

NEW FINANCIAL MODEL STEERING COMMITTEE – Dec. 05, 2012

COST ALLOCATION RECOMMENDATIONS TO THE STEERING COMMITTEE

Cost allocation recommendations were developed by the Planning and Modeling group and were distributed to the Steering Committee prior to the meeting (*see presentation entitled “New Internal Financial Model - Cost Allocation”* located on the NIFM website). The Planning and Modeling group had reviewed their recommendations with the Associate Deans prior to the Steering Committee meeting.

Colette Sheehy and Anda Webb led the cost allocation discussion and the following are some of the concerns and questions expressed by Steering Committee members:

What opt-out provisions will be provided in the NIFM? From which services can the revenue centers opt out? Which central services are mandatory? Under what conditions is opt-out available? What governance structure should be in place to evaluate whether certain services should be discontinued?

Several Steering Committee members indicated that quality of service and responsiveness of the service centers are of concern.

How will the “hold harmless” provision and the new model be run in parallel with the existing budget process in FY14?

How will centers and institutes not directly associated with a school be supported in the new model, particularly if they currently are not self-supporting?

NEXT STEPS

Steering Committee members will continue to review the Cost Allocation document and will discuss with John Simon and Pat Hogan at the next Steering Committee meeting on December 19th.

Colette, John and Pat will review the preliminary revenue attribution and cost allocation recommendations with President Sullivan for her guidance and decisions on the recommendations.

The new project director will be hired shortly and will direct the activities around modeling and implementation.