

Budget Review Committee Recommendation

Preamble

A university budget model should ensure that financial resources support the university's academic mission and goals. As Kent State University considers a new budget model, it is critical not only that we manage our fiscal resources more effectively and efficiently but also ensure alignment of those resources with our Strategic Plan, with university-wide academic priorities and with college and campus academic plans.

Recommendation

Based on its own investigation and discussions and following broad consultation with the university community, the Budget Review Committee has determined that Responsibility Center Management (RCM) is the budget model that offers the greatest potential for improving the management of fiscal resources while also aligning financial incentives for colleges and campuses with university priorities and academic unit goals. Therefore, the Budget Review Committee recommends that the university now proceed to consider how to implement RCM.

Specifically, the Committee recommends that the university:

- 1) Create a detailed plan and appropriate timeline for the implementation of RCM as its budgetary model
- 2) Seek extensive input from across the university during the development of such a plan
- 3) Provide a clear framework for the allocation of revenue and the assignment of expenses to cost centers, and determine how such changes in budgeting should be staged and implemented over time
- 4) Determine how the cost of support services should be allocated to cost centers and how the efficiency and effectiveness of support services would be encouraged and evaluated
- 5) Address organizational and cultural change issues that would result from the creation of such a plan
- 6) Determine and implement the training necessary to ensure the successful implementation of RCM
- 7) Create, in consultation with Faculty Senate, a broadly representative budget advisory body responsible for ongoing implementation and evaluation and for making recommendations regarding RCM's continued development.

Additional Considerations

The Committee also identified several important issues that merit immediate consideration and review under the leadership of the Provost in conjunction with the implementation of RCM. These include, but are not limited to the following:

- Review carefully and critically the impact of RCM on the nature and role of the university's liberal education curriculum and requirements (LERs)
- Review the needs of multidisciplinary and interdisciplinary research and teaching programs, as well as the needs of programs based on cooperation between and among schools, departments, colleges, and campuses, to ensure appropriate support under RCM.
- Review the impact of RCM on the working relationship between and among the eight campuses.