UAB BUDGET PROCESS UPDATE

Allen Bolton, SVP for Finance & Administration

January 8, 2019
BUDGET MODEL INFORMATION IS CURRENT AND AVAILABLE

• www.uab.edu/rcm

• Please stay informed and submit questions
A PARTICIPATORY AND PACED APPROACH

- Apr 2015-June 2017: Budget Model Task Force develops new budget model.
- May 2018: 3-year incremental glide-path announced for FY19, FY20 and FY21.
REMINDER: WHAT’S IN/WHAT’S OUT OF THE MODEL

**In the Model:**
- Tuition
- Indirect Expense Recovery (F&A)
- Unearmarked state allocation

**Outside of the Model:**
- Direct grant dollars
- Student fees
- Philanthropy
- Clinical transfers
- Earmarked state dollars

**Total ~ $600M**

**Total ~ $615M**
OBSERVATIONS ONE QUARTER THROUGH FIRST GLIDE PATH YEAR

• Reminder that FY19 was budgeted at 95% historic and remainder via new model (i.e. 5% of historic and all incremental revenue)

• This glide path year created no significant swings in any schools’ budget

• All schools are utilizing the new budget reporting/tracking system (i.e., Axiom)

• School and central fiscal officers are meeting monthly to review progress, issues and receive training on Axiom software. Additionally, Financial Affairs offers recurring topical meetings via Zoom.

• Have found no substantive errors in technical aspects of model

• No systemic problems reported with implementation this year so far; are dealing with one-off or anecdotal reports of problems

• “Leadership stakes are higher all around in this new budget model” (Committee members, VPs, deans, fiscal officers)

  Good: better data, more dialogue, more focus on efficiency

  Bad: blaming the model for every “no,” not balancing bottom line with quality
THE NEAR-TERM HORIZON – SECOND YEAR OF GLIDE PATH

- FY20 will be budgeted at 85% historic and remainder via new model (i.e. 15% of historic and all incremental revenue)

- The budget calendar for FY20 begins soon:
  - Mar-Apr: Budget Allocation Committee reviews/recommends central unit budgets
  - June: State allocation, tuition rates announced, RCM assessments released
  - July: School budget meetings with SVP/Provost & SVPFA
  - Aug: Budgets finalized
  - Sept: Budgets reviewed/approved by Board

- A few lessons learned are being incorporated into Budget Allocation Committee review process for FY20 (i.e. emphasis on priority items vs. “wish list” and recurring vs. one-time requests).

- Recommendations from the Interdisciplinary Task Force will be incorporated into FY20 budget planning.
INTERDISCIPLINARY EDUCATION AND RESEARCH TASK FORCE

- Convened and charged by SVP/Provost in December 2017 with recognition that “interdisciplinary activities are part of the DNA of UAB.”
  - Some concerns that interdisciplinary activities will be more difficult with the new budget model
- Charge: Identify obstacles to both interdisciplinary education and research and make recommendations to overcome these obstacles in the short and long term.
- Submitted initial report in June 2018
- Submitted addendum regarding UWIRCs and institutional cores in August 2018
CHAIRED BY DEAN LORI MCMAHON, THE MEMBERS WERE:

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<td>Molly Wasko</td>
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SUMMARY OF TASK FORCE RECOMMENDATIONS

• Overall Observation: Interdisciplinary activities are by their very nature more difficult because of the organization structures in universities no matter what budget model is used.

• Interdisciplinary Education Recommendations:
  • Develop a virtual institute that houses interdisciplinary courses and joint programs co directed by Assoc Prov Janowski and Assoc VPR Keyser
  • University formula for division of tuition between units
  • P&T recognition for faculty involved in interdisciplinary courses

• Interdisciplinary Research Recommendations:
  • Formalize IER sharing expectations across units
  • Grand Challenge will help facilitate interdisciplinary collaboration
  • P&T recognition for “team science”
  • Fund UWIRCs and institutional cores via a market share assessment of each schools’ IER
QUESTIONS?