

<h1>Kent State Considers New Budget Model</h1>	

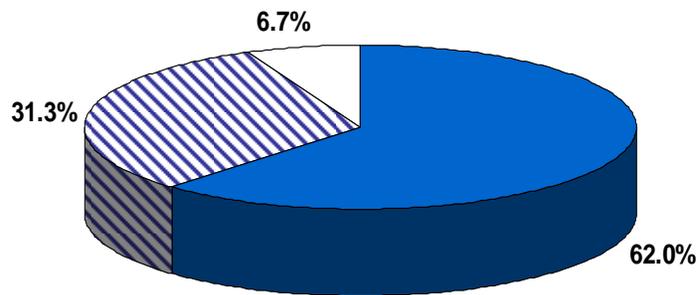
Guiding Questions

- Are there budget approaches that would be better suited to Kent State than the current model?
- Is RCM an appropriate budget approach to respond to today's academic and financial challenges?
- If it is determined that RCM is the most feasible approach, how should it be implemented?

Need for Change

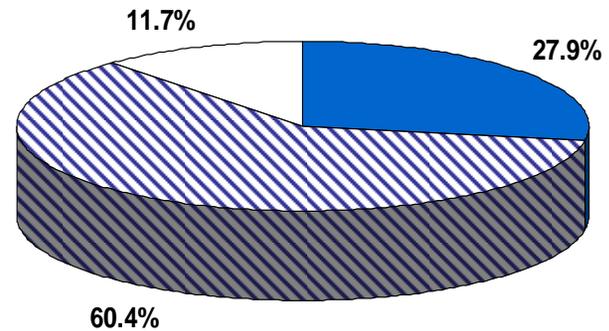
Changes in Source of Revenue Kent Campus

1980



■ State Appropriation ■ Tuition and Fees □ Other

2006

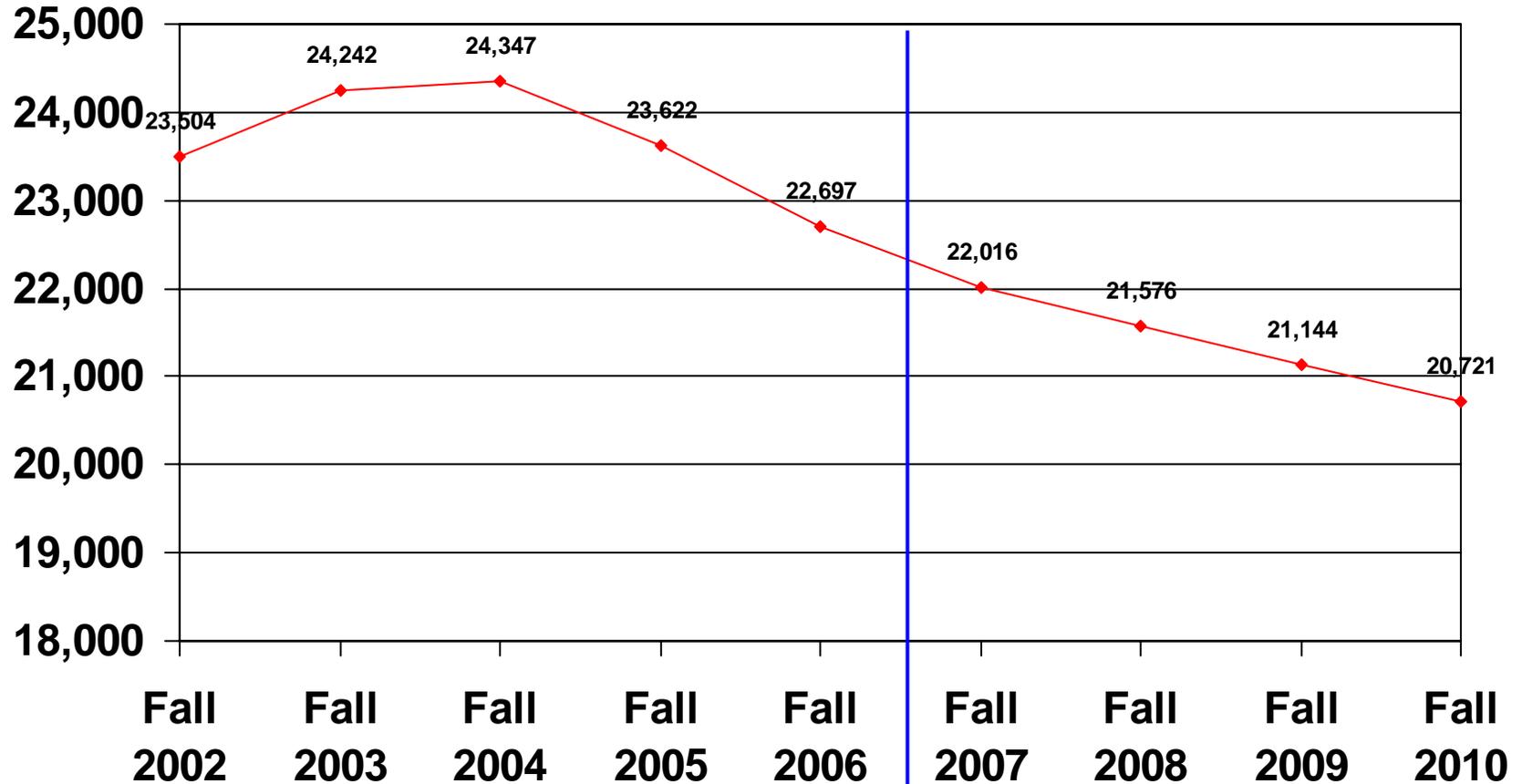


■ State Appropriation ■ Tuition and Fees □ Other

Need for Change

Kent Campus – Fall Enrollments

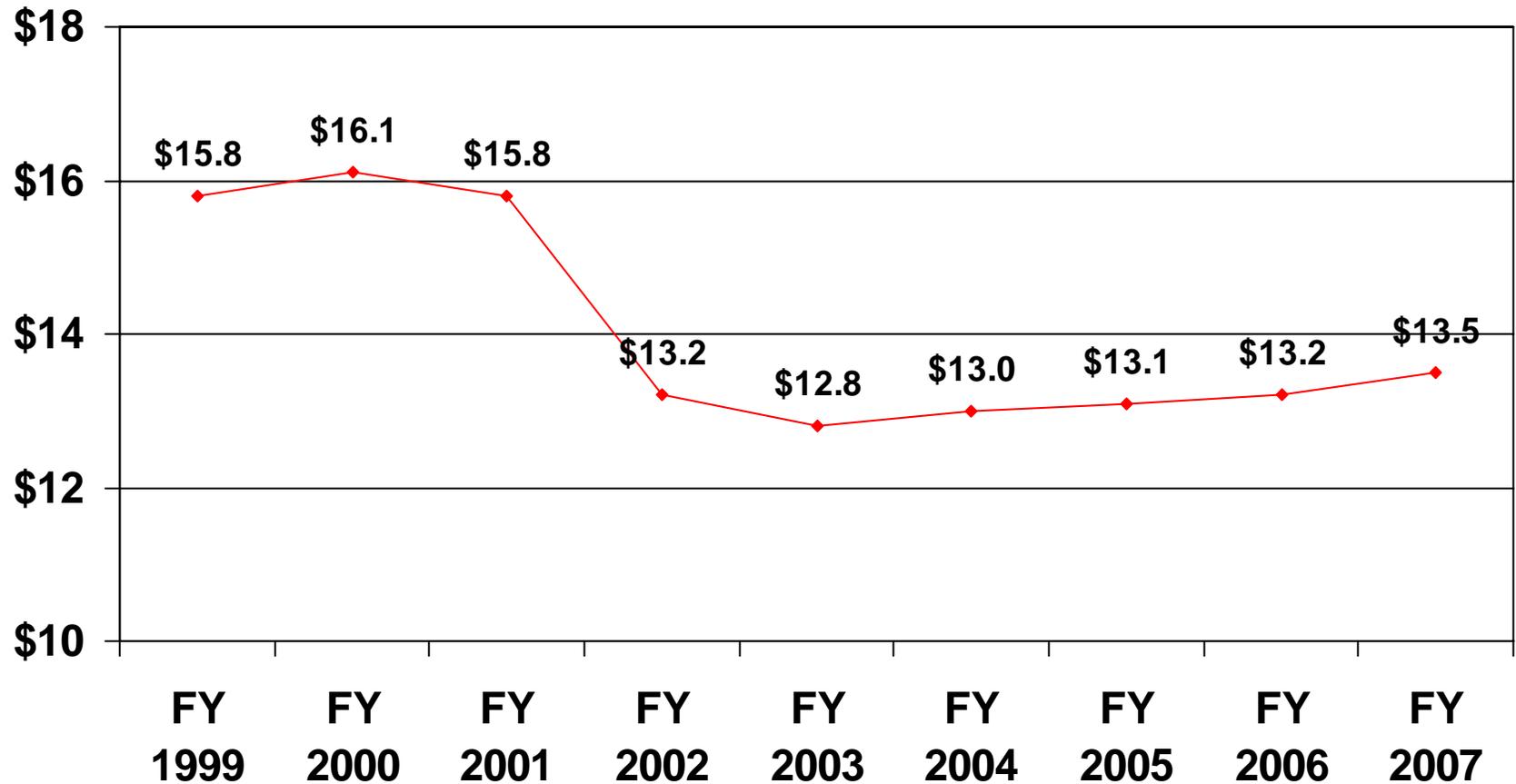
Actual for Fall 2002 to Fall 2006 and Projected for Fall 2007-2010



Need for Change

Trends in Funding for Doctoral Programs

(Values in Millions)



Need for Change

- Besides the funding changes, the University requires a budget process that more closely aligns with shared governance and is more transparent.

What is RCM?

- RCM is a very flexible budget approach.
- Academic colleges become responsibility centers with budgets similar to regional campuses and auxiliary operations today.
- Revenues and expenses are assigned to the responsibility centers.

What is RCM?

(continued)

- Methods are developed for allocating revenues and expenses to responsibility centers.
- A central budget pool (subvention) usually exists to help fund academic programs that are a priority but not financially independent.
- Information and data are used more extensively in making decisions.

Potential Benefits

- Integrated academic and budget planning
- Colleges and campuses have greater control of financial resources
- Transparent decision-making
- Improved university outcomes

Potential Concerns

- Too much focus on financial performance only
- Activities can become insular
- Inappropriate internal competition can weaken the whole

Changes that Would Accompany RCM

- Greater need for planning by academic colleges.
- More control of financial resource decisions by academic colleges.
- Increased need for information to support planning and decision-making.
- More consideration of financial impact resulting from academic program decisions.

Changes that Would Accompany RCM

(continued)

- New knowledge and skills may be required by some academic leaders.
- Greater expectations about cost and service levels for central administrative services.
- More distribution of financial accountability for university outcomes.

How will RCM affect
my college or campus?

Summary

- RCM is intended to produce improved university outcomes
 - ✓ *Reduce barriers to generating new revenues*
 - ✓ *Better align financial resources with today's academic needs*
 - ✓ *Improve outcomes for students*
 - ✓ *Decentralize budget decisions*
 - ✓ *Increase transparency in the budget process*
 - ✓ *Improve the understanding of university finances by faculty and staff*
- University community must consider the changes that would accompany the use of RCM.
- Strong leadership and effective decision-making, at all levels, are imperative for success.

What does the committee
need from you?

Discussion