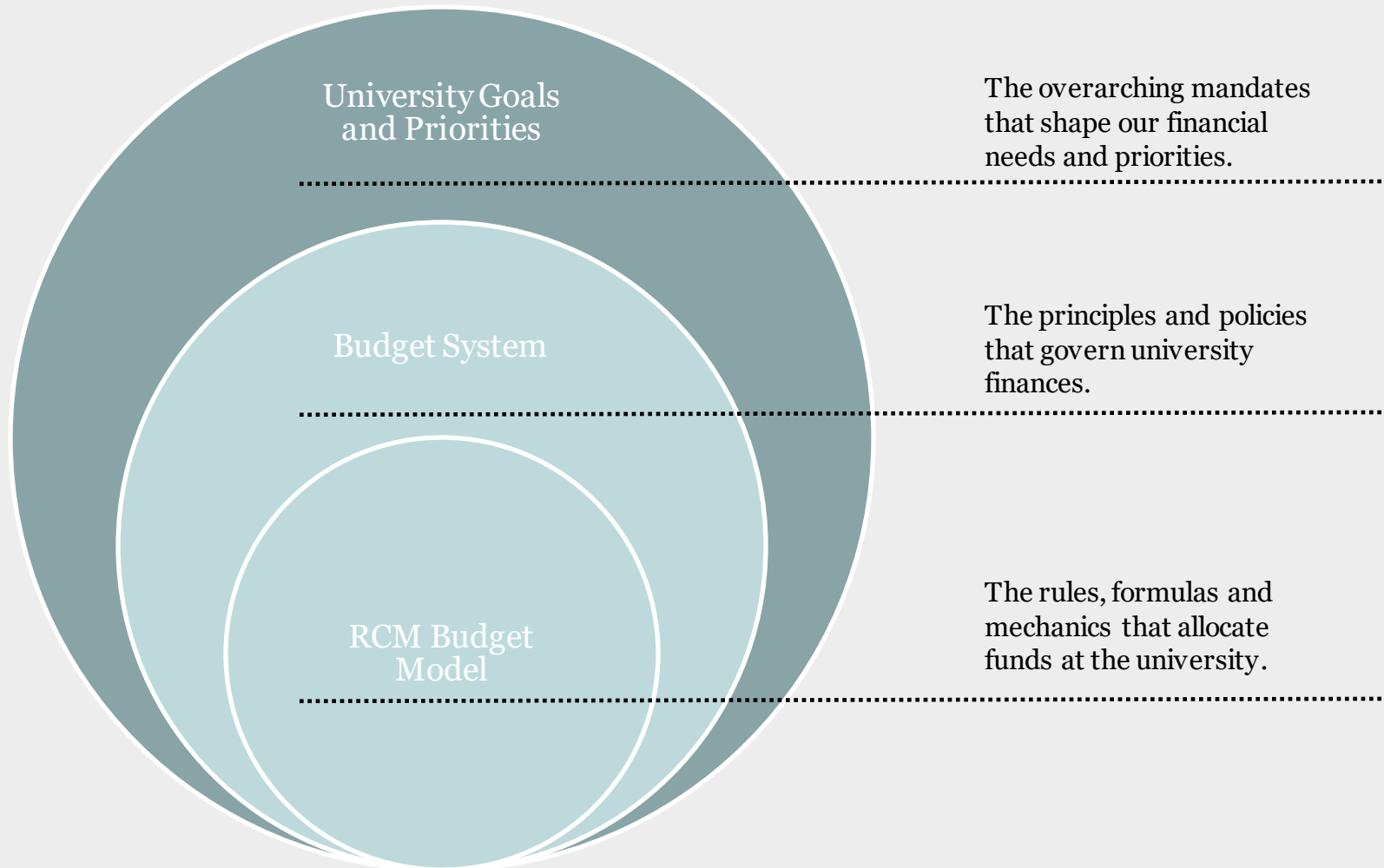




March 2021

# **RCM AT RUTGERS: FIVE-YEAR REVIEW PROCESS**

# The Budget Model in Context



# Charge to the Review Committee

To complete a five-year review of the responsibility center management budget model. This review should be led by the academic leaders of the university, and should address the following aspects of the Rutgers budget model:

- Assess how effectively the current budget model is being used to support institutional priorities, such as academic excellence, public mission, diversity, equity and inclusion, and strategic clarity.
- Review formulas and allocation methodologies to assess how the University's campus and school-level needs are balanced against strategic and discretionary funding.
- Recommend improvements in the mechanics of RCM that would help achieve desired institutional outcomes.
- Devise strategies to make the mechanics of the model transparent to stakeholders, and facilitate communication and honest dialogue between units across the University.

# Review Structure



# Review Approach

## Institutional Domains

- Undergraduate Education
- Graduate Education
- Research
- Healthcare

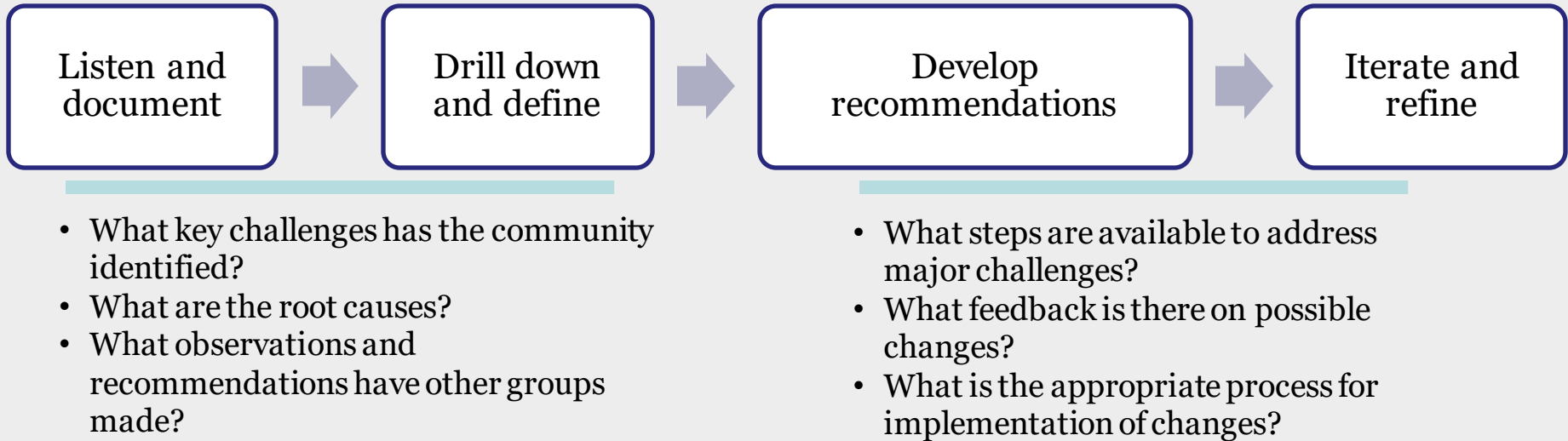
## Core Values

- **Beloved Community**
  - Fostering collaboration, valuing diversity, equity, and inclusion, and our public mission.
- **Academic Excellence**
  - Discovering and achieving excellence through our teaching and research.
- **Strategic Clarity**
  - Supporting efforts to make Rutgers easy to understand and create a “one Rutgers” identity.

## Mechanics

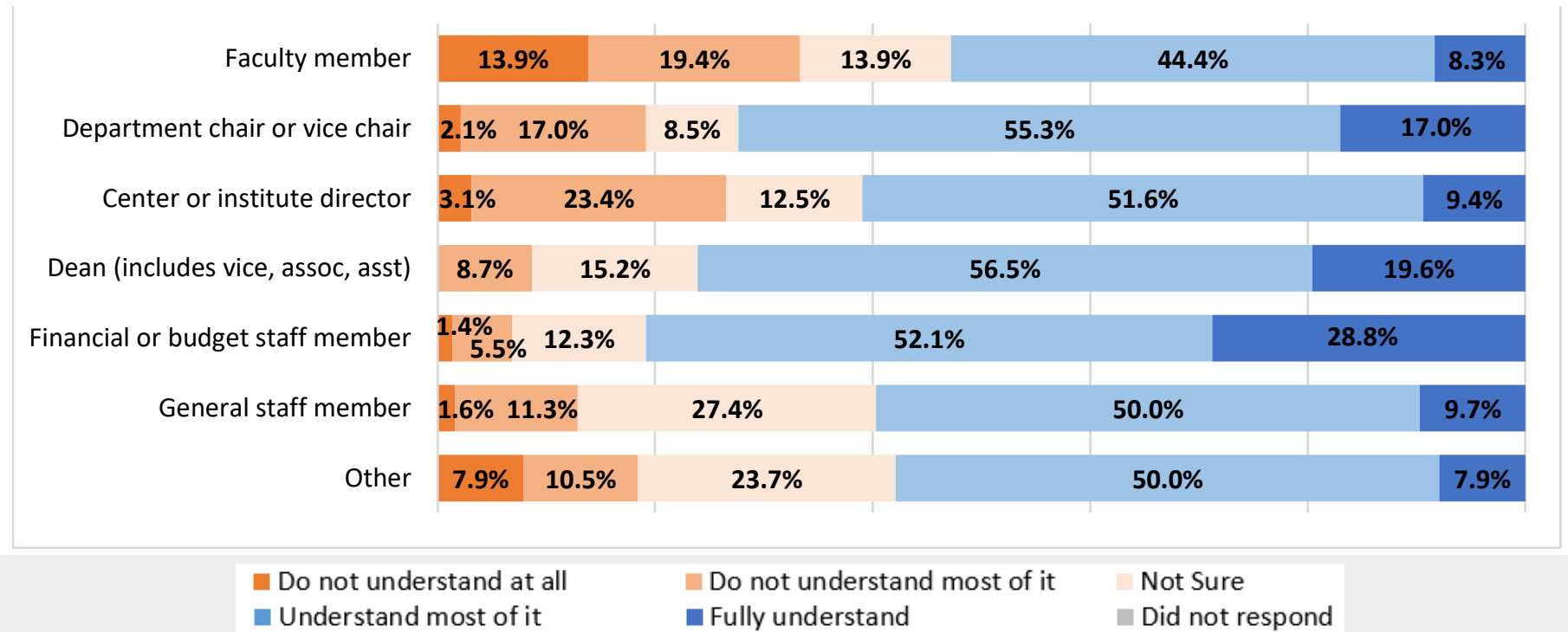
- **Budget process and support**
  - Documented service expectations for each cost center
  - Consistent use of Cost Pool Advisory Committees
- **Cost pool construction (number of pools, simplicity of model)**
- **Space and other allocation metrics**
- **Resourcing strategic initiatives**

# Review Process



# Understanding of RCM at Rutgers\*

Understanding of RCM by Role, among staff and faculty who are “highly-involved” in the budget



\* Based on responses from 370 respondents who describe themselves as highly involved in the budget process. Data from RCM Community Perception Survey (Jan 2021) of faculty and staff (n = 1574).



# Perceptions of Support for Institutional Priorities\*

## ***Impact***

66% of respondents with a high level of involvement in their unit's budgeting process understand how RCM impacts their finances.

## ***Institutional Priorities***

15% of “highly involved” respondents agree that the current RCM model is supportive of institutional priorities.

## ***Transparency***

62% of “highly involved” respondents disagree that the current RCM model provides an adequate level of transparency.

## ***Academic Excellence***

10% of “highly involved” respondents agree that the current RCM model supports excellence in teaching and research.

## ***Beloved Community***

6% of “highly involved” respondents agree the current RCM model supports collaboration, diversity, and public engagement.

\* Based on responses from 370 respondents who described themselves as highly involved in the budget process



# Prioritizing Areas for Improvement

*Areas where RCM could be improved (select up to 3)*

Reduce the model's overall complexity

Improve communication and education about how the model works

Clarify how the model aligns with institutional priorities and values

Improve how the model facilitates collaboration across units

Clarify services provided by central offices

Improve how the model encourages program growth

Other

## **High-level of involvement with the budget process (n=370)**

- Clarify services provided by central offices (51.1%)
- Improve communication and education about how the model works (49.2%)
- Clarify how the model aligns with institutional priorities and values (46.2%)

## **Limited engagement with budget process (n=484)**

- Improve communication and education about how the model works (44.8%)
- Improve how the model facilitates collaboration across units (43.8%)
- Clarify how the model aligns with institutional priorities and values (41.5%)

## **Not engaged with budget process (n=720)**

- Improve communication and education about how the model works (56.4%)
- Clarify how the model aligns with institutional priorities and values (46.7%)
- Clarify services provided by central offices (35.6%)

# Perceptions from Community Feedback

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**Transparency:** Rationale and mechanics are insufficiently transparent, making it difficult to find information and contextualize budgeting decisions

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**Academic Collaboration:** The budget model is perceived as discouraging academic collaborations, especially across schools.

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**Interdisciplinary Research:** A focus on “who pays for what,” among other factors, impedes interdisciplinary research efforts.

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**Grant-related charges:** Charges on certain grants appear to be in tension with academic goals.

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**Input in Cost Center Budgets:** Responsibility-centers describe insufficient visibility or control over cost-centers; cost-centers sense constant budget pressure.

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**Balance:** Uncertainty over how funding decisions are made creates tension between funding for core strengths activities and support for new, strategic initiatives

**More information:**

<https://www.rutgers.edu/strategy/rcm-five-year-review>

**Questions:**

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