Responsibility-Centered Management at Indiana University Bloomington

Report of the RCM Review Committee
December, 2011

1. Background

When Responsibility-Centered Management (RCM) was introduced on the IU Bloomington Campus in 1990, it was anticipated that the system would evolve through modification, and that has been the case. Three previous RCM Review Committees have analyzed the system and made a number of recommendations that were implemented in 1996-97, 2000-01, and 2005-06. The Bloomington Campus now has the experiences of 20 fiscal years operating under RCM, and it is appropriate again to evaluate the policies and procedures that underlie our financial planning and management.

This review analyzes the evolving balance between campus responsibility and school autonomy in operating IU Bloomington. The goals of this analysis are twofold. First, the report seeks to characterize how this relationship has changed over 20 years. More importantly, this review identifies and clarifies the strengths and weaknesses of the present version of RCM and suggests possible modifications.

Before describing the existing IU budgetary system, the Committee believes that it is useful to describe two hypothetical budgetary systems that represent pure models for balancing campus responsibility and school autonomy. These extremes are intended to make it more clear to readers how all real-world budgetary systems represent variants or hybrids of the two models.

The Market Model

In the market model of university budgeting, each academic unit on a campus is treated as if it were a for-profit entity or a non-profit entity (i.e., one that may accumulate cash for future uses) that competes against other entities (both on the campus and at other colleges and universities). Accordingly, with regard to revenues, each academic unit sets its own credit-hour requirements for
degrees, determines tuition rates, captures its own tuition revenue (undergraduate and graduate), earns a share of state appropriations based on some measure of performance (e.g., credit hours taught, degrees awarded, external research grants, and/or publications or citation counts), keeps the income from external research and training grants (including the indirect cost recovery) and raises its own philanthropic revenues. Likewise, on the cost side of the ledger, each academic unit sets its own salary and benefit policies, pays for its faculty and staff (including start-up packages, health care, and retirement plans), pays for the financial aid for its students (undergraduate and graduate), finances its buildings/labs/space, its utilities, and so forth. At the end of each year, each unit has a new “cash” position, which represents their net cash at the start of the year, plus or minus their financial result for the current year. As units accumulate positive cash, they are permitted to invest it, and each unit earns the interest (or incurs the loss) on their investments. From their accumulated cash, units may finance renovation to their facilities, make down payments on loans to finance new buildings, pay for start-up packages for strategic hires, purchase expensive lab equipment, and so forth. There are recognized flaws in the market model but the most fundamental is that there is no way to finance worthwhile units that have no (or insufficient) revenue.

**The Centralized Model**

In the centralized model, the only meaningful financial unit is the university (or campus) as a whole. All accumulated cash in the university is invested by a centralized finance staff and the interest on the cash is expended (or re-invested) at the discretion of the university leadership. The leadership of the university also decides the budget for each academic unit based on the persuasiveness of the unit’s case compared to the case made by other academic units. The case is made in the form of a budgetary request, which can be formal or informal. Tuition rates and financial aid amounts may be uniform throughout the campus or each unit may be told what their unique tuition rate and financial aid budget will be for the next year. Salaries and benefits for faculty and staff are uniform throughout the campus,
or they are set by university administration on a variable basis for different units. How the university leadership exercises this budgetary power can vary. It may include a large range of input from faculty and staff committees or it may be determined by a small group of officials working closely with the university leadership. The criteria used to determine the “persuasiveness” of a unit’s case for resources may be quite explicit or informal. If a unit does not expend its entire budget in a given year, the residual is returned to the university administration for investment or expenditure elsewhere. There are recognized flaws in the centralized model, one being that a unit will be inclined to spend all of its budget in a year (since it loses the money if it does not spend it) regardless of whether the spending is efficient or worthwhile.

**How RCM has Evolved Since 1990**

<table>
<thead>
<tr>
<th>Element</th>
<th>Indiana University Bloomington 1990</th>
<th>Indiana University Bloomington 2011</th>
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</thead>
<tbody>
<tr>
<td><strong>Priorities Central to RCM Model</strong></td>
<td>Principles Outlined by President Thomas Ehrlich in Establishing RCM at IU</td>
<td>Key Recommendations from Previous Reviews of RCM (1996, 2000, 2005)</td>
</tr>
</tbody>
</table>

1. All costs and income attributable to each school and other academic unit should be assigned to that unit.
2. Appropriate incentives should exist for each academic unit to increase income and reduce costs to further a clear set of academic priorities.
3. All costs of other units should be allocated to the academic units.

1. Campus academic administration cannot “preserve and enhance quality and leverage campus priorities” without central resources, such as a Provost’s Fund (1996). This Fund should be made larger (2000 and 2005).
2. The Provost’s Fund “has a specific priority to foster inter-unit cooperation” (2000).
3. Simplify the assessment system used to fund non-instructional units (2000) so that schools can more effectively plan their expenses.
4. Make year-to-year changes in campus assessments to fund non-instructional units “more predictable”. Predictability is a higher priority than technical accuracy in attributing costs to units (2005).
<table>
<thead>
<tr>
<th>Revenue Attribution</th>
<th>Indiana University Bloomington 1990</th>
<th>Indiana University Bloomington 2011</th>
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</table>
| Allocation of Academic Year Undergraduate Tuition | • Tuition income was pooled and allocated without regard to residency status—in mid-1990s, President Brand directed IUB to allocate tuition by student residence classification (i.e., non-resident (NR) students generated more revenue)  
• Allocated 100% to school of instruction  
• Distributed to schools on basis of this year’s enrollment pattern | • Since 2003, tuition income returned to original practice of being pooled and allocated without regard to residency status  
• Allocated 100% to school of instruction  
• Since 2003, distributed to each school on basis of percentage of last year’s campus student credit hours that school taught (1997-2002 used 2-year lag) |
| Allocation of Academic Year Graduate Tuition | • Tuition was actual (i.e., NR students generated more revenue)  
• Allocated 100% to school of instruction  
• Distributed to schools on basis of this year’s enrollment pattern | No change |
| Allocation of Summer School Tuition       | • School budgets were determined by Dean of Faculties  
• Tuition income was pooled and allocated without regard to residency status  
• Allocated 100% to school of instruction  
• Distributed to schools on basis of this year’s enrollment pattern | • Since 2005, each schools determines its own budget |
| Funding of Graduate Student Tuition Waivers | • Waivers borne by the school of enrollment | No change |
| Allocation of State Appropriation         | • In 1990, state funding used as “plug” to ensure that each school’s revenue remained unchanged by new budgeting system | • State funding for each school, as a percentage of the campus’ total amount of state funding, receives is kept fixed. This improves transparency and accountability for changes in tuition revenue and ICR that a school generates. |
| Allocation of Indirect Cost Recovery      | • 100% to applicable school or college | • Since 1998, 95% to applicable school or college and 5% to Vice President for Research |
### Revenue Attribution

<table>
<thead>
<tr>
<th>How cash reserves are administered</th>
<th>Indiana University Bloomington 1990</th>
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<tbody>
<tr>
<td>• Schools had the option of transferring unexpended funds or unbudgeted income to reserve accounts at year end (June 30)</td>
<td>• In the early 1990s, support units were allowed to retain 40% of their year-end balances for approved uses, primarily equipment purchases</td>
<td></td>
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<tr>
<td>• Year-end balances from support units reverted to the chancellor to be used to meet unanticipated expenses and to leverage campus priorities</td>
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<tr>
<td>• The Treasurer’s Office within VPCFO invested reserves, but was forbidden to invest in equities by State Law. Interest income earned on investments is budgeted at the campus-level.</td>
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<tr>
<td>• Each school’s annual budget could include “planned uses of reserves” that are approved by the trustees</td>
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### How gifts are administered

<table>
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<th>Indiana University Bloomington 1990</th>
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<tbody>
<tr>
<td>• The IU Foundation charged a 1% annual administrative fee on all gifts deposited</td>
<td>• No change</td>
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### Cost Attribution

<table>
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<th>Indiana University Bloomington 1990</th>
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<tr>
<td>Funding for Support Units</td>
<td>• Cost attribution algorithms with goal of allowing schools to track the funding each of them is providing to each support unit and tie this funding to “assessment drivers” (e.g., square footage, faculty size, enrollments).</td>
<td>• To facilitate planning, since 2010, budget constraint model with total support unit budget set by: $13.46 per square foot + $55.03 per credit hour + $14,257.31 per tenure-line faculty + $14,181.22 per other employee + Provost-determined inflationary %</td>
</tr>
<tr>
<td>Funding for Campus Initiatives to Enhance Quality, Foster Inter-Unit Cooperation, and Support 'Common Good'</td>
<td>• None</td>
<td>• From 1997-2001, annual Chancellor’s tax on schools equal to 1.5% of state appropriation • Since 2002, annual Chancellor’s tax on schools equal to 1.5% of state appropriation and 0.2% of expenditures; tax on support units of 0.5% of expenditures (increase from $2.5 million per year to $4 million per year) • In 2007, one-time $10 million President’s Tax on campuses</td>
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2011 RCM Review

The 2011 Review Committee focused on three major financial issues facing the campus and made a series of recommendations on each issue:

- How RCM should evolve in an era of budget retrenchment,
- Whether the assessment changes made in response to the 2005 RCM Review succeeded in making year-to-year changes “more predictable and facilitated planning”, and
- Whether RCM impacts IUB’s ability to pursue interdisciplinary efforts.

2. RCM in an Era of Budget Retrenchment

A survey of Bloomington deans and directors identified four RCM issues that concerned them:

Issue #1: A dean wrote, “IU seems to be moving in the direction of greater centralization, which threatens to erode RCM as a budgetary system.”

RCM is a decentralized budget model that consists of policies and procedures that underlie financial planning and management. Decentralization allows RCM to allocate institutional resources by moving decision-making away from central units to the academic deans of each school. Because RCM gives to schools the ownership of their individual revenues and costs, it also requires them to be accountable for their own academic and financial planning and therefore encourages entrepreneurship, efficiency, and educationally sound choices.

Bloomington deans identified three primary points of tension between actions being taken by central units\(^1\) and RCM principles.

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\(^1\) Central units are the Offices of Capital Planning & Facilities, Chief Financial Officer, Diversity, Equity, & Multicultural Affairs, Economic Development & Engagement, General Counsel, Information Technology, International Affairs, Public Affairs & Government Relations, Research, University Clinical Affairs, and University Planning & Policy.
Efforts by central units to direct academic units operations

The first point of tension is a perception that some University Administration (UA) actions seek to direct how Bloomington schools operate. This approach is seen as being inconsistent with IU’s decentralized model where (a) central units set the goals to be pursued, and (b) school deans determine how to best meet these goals, and are then held accountable for doing so.

The specific issue cited by the deans is that efforts to unify and coordinate marketing efforts across IU are undermining the ability of Bloomington schools to communicate with their constituents. Deans point to two specific examples:

- There is a perception that those seeking to create a unified marketing structure underestimate the value created by school-level marketing personnel at IU Bloomington. Deans believe that decentralized marketing plays a critical role in an RCM environment. Prospective students, donors, alumni, and peers are focused on what is occurring in a school and often relate to IU primarily through “their school”. Efforts to centralize marketing resources outside these schools are seen to be at odds with the needs of academic units to effectively communicate with these key audiences.

- Deans worry that the “Bloomington brand” is being diminished by IU Marketing’s university-wide “branding requirements.” The deans understand the value of centralized branding. However, the university needs to recognize that individual schools benefit from projecting unique identities to their constituents. Inflexible branding requirements make it difficult for the graduate-level School of Library and Information Sciences to differentiate itself from IU Athletics. Schools need the flexibility to communicate who they are to their unique target audiences.
Recommendations

1. The committee believes that Bloomington schools are not the target of the trustees’ concerns about the proliferation of unnecessary marketing materials. Thus, support provided to these schools by IU Marketing should focus on insuring that these schools are communicating with key audiences in as cost-effective a manner as possible.

2. Vice President Sample should be invited to a Bloomington Deans’ meeting to discuss how the impact of the “Bloomington brand” can flourish under IU’s “branding requirements.”

3. More generally, Vice President Theobald should discuss RCM with President McRobbie’s cabinet to insure that senior leadership understands how RCM operates on the Bloomington Campus. While all parties must first consider the best interests of the University, central units set policy and decentralized units—including Bloomington schools—pursue excellence within the constraints of this policy framework.

Budget decisions that undermine RCM

Another point of tension is crucial calculations made by the Bloomington Budgetary Administration and Planning Office that are seen as being inconsistent with RCM. These calculations weaken the link between (a) the unit generating campus revenue, and (b) the unit receiving campus revenue.

Deans point to two specific examples:

• IU Bloomington uses a different algorithm to allocate an increase in state funding than it uses to allocate a decrease in state funding. Increases are allocated on the basis of a school’s percentage share of the campus’ state operating funds. Decreases are allocated on the basis of a school’s percentage share of the campus’ operating spending. This latter process requires those schools with the highest spending levels—those that have succeeded under RCM—to bear the largest share of any decrease.
• Interest income generated by investing the operating balances held by schools is not allocated to those schools.

Recommendations

4. The algorithm used by IU Bloomington to allocate decreases in state funding was developed by the Bloomington deans nearly ten years ago. Vice President Theobald should lead a discussion at a Bloomington Deans’ meeting to determine if this approach should be changed.

5. At the present time, all interest income generated by the operating balances held by schools is committed to outstanding obligations to repay the IU Foundation for real estate purchases. At the point at which interest income exceeds outstanding obligations, the unobligated interest income should be allocated to the schools on the basis of the percentage of interest income that their balances generate.

6. More generally, Bloomington Budgetary Administration and Planning (BAP) should take proactive steps to insure clear understanding of how RCM operates on the Bloomington Campus. The BAP website should focus on providing three types of information that would be useful in creating/maintaining an understanding of the Bloomington version of RCM:
   a) The BAP website should include a detailed explanation of what RCM is and how it has been implemented at IU and other universities.
   b) It should also include an “RCM in action” section, which would provide details on how the assessment algorithm works and school-level information on how the algorithm has changed from year-to-year. Bloomington deans routinely seek such information. BAP should make these data both readily available and insure that it is kept updated.
   c) The site should provide access to the four RCM reviews (1996, 2000, 2005, and 2011).
Issue #2: IU is tightening the constraints under which deans are allowed to provide annual salary increases

**Faculty Salary Increases**

Historically, the policies under which Bloomington deans could allocate faculty salary increases were quite stringent. In the 1990s and early 2000s, average faculty salary increases at the campus- and school-level were sometimes specified to multiple decimal places (e.g., faculty salary increases will average exactly 3.00%).

During the middle of the last decade, these constraints were loosened considerably. The salary policies using in Spring 2007 and Spring 2008 reflect the flexibility provided to deans:

**Policy for setting 2007-08 faculty salaries**

- The campus-wide percentage salary increase provided to faculty must be greater than, or equal to, the campus-wide percentage salary increase provided to staff.
- The expectation is that each unit will provide at least a 3% salary increase for faculty and at least a 2% salary increase for staff.

**Policy for setting 2008-09 faculty salaries**

- A focus on faculty salaries is critical. However, each unit should make ample provision for salary increases to key professional staff members and for employees in competitive job markets.
- Salary increases for faculty and professional staff should be based on merit and performance. In this regard, please provide an explanation of your salary-setting strategy with an emphasis on faculty salaries. This strategy statement should focus on the distribution of salary increases, particularly for faculty, and show that available dollars are not being spread evenly across all salary lines. University priorities should be addressed in salary decisions, subject to resource availability.
The 2009 Indiana General Assembly cut IU’s state funding by $22.3 million, or 4.5 percent, for the 2009-10 academic year and by an additional $7.1 million, or 1.5 percent, for the 2010-11 academic year. In response, IU provided no salary increase in 2009-10.

In 2010-11, IU granted salary increases to faculty and staff, but did so under a much more directive salary policy:

*Policy for setting 2010-11 faculty salaries*

Retention and Morale are the foci for faculty salary increases.

- Each RC average increase for faculty will be 3%.
- A 1.25% salary increase should be provided to all faculty members. Salary increases of less than 1.25% are allowable with permission of the chancellor, provost, or vice president and the President.
- The remaining 1.75% of the 3% salary pool should be allocated across faculty on the basis of merit. At least 20 percent of each unit’s continuing faculty must receive salary increases of 4% or more.

The move to constrain the allocation of faculty salary increases continued in 2011-12:

*Policy for setting 2011-12 faculty salaries*

- Each school’s average salary increase is limited to 1.5%.
- An amount equal to 1% of the school’s salary base may be used to provide salary increases for a small pool of faculty in each school.

The salary policies in 2010-11 and 2011-12 represent centralized control over a substantial part of each unit’s operating budget. UA offers two reasons for this approach:

- The policy provides merit-based heterogeneity in raises within each school, and
- The policy provides homogeneity in average raises across schools on a campus.
The Committee strongly supports the first concept. Deans and unit heads are in the best position to evaluate the market attractiveness of their employees.

The Committee understands the need for the second concept, but believes that broader exclusions should be carved-out to this principle.

**Staff Salary Increases**

Members of the committee met with Dan Rives, Associate Vice President for Human Resources, to discuss how staff salaries can be made more flexible. The discussion focused on the classification process used to set staff salary ranges. This approach addresses legal constraints on staff salary differences across IU, but the subcommittee expressed concern about the competitiveness of current staff salary levels.

**RECOMMENDATIONS:**

7. The current political context requires moderate, merit-based salary increases that focus on strategic priorities. The focus of IU salary policy should be to combine targeted flexibility with decentralized decision-making. An immediate target should be greater flexibility for academic units that are uncompetitive with their peers.

8. The Committee asks UHRS take three steps: (a) Conduct a review of the IU staff salary classification methodology, (b) Update the benchmarking of staff salaries, and (c) Communicate how IU staff salaries compare to the market. The Committee asks Vice President Theobald to report to the Bloomington Deans by September 2012 on these three tasks.

**Issue #3: IUB needs to allocate a larger portion of campus funds to the Provost so that the office has greater opportunity to affect change**

The committee does not believe it is well enough informed about the uses of the Provost’s Fund to make a recommendation on this issue. The 1996 RCM Review Committee suggested the creation of a
Provost’s Fund so that resources “can be allocated to leverage campus priorities to achieve campus-wide goals” (1996 RCM Review, p. 21). According to the 1996 report, “units receiving resources from this fund would have special accountability responsibilities since it is essential that the resources be used to enhance quality and not circumvent the usual incentive structure of RCM” (p. 21). The 2000 RCM Review Committee found that “the fund has a specific priority to foster inter-unit cooperation” (2000 Review, p. ii). Following the recommendation of the 2005 RCM Review Committee, the on-going (i.e., base) funding provided to the Provost’s Fund was increased from “$2.6 million in FY2005 to $4.0 million in FY2006” (2005 Review, p. 1). Both the BFC Budgetary Affairs Committee and the Deans lacked know about the disposition of the Provost Fund.

RECOMMENDATION:

9. Each fall, the Provost should report to the deans and to the BFC Budgetary Affairs Committee about how the previous year’s Provost Fund was used. Those allocations that are tied to dean hiring agreements are exempt from this requirement.

10. Information collected through this process should be used to determine if the Provost’s Fund should be increased in size.

11. The Campus should establish an on-going funding source for non-R&R facility costs through a one-time, $1 million assessment increase on schools. This fund should be allocated by the Campus Classroom Committee each year.

Issue #4: The recruitment and the professional development of school fiscal officers are particularly important in an RCM system, where the schools are required to make entrepreneurial and efficient fiscal decisions that support the rest of the enterprise. The campus has supported the school fiscal officers’ professional development through the Business Officer’s Group. Their knowledge/skill levels need to be a campus priority.
Because RCM gives individual schools ownership of their financial planning, the fate of the individual academic units is tied to that of the entire institution. Thus, professional development for fiscal officers is a campus focus. The primary vehicle for delivering this training is IUB’s Business Officers Group (BOG), which serves all academic unit fiscal officers. BOG provides for fiscal officers to increase their knowledge of RCM as it pertains to their individual academic units and the institution as a whole. Furthermore, it seeks to ensure that individuals have sufficient knowledge about RCM so that they are then able to be entrepreneurial, efficient, and make educationally sound choices regarding their unit’s revenues and costs.

RECOMMENDATION:

12. Vice President Theobald should conduct a review of IUB’s Business Officers Group to assess its effectiveness it is maintaining necessary knowledge/skill levels for fiscal officers. The Committee asks Theobald to report to the Bloomington Deans by September 2012 on this review and steps that IUB should take in 2012-13 to address any issues that are identified.

3. Success of 2010-11 Assessment Changes

In 2010-11, a new assessment system was implemented for gathering funds from academic units in order to cover costs of campus support units. Previous reviews repeatedly requested changes in the model for transparency and ease in future planning. The new algorithm allocates assessments among schools on the basis of each school’s share of the Bloomington Campus’:

- Total credit hours,
- Tenure/track faculty FTE,
- Other academic & staff FTE, and
- Assignable square footage.
These four variables are referred to as the “assessment drivers.” Details for the new model, as well as the breakdown for FY 2011-12, can be found in Appendix A.

While the new assessment model has only been in place for two fiscal years, the overall response has been favorable. In addition, survey responses indicated that “recent changes to simplify the assessment drivers on the Bloomington campus are a step in the right direction”. Others have indicated the new model was a “major improvement”. However, it is important the algorithm does not have unintended consequences of driving academic decisions.

RECOMMENDATIONS:

13. Assessment drivers should continue to be monitored for potential risks of driving academic decisions.

14. An annual report including details on graduate credit hours (resident/nonresident), online credit hours, and employees by type (including contract employees) should be created.

15. New non-academic space should be reviewed for fairness in the Bloomington assessment. Are the buildings serving the mission of IUB only? If not, the related facility costs should be shared appropriately with other campuses or entities.

**Assessment Income & Funding Support Units**

In the 2000 RCM Review, the following was expressed on the part of support centers:

The assessment system has helped non-instructional units strengthen their administrative structure to create the best services for the best price. It also allows non-instructional units to discuss and to determine more effectively what they should be doing and for whom. (2000 RCM Report, p. 8)
In the past ten years, support units have changed dramatically through new units being created, mergers, as well as services provided. Also, support units have equally felt the pain of state reductions during the past decade.

There is mounting concern about the effect of future reductions within the parameters of the current structure. A support Dean expressed support for the exploration of entrepreneurial activities to increase income for improved services as well as maintaining current levels. However, there was hesitation that if “other income” increased; base line campus support would decrease. While support units expressed appreciation of Provost Funds, alternative means need to be explored.

In an effort to become more cost effective through collaboration and shared services, a review of baseline services is recommended. The last review was conducted in the 1990s. The baseline will provide more transparency to services being offered by support units. The overarching goals from the review include (1) greater understanding of current services, (2) opportunity for organizational efficacy central to the mission of Indiana University at Bloomington, and (3) opportunity for collaboration across support and academic units.

There are approximately 10 different career services offices across the campus. In addition, there are about 84 full-time staff and faculty involved in student leadership development. Some are working with leadership development fulltime while others are doing this among other duties that they have. Furthermore, there are 38 graduate student staff members who work with leadership development. Some cases that may appear to be duplication could be complementary to baseline services and/or central to the core of the academic school. Thus, overarching purpose of the baseline review is not to centralize, but rather to encourage collaboration of shared services. A pool of resources (i.e. finance/budgeting, IT, web design) could be utilized across smaller units. Moreover, the review will allow the academic deans to have a more robust understanding of what functions are central and what are external to academic schools.
RECOMMENDATIONS:

16. A baseline services review of support units should be conducted on the Bloomington campus during FY13.
   a. A committee should be appointed by the SVPCFO & BAP in Spring 2012. This project follows recommendations in the New Academic Directions Report as well as the Benchmarking Report.
   b. A completed report should be available by December, 2012 with potential for changes in the FY 14 budget.

17. In addition, a review of funding additional effort by support units as a result of enrollment increases should be conducted. When enrollment counts increase more than projections, academic units receive surplus undergraduate fee income, and centers supported by mandatory fees receive additional dollars per enrollment. However, those units dependent on assessment income only may be at an unfair advantage as increase effort is required (i.e. additional staff, supplies) without additional funding.
   a. BAP & the Baseline Committee should outlines services which are impacted by enrollment surpluses without another mechanism for funding (i.e. mandatory fee).
   b. A matrix and funding formula should be developed for implementation in FY 14.

Once the baseline services are set, the Campus will have an opportunity to look at existing programs to help for justification of proposed programs.

Dean’s Advisory Committee

There is a recognized need to enhance the relationship between the administrative side and the academic side on the campus.
RECOMMENDATIONS:

18. Under the direction of Vice President Theobald, a Dean’s Advisory Committee should be developed to maintain communication on budgetary matters on the Bloomington campus. Appointments should be rotating on a bi-yearly basis.

19. This committee would be a forum for support units to bring proposals for programming for further consideration of financial support. If the proposal matches the expectations of the committee, it would be brought to the greater Dean’s Committee for consideration. If a program is deemed necessary for the campus, the Deans would have the discretion to recommend the additional cost be added to assessments.

Support Unit Entrepreneurship Activities

Entrepreneurship and partnerships should be encouraged by leadership for support centers as long as the activities expand and/or enhance the academic mission of the campus.

RECOMMENDATIONS:

20. Support units should be encouraged by leadership to be opportunity conscious of grant and partnership (i.e. within university) for their operations. However, sources of income should not be cost shifts to students, faculty, or staff.

21. For support units that can provide resources for teaching, a review of partnership agreements should occur to maintain mutual beneficial relationships for both units.

4. Impact of RCM on Interdisciplinary Activity

RECOMMENDATION:

The RCM Committee extensively explored the claim the RCM adversely impacts interdisciplinary activity. While the committee found real barriers to interdisciplinary cooperation, it did not find that RCM was itself the source of significant barriers to interdisciplinary cooperation across RCs. Rather, RCM served to make transparent the actual costs and financial trade-offs involved in cross-RC activity,
and as a result, fostered healthy conversations about the underlying substantive merits of interdisciplinary proposals.

Appendix A – Assessment Model for Bloomington Campus Assessment

FY 2011-12 Assessment Model
Indiana University Bloomington

**Credit Hours**
Undergraduate & Graduate Credit Hours
Academic Year 09-10 (incl. summer)
Cost: $55.03 per credit hour

**Tenure Faculty**
Census Report October 2010
All Funds FTE
Tenure/Track Appointments
Cost: $14,257.31

**Other Employees**
Census Report October 2010
All Funds FTE
Other Instructional faculty (clinical, lecturer, etc)
Library (non tenure/track)
Academic Professionals (research associates, etc.)
Monthly Employees (Professional staff)
Biweekly ((support staff, service, maintenance, etc)
Cost: $14,181.22

**University Tax**
5-Yr Rolling Average - All Funds
Excludes Auxiliary Accounts

**Facilities**

**Academic Space:**
Each Academic Units is assessed for their Academic Space
Assignable Sq Footage
RCM Space Report 2009-10
cost: $13.46 sq ft

**Non-Academic Space:**
50% allocated on pct of assign. Sq ft occupied by the academic RC (RCM 2009-10 space report)
25% allocated on basis of pct of FTE faculty & staff (Census 2010)
25% allocated on basis of total credit hours for AY 2009-10
Cost: $13.46 sq ft

Total Non-Academic Space for FY12 is 3,576,377