

## NEW FINANCIAL MODEL STEERING COMMITTEE - APRIL 4, 2012

### TASK FORCE UPDATES

Communications and Change Management – a suggestion was made that the TFs be expanded because not all members can attend all meetings and it is difficult to make progress with just a few members. Expansion approved. TF is determining what information to be rolled out when. Emails and web strategy. Identification of “talkers” who can attend meetings and help educate, entertain questions and engage.

The speakers would be prepared with a common presentation; report on progress and obtain feedback, listen and respond.

It was noted that the question on the minds of most is “what does this mean to me?” We need to be prepared to address what is most important to the audience. Challenging because the majority needs basic information – what are RCM and allocation-based budgeting; others are hungry for more specific information, including timelines and details.

Divided discussion. Be careful and extremely cautious about who communicates and when vs continue to communicate frequently, transparently.

Strine encourages communication; positive examples of actions migrating to the new model including quick wins in current budget cycle.

October 2012 will bring important budgeting details; addenda and state are not complete; April will bring tuition decisions from the Board of Visitors.

The Faculty Senate recently discussed the new budget model; faculty are concerned about how decisions may be made, the role of faculty and how programs are to be reviewed.

Governance - basic charge is about policies and a culture of change; about how we make decisions; how we can best work with other groups. For example, issues of academics versus research – discuss pros & cons; offer ideas on how decisions would be made. SC advised exploring ramifications and iterating. The TFs are “playing with the clay,” rather than making decisions. A reminder made for every TF that recommendations are brought to SC for decisions.

Revenue and Incentives TF - Reviewed the charter at their first meeting, and identified what to tackle first; chair played role of facilitator. Revenue attribution is the key; summarized university profiles to be discussed and then a focus on convergence and disagreements.

Discussion of the 3 or 4 alternatives for allocating F&A.

Desire to know by next fall the things to focus on and restructure around a model. Task Forces need to explore 3 areas:

1. Issues / priorities from budget process is one input – may not even be most meaningful
2. Suggested each of TF to prioritize which questions to answer next to move the model forward. Which ones matter most – biggest revenue categories; gain the input of task force
3. Input of external forces – state budget in April, Board decision on tuition

A question for the SC:

Build the model or be presented with one? This is an opportunity for academic leadership to collaborate and build a model that works for them individually and collectively.

Financial Reporting – TF defined a matrix of models to review based on 1. General tax; 2. Thin vs fat tax; 3. Fat vs variable tax; 4. Fixed tax. In all cases, the need for complete data is important.

Strine shared that 2 years of budget data will be available to work with soon. This is reliable data that has been reconciled to the center by Dave Boling and Melody Bianchetto and organized in a variable database tool for the SC. Observation – there is a high tolerance for ambiguity in the current model (don't currently know where money is going), but an intolerance for ambiguity in the future model. The reconciled data will shed light on this and will allow various modeling on the 2010 and 2011 data.

Models are useful to inform and understand the impacts. Within all RCM models there are inherent tensions between types of schools. Incentives can be created for professional schools and career services, libraries. Scale matters a great deal, Medical Center, for ex.

The SC needs to interact; a great deal of reliance on one person - Strine. Important for all to own in order to make progress.

Modeling is next step – all sources of funds in the model;  
Model basic scenarios to start with:

1. current UVa model
2. current Law, Darden, and McIntire
3. pure RCM model

Need to determine and see the impacts to the various models.

Suggestion that F&A revenue and costs is the right way to begin modeling.

Project Resources –currently have scheduling support; also need programmer analytic support; common knowledge and integration – someone who can attend and be listening across all the Task Force meetings.

Modeling planned for summer and then may need to reconvene the Task Forces in fall.

Full day Deans' retreat coming up; may be used as ½ day to work on NIFM and then ½ day to discuss collaborative ideas between schools.

Suggestions regarding communications are welcome: [srstrine@virginia.edu](mailto:srstrine@virginia.edu)