

NEW INTERNAL FINANCIAL MODEL STEERING COMMITTEE - July 20, 2011

The July 20th Steering Committee (SC) meeting began with consideration to a request from the Core Work Group (CWG) for additional representation at SC meetings. The Steering Committee determined that it would be appropriate to have CWG representatives attend when requested by the SC to present specific issues, analyses or recommendations.

Revenue and Cost allocation spreadsheets were presented to the Steering Committee to provide the framework to guide future recommendations that the CWG will bring to the SC. The revenue and cost allocation spreadsheets are used to reveal issues about key assumptions.

Richard Myers (Senior Associate Dean for Administration and Planning, Arts and Sciences) presented preliminary work on core revenue sources and allocation by the Sources subgroup of the CWG. The work demonstrated models for allocating core sources of revenue, particularly undergraduate tuition, graduate tuition, and state tax appropriations. It was stated that these three areas of revenue constitute approximately 2/3 of the University's funding.

Susie McCormick (Assistant Vice President of Information Technology Budgeting Administration) presented work from the Uses subgroup of the CWG, an organizational model used to identify cost categories for each of the organizations, which enables understanding of how each cost category interacts with the institution's cost structure.

Discussion ensued focused on understanding the concepts illustrated within the models and spreadsheets. The discussion on revenue and cost allocations is essential to the development of guiding principles for the new financial model that will be continued at the next meeting of the Steering Committee.

The Steering Committee noted that the project teams and subgroups are currently progressing within the Phase 1 goals of the timeline.