warranted, and

¹ In January 2018, we transitioned from the term “Cost Center” to “Support Center” in recognition of the essential partnerships between the support units and the academic units (“Responsibility Centers”).

- (4) an exercise that maps all elements of the IBB Model to one or more of the [President's Strategic Action Plan](#) pillars (the Guiding Principles, algorithms, incentives, checks and balances).

Focus Groups

The IBB Steering Committee will be hosting three focus groups for Deans, Department Chairs, and Academic Program Directors in early May. The goal for these sessions is to gather feedback in response to potential changes to Algorithm 7. There will be additional focus group sessions in the Fall addressing Algorithms 1 and 6.

IBB Informational Resources

I want to take this opportunity to share again the IBB informational resources available to you.

- The [IBB Website](#) provides information, data, communications, and historical records.
- Budget Director [Alberto Citarella](#) remains committed to meeting with individuals or groups to provide IBB training and information.
- The [Educational Stewardship Committee's Website](#) provides information on the committee's charge, process, and reports of its review outcomes.

As we conclude our third operating year under IBB, we are committed to improving the model in an effort to provide a strategic tool that links resources with strategy; promotes financial responsibility and sustainability; and empowers deans and colleges/schools to achieve their units' highest strategic priorities and goals in supporting academic excellence. I look forward to sharing the results of our work with you.

cc: Tom Sullivan, President
Alberto Citarella, Budget Director
IBB Steering Committee