Faculty Senate *Ad hoc* Committee on Responsibility Based Budgeting (RBB)

Report on The Impact of RBB on the Academic Mission and Faculty Governance at The University of Delaware

Presented to the Faculty Senate

October, 2013

"Don't tell me what you value. Show me your budget, and I will tell you what you value."

-Vice President Joe Biden

Executive Summary

The Faculty Senate *Ad hoc* Committee on Responsibility Based Budgeting (RBB) was commissioned to assess the impacts of RBB on the academic mission and faculty governance of the University of Delaware. The Committee was tasked with making recommendations, where appropriate, about how changes to RBB could enhance progress on the University's Path to Prominence. The Committee met over the past year and considered data collected from a variety of sources, including surveys, interviews with Deans, financial officers, chairs, and faculty.

RBB is a budgeting system that places responsibility for most expenses at the level of the Colleges. Colleges get their operating budgets from the portion of the revenues that are allocated to them using the simple mathematical formulas known as algorithms (see Appendix A). Colleges are now theoretically required to balance their own budgets as opposed to the previous system where the budget only had to be balanced at the University level. The University FY2013 revenue is approximately one billion dollars and only a little more than half of that is used in the allocation formulas. These funds are deemed "unrestricted." About one-third of the unrestricted revenues are centrally controlled for allocation to Colleges. Similar to revenues from the "unrestricted" funds, expenses also are allocated to Colleges based on established formulas that take into account the usage of facilities, services, and space.

The initial expectations for what RBB would do for UD, once it was implemented, are best summarized in the following excerpt from early training materials.

> Revenue-Based Budgeting is a financial management philosophy that supports achievement of the highest academic priorities; decentralizes decision-making; and aligns authority, responsibility and accountability for both revenues and expenditures. UD's leadership recognizes that providing an environment where decision makers are rewarded through incentives, has much greater potential to move the University forward than a traditional expense-oriented budgeting environment.[1]

Responsibility Based Budgeting has been implemented at UD over the last four years, and we have concluded that it is not performing as originally represented. There have been many unintended consequences of RBB, involving both conceptual and implementation issues. Although there are some conceptual benefits of RBB, we believe that they are outweighed by the disadvantages. Regardless of any conceptual flaws, we also have determined that there have been problems with the implementation of this budgeting system, many of which are unintentionally contrary to the stated academic values of the institution and the Path to Prominence.

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[1] November 18, 2011, Budget Office presentation; The Committee was unable to determine when the name was changed to the current Responsibility Based Budgeting.

Conceptually, the UD RBB model was designed to incentivize entrepreneurial activities within the Colleges, in order for the Colleges to then develop new revenue streams. The philosophy is that those who generate the revenue will get to keep the revenue, and so revenue-generating activities will increase. However, from an implementation standpoint, this system is flawed because at UD the ownership of revenue stops at the College level. There is no ownership of revenue at the level at which revenue is generated, i.e., the Departments and faculty. Therefore our current system fails to achieve the desired alignment of authority and responsibility such that there is no incentive for entrepreneurship at the individual level. Indeed, RBB was advertised to be superior to our previous accounting system because RBB was touted as being more transparent, but surveys indicate that most faculty and even many chairs find the system opaque, arcane, and impenetrable. At the very least, the fact that the ownership of revenue does not extend to the agents who are being asked to generate new revenue is certainly counterintuitive.

Many of the consequences of implementation affect the core areas identified in the Path to Prominence, including undergraduate teaching, the Honors Program, and the Study Abroad program. Some consequences are University-wide, and some are College-specific. In general, one of the most prominent and significant effects is the increase in average undergraduate class size and the decrease in the number of sections offered for each course. Although these may be partially the result of belt tightening in response to the economic downturn and decreases in state funding, these outcomes also represent the prioritization of revenue-generating activities and a competition between Colleges to attract more students and, thus, more tuition dollars without the cost of more faculty.

What is not often realized is that there is no direct benefit to a Department or faculty from increasing class size. In fact, the economic realities of a zero-sum situation have led to competition among Colleges. Unless there is a possibility of growing the pie of tuition dollars by increasing the overall number of undergraduate students (which this Committee does not recommend), only outside money raised through grants, contracts, or gifts holds any hope of increasing the revenues that are then allotted to Colleges. Hence, in order to maximize resources, we envision consequences like the siphoning off of students through redundancy in course offerings. This could lead to the creation of courses such as “Philosophy for Engineers” alleged to have been taught by the College of Engineering at the University of Southern California.

Unlike undergraduate programming where colleges may be competing for students, growth in graduate programming has been encouraged. And here we see virtually unfettered growth with a steep rise in graduate offerings such as professional programs and certificates. Arguably, many of these are driven by financial rather than pedagogical motivations. Moreover, whether or not the initial student demand is sustainable remains an open question.

According to two recent surveys, faculty morale is extremely low. We believe that some of the discontent can be attributed to problems with implementation of RBB.

Currently, Colleges do not control allocation of roughly one third of the unrestricted revenues because these funds are allocated centrally. Colleges have control over resources that remain after $173 million (FY 2013) is taken off the top. Of this amount, $33 million is for the administration (for capital projects, strategic initiatives, executive units expense, etc.), $50 million is for the provost's subvention, and $90 million is for the sponsored activity incentive.

Distribution of these large subventions also represents inverted academic priorities. The $90 million sponsored activity incentive, which can be considered a "research subvention," represents the equivalent of 25% of the total undergraduate tuition revenue. The committee was unable to find another institution that had such a research incentive. The University of Pennsylvania is frequently mentioned as a comparator and an exemplar of this type of budgeting model. UPenn not only has no research incentive, but instead uses 10.5% of its indirect cost recovery (ICR) from research grants to help fund the general subvention (see http://www.budget.upenn.edu/dlDocs/rcm.pdf).

In the Colleges where the research subvention is a major proportion of income (e.g., Engineering or CEOE), the faculty are incentivized to seek research funds rather than to teach because the College is so heavily subsidized for revenue-generating research. In contrast, Colleges that do not receive a major portion of their college income from sponsored activity sources (e.g., Business and Economics or Arts and Sciences) are disadvantaged by the research subvention because they end up subsidizing other Colleges with their tuition revenues. Such subsidization may be necessary to some degree, but the Committee concludes that the degree to which it occurs now and the narrowness of the targeted incentive are not consistent with the broad academic mission of the University.

Based on consideration of all of the data, the Committee has advanced several recommendations.

- There should be further decentralization of some aspects of the incentive structure down to the Departmental level.

- College budget systems should be transparent to the Departments and the faculty within that College.

- Other important programs and activities should be directly incentivized, e.g., Honors Program, Interdisciplinary Activities, and Study Abroad.

- Through its curriculum committees, the Faculty Senate should be especially aware of RBB when scrutinizing newly proposed courses and programs to ensure they have substantial academic merit.

- The Provost should monitor and identify situations where Colleges are misusing the RBB model.

- The research subvention (incentive) should be dramatically lowered or, ideally, eliminated.

- The Faculty Senate should reinstitute their former standing budget committee. The committee should be created to monitor, evaluate, and make prospective recommendations concerning the University's budgetary process as well as to communicate information about the University's annual budgets and their potential impact on academic programs to the University Faculty Senate and to the University Faculty as a whole.

Introduction

In the Fall of 2012, the Faculty Senate created an *Ad Hoc* Committee to examine the impact of a newly instituted budgetary system that was called Responsibility Based Budgeting, soon to be known as RBB. Recent documents (e.g. FY14 Allocation Model) from the budget office have been referring to RBB as Revenue Based Budgeting. The charge to the Committee was:

> To determine the impacts, whether positive or negative, that responsibility based budgeting (RBB) is having, and may have in the future, on academic quality and faculty governance at the University as it follows the Path to Prominence. The committee should make recommendations as to the use of existing metrics and whether new tools should be developed to evaluate the effect that the RBB model is having on UD's ability to meet the strategic milestones and key capabilities outlined in the Path to Prominence.

The members of the Committee were:

Martha Buell	Human Development and Family Studies, Senate Vice President
John A. Courtright	Communication, Senator and Chair, Faculty Welfare and Privileges Committee
Prasad Dhurjati	Chemical Engineering, Senate Secretary
Alan Fox	Philosophy, Former Faculty Senate President
Deni S. Galileo	Biological Sciences (*ex officio*), Senate President
Jackson F. Gillespie	Accounting and MIS, former member, Undergraduate Studies Committee
James L. Morrison	School of Public Policy and Administration (Chair), Senator
Sheldon D. Pollack	Accounting and MIS (*ex officio*), Senate Past President

The Committee met numerous times during the 2012-13 academic year, as well as several times during the Summer of 2013. During these meetings, responsibilities were assigned and reports of progress were made. Throughout the process, the Committee emphasized the need to obtain as much accurate data as possible and to understand those data thoroughly. Neither of those tasks was as easy as the preceding sentence would imply. In the section that follows, we outline the steps that the Committee took to acquire the necessary data and their requisite understanding.

Data Collection

The Committee obtained data from several different sources. Early in the process, the entire Committee met with Scott Douglass, Executive Vice-President and Treasurer of the University. This meeting consisted of a general, wide-ranging discussion of the RBB model and its implementation at UD. Soon after, the Committee met with other members of the Budget Office. This discussion was more specific and numbers oriented. Members of the Committee participated in additional meetings with staff of the Budget Office to obtain a deeper understanding of the workings of the RBB model. A massive amount of information was synthesized and conveyed to the rest of the Committee. All of these meetings were lengthy and consumed many hours. Throughout this process, however, the professionals in the Budget Office were cordial and cooperative. They provided all of the information the Committee requested.

During this time, individual members of the Committee met with the current Deans to discuss how RBB was affecting their units. Committee members also interviewed individuals who had been Deans at the time of the introduction of RBB. These meetings were helpful in that they provided insight into how Colleges were being impacted, both positively and negatively.

Other members of the Committee worked with the University's Office of Institutional Research and Effectiveness to obtain data such as class size, number of classes, number of faculty, etc. In most cases, the expectation was to look at these data over a 10-year time period, if possible, trying to compare the 5-year period before RBB started against the first 5 years of RBB activity. Graphs showing these data can be found in Appendix D to this report.

For a potential comparative analysis, the Committee looked at the workings of RBB at other schools (University of Virginia, University of Florida, University of Minnesota, Kent State, etc.; called Responsibility Center Management or RCM). Information gleaned from these searches allowed the Committee to make meaningful comparisons. Interestingly, several public universities that are known to have a RBB-like budgetary model make absolutely no information about their budget publicly available. Reasons for this blackout were not provided.

The Committee also sent out two surveys, one to all faculty that contained six simple questions about the impact of RBB on them individually and on their Department collectively. Faculty response was overwhelming, with 486 surveys completed. The questions, results, and written comments are presented in Appendix B of this report. A second survey containing nine questions was sent to all Department Chairs and unit Directors. Thirty-nine Chairs and Directors completed at least part of the survey. As with the faculty survey, the questions, results, and written comments are displayed in Appendix B.

Overview of University Budget

This section presents a brief summary of the University budget under RBB. This summary is based on information provided by the University Budget Office, information presented at Faculty Senate meetings, and meetings with various University personnel.

The University budget includes revenues from several sources that must match the expenses. The expenses consist of common items, such as libraries, and also College-specific items, such as faculty salaries. In a University that does not use a system like RBB, or in a "one-College" University that uses RBB, there is only one budget to balance. Thus, it is only necessary to understand the total revenues and the total expenses of the University in order to get to a balanced budget. Under RBB, there are seven colleges at UD that have to balance their budgets. RBB at UD is somewhat more complicated. While in theory each of the college budgets should be balanced, this is not a requirement colleges are held to, and in fact their budgets do not balance.

Total Revenues

The total University budget for FY 2013 was **$987.5 million**[2] (or approximately one billion dollars of revenue). Of this revenue amount, **$433 million** can be excluded from the overall budget because of the restricted nature of the revenues (and are also called non-RBB resources). Excluded items include revenue from auxiliary or self-supporting units ($190M), restricted direct costs of contracts and grants ($132M), restricted state or endowments funds, gifts, etc. ($61 million) and undergraduate tuition assistance ($49.5 million).

Unrestricted or RBB Funds

The remaining unrestricted amount of **$554 million** (also called RBB resources) includes the following sources of funds: (a) undergraduate Tuition net of aid at $316 million, (b) unrestricted state funds at $89 million, (c) unrestricted endowment funds, Temporary Investment Income, and other income at $42 million, (d) overhead or indirect cost recovery from contracts and grants at $31 million, (e) net graduate tuition revenue of $22 million (total graduate tuition of $75 million includes $53 million, which is added as revenue and then subtracted as expense). The total RBB-eligible revenue is approximately $500 million.

Total Expenses

The total expenses for the University consist of (1) common or allocated expenses and (2) College-specific expenses. Expenses for restricted use or self-supporting units are not included in the RBB part of the University expenses. Common expenses total $207 million and consist of the following: (a) academic expenses at $91 million (e.g. library, IT, research

[2] Source: Provost Brickhouse Presentation to Faculty Senate in December 2012.

office, etc.), (b) non-academic expenses at $56 million, (c) utilities at $22M and facilities at $28M, and (d) capital maintenance at $10 million. The remaining expenses are specific to Colleges and total $258 million. There is also the expense of $33 million for executive units, strategic initiatives, capital projects and University reserves. The total expenses sum up to approximately $500 million, which matches the total unrestricted revenues.

RBB World

In an RBB world, budgeting is decentralized to (and only to) the level of individual Colleges and, thus, results in seven different College budgets. Each College budget has its own RBB revenue and RBB expenses, and each has to be individually balanced, in theory. The Colleges have RBB revenues based on Algorithms 1 through 5 that determine distribution of the unrestricted part of the revenues (these algorithms are presented in Appendix A.). Each College also incurs individual RBB expenses that include common expenses (known as allocated expenses in RBB language), graduate tuition expenses, and College-specific expenses. Common expenses are allocated among Colleges via Algorithms 7 through 12. These common expenses are allocated to Colleges based on student and faculty headcount, space, and usage. Algorithm 6 determines graduate student expenses. The remaining expenses are College-specific. Each College theoretically has to live within the constraints of the revenue allocated to them and the expenses incurred by them. The Dean must understand the algorithms that determine the revenues and expenses in order to ensure that the College budget is balanced (ideally), which apparently is not always possible.

RBB Revenues

Algorithms 1 through 5 categorize the unrestricted revenues for distribution among Colleges according to the source of funds. RBB Algorithm 1 revenues consist of a total of $447 million and are made up of undergraduate tuition net of financial aid ($316 million), unrestricted state funds ($89 million) and unrestricted endowment/Temporary Investment Income and other income ($42 million). Algorithm 2 no longer exists. The RBB algorithms have changed over the period of its implementation and the various Algorithms from previous years are included in Appendix A. Algorithm 2 evolved into Algorithm 1c from FY2010 to FY 2011. Currently the unrestricted state monies are included in algorithm 1 revenues. RBB Algorithm 3 revenue is graduate tuition revenue that can be considered to be $22 million or $75 million (depending on how one does the accounting of the $53 million graduate tuition expenses). RBB Algorithm 4 revenue consists of indirect cost recovery or "research overhead" which is $31 million. Revenue from RBB algorithm 5 is money generated by individual Colleges and is currently a miniscule amount of $575,000 (less than 0.1% of the budget). The total revenue is $500 million or $553 million depending on whether one includes the graduate tuition revenue that is offset by graduate tuition expenses (i.e. net or gross graduate tuition).

Algorithm 1

Understanding Algorithm 1 is the key to understanding RBB. Algorithm 1 consists of multiple steps. Step 1 sets aside $50 million for Subvention (proper) that is distributed back to the Colleges according to the discretion of the Provost. Step 2 of Algorithm 1 consists of setting aside $33 million (capped at a maximum of 10% of total Algorithm 1 revenues, currently at 7.5%) to support executive units, strategic initiatives, University reserves, and capital projects.

Step 3 (Algorithm 1a and 1b) distributes revenue based on teaching. Algorithm 1a (75%) largely rewards Colleges that teach a course ($203 million) and Algorithm 1b (25%) largely rewards Colleges whose home Departments provide the student ($68 million). Note that the actual algorithms 1a and 1b are somewhat more complex.

Step 4 (Algorithm 1c) removes $90 million (approximately 25% of undergraduate tuition)[3] and distributes it based on relative external sponsored activity dollars expensed by each College (distribution computed using a fraction of the college expenses relative to the total expenses averaged over three years).

Of the total $500 million in unrestricted revenues, $173 million is taken "off the top" ($50 million Provost subvention Algorithm 1 Step 1, $90 million Sponsored Activity Incentive (i.e., research subvention), $33 million Algorithm 1 Step 2). The indirect research costs ($31 million) and graduate tuition revenues ($22 plus $53 million) are largely returned to the Colleges. Thus the major revenues that each College controls include the research overhead (currently $31 million), actual graduate tuition revenue (currently $22 million) and undergraduate tuition and other revenues that are returned to the College according to Algorithm 1a and 1b (currently $271 million). With this scheme, a Dean can receive more research incentive subvention if other Colleges receive less or no overhead-bearing research funds, as this subvention (Algorithm 1c) is based on the fractional research overhead generated. Thus, there are intended and unintended academic consequences of RBB that differ for each College.

Consequences of RBB thus Far

This committee was charged with determining the impact of RBB on academic programs and faculty governance at UD.

In terms of the impact on academic programs there is substantial evidence that RBB is adversely affecting a significant number of programs. Since the advent of RBB there has been a small rise in the number of undergraduate students at UD. However this does not explain the increase in both the numbers and size of classes being offered, since the implementation of RBB. While the number of undergraduate majors we have at UD has

[3] An alternate interpretation is that the $90 million research subvention is approximately equal to 100% of the State of Delaware's 2012 unrestricted appropriation.

remained virtually flat since RBB, there has been a sharp increase in the numbers of minors offered.

The changes in undergraduate programming since the advent of RBB have been substantial, but more striking changes are evidenced in the graduate programs. There has been an increase in the numbers of four plus one programs, and in the number of masters programs. Also evident is that the number of certificate programs has shown a steep and steady growth.

Despite the growth in programming at the undergraduate and graduate levels faculty numbers have remained steady. However, this obscures a trend that indicates the proportion of CNTT faculty to tenure track faculty is also increasing. All this may in part be responsible for the results of the faculty surveys that were done this year. Both our and the AAUP surveys indicate that on the whole the faculty at UD are suffering from low morale.

Unplanned Impacts on Special Programs.

There are several programs identified as central to the University's "Path to Prominence" which have been particularly vulnerable to the impacts of RBB implementation. These include the University Honors Program and the Study Abroad Program, in particular. These two programs have been hailed as flagship programs which set the University apart from other comparable institutions, and which are advertised in a variety of ways to prospective students. They greatly aid UD at being placed at or near the top of several important academic listings. In addition to these two programs, there are also possible risks to, Independent Study courses, Undergraduate Research, and Interdisciplinary teaching simply because they do not generate sufficient revenue.

The Honors Program has been adversely affected in some very specific ways. Prior to RBB, the Honors Program budget included a significant number of S-Contracts that were available to fund special teaching projects and dedicated Honors courses such as Honors Colloquia and Tutorials. In the wake of RBB, these S-contracts are no longer available. This puts the Honors program at serious risk of being unable to fulfill its commitments to Honors students seeking Honors degrees, and diminishes the integrity of the Honors Program by having fewer stand-alone course sections. All of this makes an impact on the reputation of the program and subsequently our ability to attract the best students.

The impact of RBB has also been felt by Study Abroad. Prior to RBB, tuition generated from Study Abroad went to the study abroad program. Despite the fact that revenue exceeds expenses for almost all Study Abroad programs, the excess revenue ("profit") goes to the Deans to support other programs. The current model does not support Study Abroad program growth (i.e., on a fixed budget, more programs and more students means less spent per student), program innovation, program quality, or scholarships. Incentives for faculty directors of the study abroad programs have not changed despite the revenue to the colleges.

Faculty Governance.

The University of Delaware has a longstanding tradition of faculty governance. Although there is evidence of episodic impacts on governance as a by-product of RBB-centered changes, there are clear indications that if left unchanged, a systemic impact will be felt in the future. In the RBB faculty survey, several respondents indicated that their service commitments had changed (lessened) since the advent of RBB. Given that participation in faculty governance is a component of service, and service is a non-revenue generating activity, the commitment to service will no longer be prioritized at the department, college or university level. Consequently, participation in faculty governance might even be dissuaded and, thus, could be seen by faculty as a worthless endeavor on which they should not spend time or effort. Because it is the explicit responsibility of the faculty to fulfill multiple duties related to the academic mission of the University through the Faculty Senate, college and departmental committees, we must ensure that our financial management model does not undermine faculty governance.

Conclusions

Academic funding does not come first. The Committee's analysis of the University's budget system allows several conclusions to be made (mainly using the numbers from FY 2013). The income into the University is relatively straightforward, with a limited number of unrestricted and restricted resources, and only the unrestricted resources being used as resources for RBB algorithms. One apparent and striking observation is that the money for the College budgets is allocated only after all other allocated expenses for the University are paid (e.g., academic and non-academic support, utilities, etc.). Additionally, large amounts of money are set aside from the start for the Provost's discretionary subvention ($50 million) and Executive units (up to 10% of the RBB budget). The "Sponsored Activity Incentive" (i.e., research subvention) also is taken off the top and at $90 million is almost twice that of subvention-proper. This seems somewhat backwards, because the College budgets must come from the money that is "left over," even though these funds are used for expenditures that directly support the academic mission of the University; e.g., Departmental budgets, instructional costs, and faculty salaries.

Externally funded research: the prime incentive. Although RBB always has been explained as being "incentivizing," the only apparent incentive is for overhead-bearing, externally funded, sponsored activity. As stated above, 25% of University tuition revenue ($90 million) is set aside for this incentive. Although the RBB distribution algorithms to the Colleges may reward certain behaviors that result in more money coming into a College, nothing else besides overhead-bearing externally funded sponsored activity is so directly incentivized.

For FY 2013, this incentive resulted in Colleges receiving an additional $2.90 for every $1 that a College's grants generated in indirect costs. The money for this "research subvention" necessarily comes from the real University revenue, which largely is undergraduate tuition dollars net of aid ($316 million), followed by unrestricted state appropriations ($89 million), unrestricted endowment/investment income ($34 million), and other income ($7 million). A sobering way to look at this scheme is to realize that about 25% of every undergraduate tuition dollar that a student pays goes toward subsidizing sponsored activity (if it comes solely from tuition income). Another way to look at it is that the research subvention equals 100% of the unrestricted state appropriation. Although this model may support the goal of being a major research institution, it is at the expense of supporting other existing, excellent University programs or future educational goals.

Funds go to colleges not departments. Within our present RBB budgeting system, in most cases funding does not carry through to the Departmental level, which is contrary to the advertised intent of this budgetary model; RBB in most cases stops at the College level. This "decentralized" the University budgeting system from the Provost's office to the offices of the seven College Deans. However, this is problematic for several reasons. RBB was explained as a system that would allow better decisions to be made regarding use of a limited amount of resources. Although this may be true at the College level, this is by no means the case for Departments or faculty.

Few Colleges routinely pass RBB algorithms down to the Department level. As a result, Department Chairs cannot know in a predictable manner the consequences of utilizing their limited Departmental resources. For instance, a Department may teach a large enrollment University breadth course or create a new major, but it is totally at the discretion of their College Dean as to whether the Department might benefit in *any* way from these actions that would bring more money into their College. This makes it impossible for a Department to know that their resources have been utilized most efficiently, even though this was a stated goal of RBB.

New centralization. Thus, the University budget system has not been truly decentralized; it merely has been centralized at the College level instead of at the level of the University. Furthermore, all seven Colleges almost certainly have different budget systems, which may reward different Departmental "behaviors" and, thus, create inconsistencies and even rivalries between Departments and Colleges. One example of this may be the creation of new breadth courses in order to "poach" students that otherwise would take a course in another College or Department. There are few, if any, safeguards against unintended consequences, such as the generation of courses or programs whose main purpose is to get a "bigger piece of the pie."

Recommendations

Several recommendations can be made based on the above conclusions.

- There should be a further decentralization of the incentive structure in RBB, with some aspects going down to the Departmental level. This would allow Departments to better utilize their resources by knowing directly how their choices would affect their budgets. For example, a new algorithm could be created that sends money directly to Departments based on their majors or the number of students taught in larger service courses. This would help ensure that Departments had the funding to meet their current responsibilities or additional revenue should they decide to shoulder additional responsibilities.

- All College budget systems should be transparent to the Departments and faculty within that College. The surveys clearly indicate that the current degree of transparency of RBB at the University level is not sufficient for Departments or faculty to be able to make informed decisions on utilization of resources.

- Other programs and initiatives that are important to the University, besides research, should be incentivized explicitly. This could include an optimum class size (now an infinitely large class size is incentivized), interdisciplinary programs or projects, the Honors Program, and Study Abroad. For example, Departments that choose to teach stand-alone Honors classes could directly receive a large percentage of the tuition revenue generated by that class. As a second example, Departments that offer Study Abroad programs might split with IGS the revenue that exceeds program expenses. These examples are intended to illustrate that revenue generation and solid academic values do not have to be misaligned as they are in the current RBB model.

- The Faculty Senate, through its curriculum committees, should scrutinize newly proposed courses and programs (1) to ensure that they advance the academic mission of the Department, College, and University and do not act mainly to poach students from another unit, and (2) to ensure that budgetary implications have been considered fully (e.g., does it require additional faculty or likely will it require subvention?).

- The Provost, as Chief Academic Officer of the University, should have the responsibility to monitor and identify situations where the RBB model potentially is being misused and could have a deleterious effect on the University's academic mission.

- The research incentive should be dramatically lowered from the current $2.90 of incentive for every $1 of overhead generated from external funding. Many universities with an RBB-like budgetary model have no research incentive. If the incentive at UD were lowered to merely $1 for $1 of overhead, $60 million would become available to fund a wide variety of new or existing academic programs. Moreover, colleges that currently deemphasize teaching to concentrate on generating external grants would have to rearrange their priorities, a rearrangement this Committee looks upon favorably.

- The Faculty Senate should reinstitute their standing committee whose charge would be to monitor, evaluate, and make recommendations concerning all aspects of the budgetary process. The committee also should communicate information about the University's annual budgets and their potential impact on academic programs to the University Faculty Senate and to the University Faculty as a whole. This new Committee is intended to be a mechanism by which the budgetary process can be made (and kept) completely transparent. It is also a mechanism for input and advice from the faculty who are able to best assess the academic impacts of the budgetary process.

Appendices

Appendix A: Financial Information
Appendix B: Committee Survey Data
Appendix C: AAUP Survey Data
Appendix D: Changes at UD over time

Appendix A
Financial Information

Overall RBB Revenue Flow FY2013

RBB Resources $ 500M
UG Tuition 316M
State 89M
Overhead 31 M
Net Grad 22 M
Other 42 M

→

Set Aside $ 34M
Cap Projects 17.9M
Strategic 9.5 M
Exec Units 4.1 M
Reserves 2 M

→

RBB REVENUES
$466M (net grad)
or
$519 M (gross grad)

↓

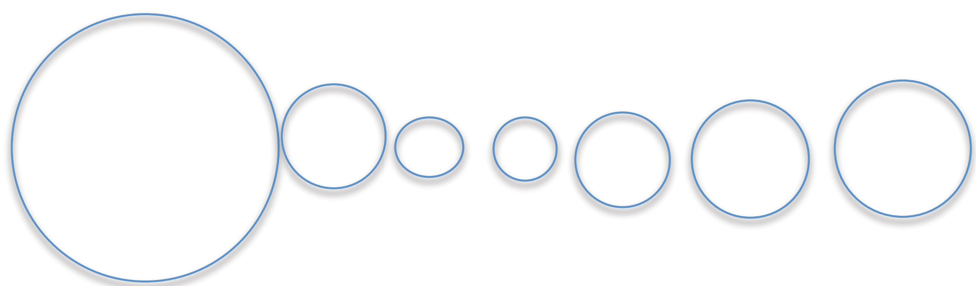
Distribution Control $466M
Provost Subvention 50 M
Sponsored Activity Incentive 90M
College Controlled 326 M
(Overhead 31M, Net Grad 22M,
UG Tuition/Alg1 271M, etc.)

Grad Tuition
(53 M) – (53M)

Non-RBB (Restricted) **$434M**
Auxiliary 170 M, Contracts 132M
State 25 M, Self-Funded 20M
Other 87 M

Total Budget
$987.5M

SPLIT INTO SEVEN COLLEGE REVENUE PIES

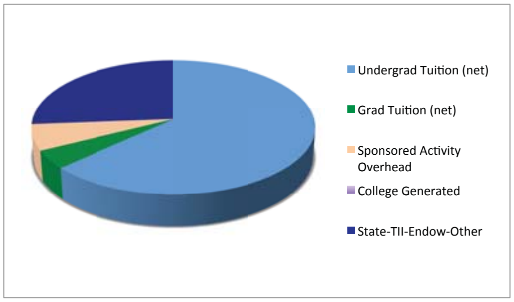


In RBB, each College has to balance Revenue and Expense

RBB FY2013 REVENUE DISTRIBUTION: REVENUE-PIES FOR EACH COLLEGE

REVENUE SOURCES FOR UNIVERSITY FY 2013 (987.5 million)	Amount	Percent
Undergrad Tuition (net)	316	63.2
Grad Tuition (net)	22	4.4
Sponsored Activity Overhead	31	6.2
College Generated	0.6	0.1
State-TII-Endow-Other	131	26.2
Total Unrestricted Revenues (in millions)	500	100.0
Restricted Revenue Sources (not included in budget)	487	

External Revenue Sources for University: (466M)

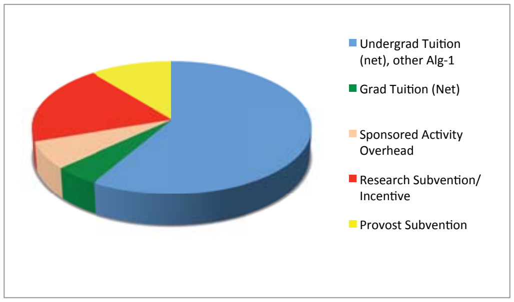


REVENUE set aside from Unrestricted Revenues (33.5 M)
Revenue set aside (33.5 M) for Capital Projects (17.9), Strategic Initiatives (9.5), Executive Units Expense (4.1), University Reserve Allocation (2.0)

RBB-INTERNAL REVENUE SOURCES FOR COLLEGES (466M)	Amount	Percent
Undergrad Tuition (net), other Alg-1	271.5	58.3
Grad Tuition (Net)	22	4.7
Sponsored Activity Overhead	31	6.7
Research Subvention/Incentive	90.5	19.4
Provost Subvention	50	10.7
	466	100.0

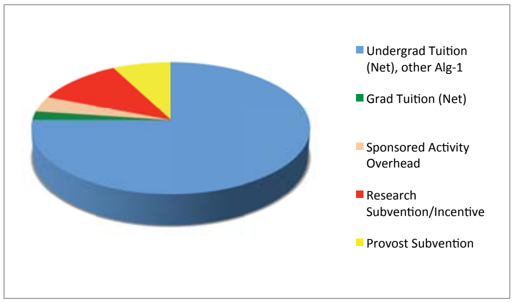
Note: College-generated Revenue of 0.6M small, not shown above or in any pie chart

INTERNAL REVENUE SOURCES FOR COLLEGES (466M)



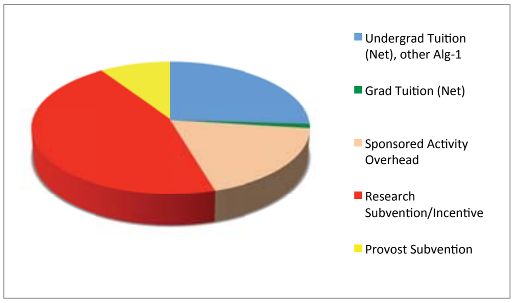
RBB REVENUE for COLLEGE of ARTS & SCIENCE (207 M)	Amount	Percent
Undergrad Tuition (Net), other Alg-1	155.1	75.0
Grad Tuition (Net)	4.4	2.1
Sponsored Activity Overhead	7.9	3.8
Research Subvention/Incentive	23.6	11.4
Provost Subvention	15.7	7.6
	206.9	100.0

REVENUE SOURCES FOR ARTS & SCIENCE (207M)



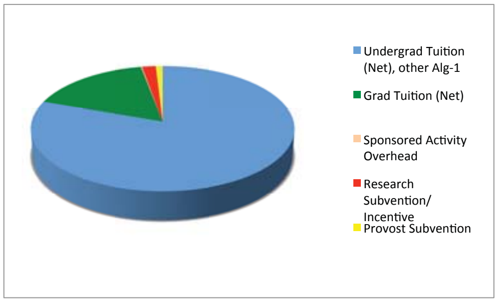
REVENUE FOR COLLEGE of ENGINEERING (75 M)	Amount	Percent
Undergrad Tuition (Net), other Alg-1	19.4	25.9
Grad Tuition (Net)	0.8	1.1
Sponsored Activity Overhead	13.8	18.5
Research Subvention/Incentive	33.9	45.3
Provost Subvention	7.0	9.3
	75.0	100.0

REVENUE SOURCES FOR ENGINEERING (75M)



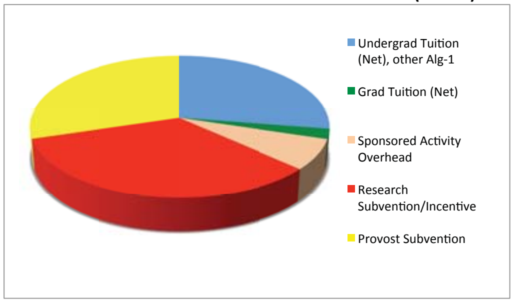
REVENUE for COLLEGE of BUSINESS & ECONOMICS (53M)	Amount	Percent
Undergrad Tuition (Net), other Alg-1	42.2	80.1
Grad Tuition (Net)	8.8	16.6
Sponsored Activity Overhead	0.1	0.2
Research Subvention/Incentive	1.0	1.8
Provost Subvention	0.5	0.9
	52.7	100.0

REVENUE SOURCES FOR BUSINESS & ECONOMICS (53M)



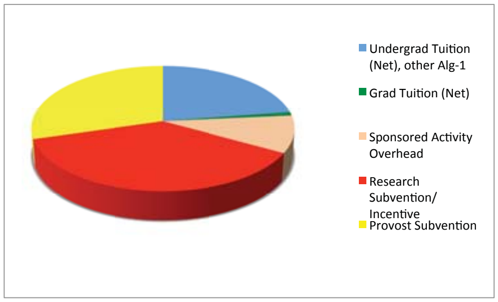
REVENUE for COLLEGE of AG & NATURAL RES. (34.5 M)	Amount	Percent
Undergrad Tuition (Net), other Alg-1	9.5	27.5
Grad Tuition (Net)	0.8	2.3
Sponsored Activity Overhead	2.4	7.0
Research Subvention/Incentive	11.6	33.5
Provost Subvention	10.3	29.7
	34.5	100.0

REVENUE SOURCES FOR AG & NATURAL. RES. (34.5M)



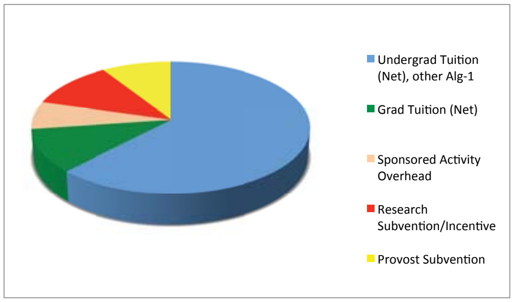
REVENUE for COLLEGE of EOE (26.3M)	Amount	Percent
Undergrad Tuition (Net), other Alg-1	5.9	22.6
Grad Tuition (Net)	0.2	0.9
Sponsored Activity Overhead	2.5	9.6
Research Subvention/Incentive	9.8	37.4
Provost Subvention	7.8	29.5
	26.3	100.0

REVENUE SOURCES FOR EOE (26.3M)

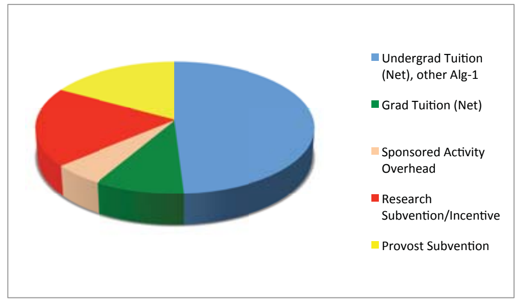


REVENUE for COLLEGE of HEALTH SCIENCES (38.2M)	Amount	Percent
Undergrad Tuition (Net), other Alg-1	23.6	61.8
Grad Tuition (Net)	4.0	10.6
Sponsored Activity Overhead	2.6	6.7
Research Subvention/Incentive	4.4	11.4
Provost Subvention	3.4	9.0
	38.2	100.0

REVENUE SOURCES FOR HEALTH SCIENCES (38.2M)



REVENUE SOURCES FOR EHD (32.1M)



REVENUE for COLLEGE of EHD (32.1M)	Amount	Percent
Undergrad Tuition (Net), other Alg-1	15.7	48.9
Grad Tuition (Net)	3.0	9.3
Sponsored Activity Overhead	1.7	5.3
Research Subvention/Incentive	6.2	19.3
Provost Subvention	5.4	16.9
	32.1	100.0

Footnote on Graduate Tuition: These pie charts reflect graduate tution as a net revenue. However, the RBB model used by the Budget Office shows the graduate tuition epxenses as its own expense category and not as a contra revenue.

Unrestricted Expenses

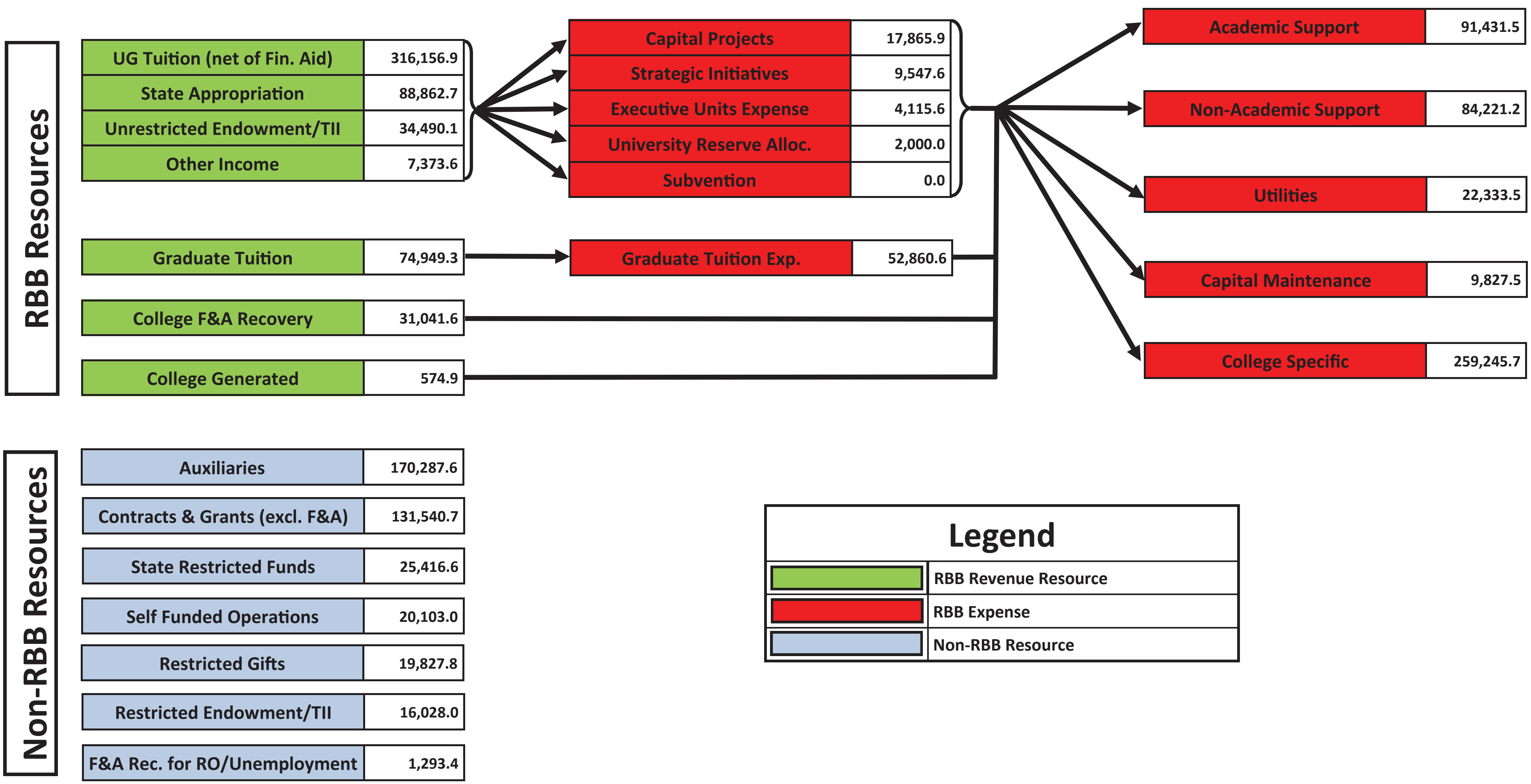
Common Expenses (Academic (91 M) Non-Academic (84M), etc.)	207M
College Specific Expenses	259M
Total (in millions)	466M

DATA FOR PIE CHARTS

	CANR	A&S	B&E	ENGR	CEOE	CHS	CEHD	Total
UG Tuition (net)	9,486,471	155,132,504	42,212,174	19,420,272	5,944,721	23,583,968	15,706,069	271,486,179
Grad Tuition (net)	792,809	4,410,830	8,761,491	828,713	246,244	4,048,615	3,000,000	22,088,702
Indirect Cost Rec	2,409,162	7,938,731	83,228	13,834,642	2,513,368	2,562,495	1,700,000	31,041,626
SRI/ResSubvention	11,583,043	23,645,631	972,512	33,925,211	9,826,789	4,351,159	6,191,048	90,495,393
Provost Subvention	10,260,245	15,653,725	494,563	6,962,213	7,772,065	3,422,364	5,434,825	50,000,000

Breakdown of Net Undergraduate Tuition by Instructor of Record and Student Home School								
UG Tuition-ICOR	6,447,320	124,657,952	29,574,656	11,313,402	5,030,365	15,492,769	11,098,171	203,614,634
UG-Tui-HomeSchool	3,039,151	30,474,552	12,637,518	8,106,870	914,356	8,091,199	4,607,898	67,871,545

Fiscal Year 2013 UD Resource Flow Diagram



Notes: The Contracts & Grant box includes $128,273,740 for C&G's and $3,267,000 in Ag Federal Appropriation.

The CSE figure includes the net available revenue for CSEs of 257,873.2 as well as the 1-time revenue of 1372.6

The ALG10 figure includes $4.8k in revenue which is why the overall revenue figures total $987,459 vs $987,464

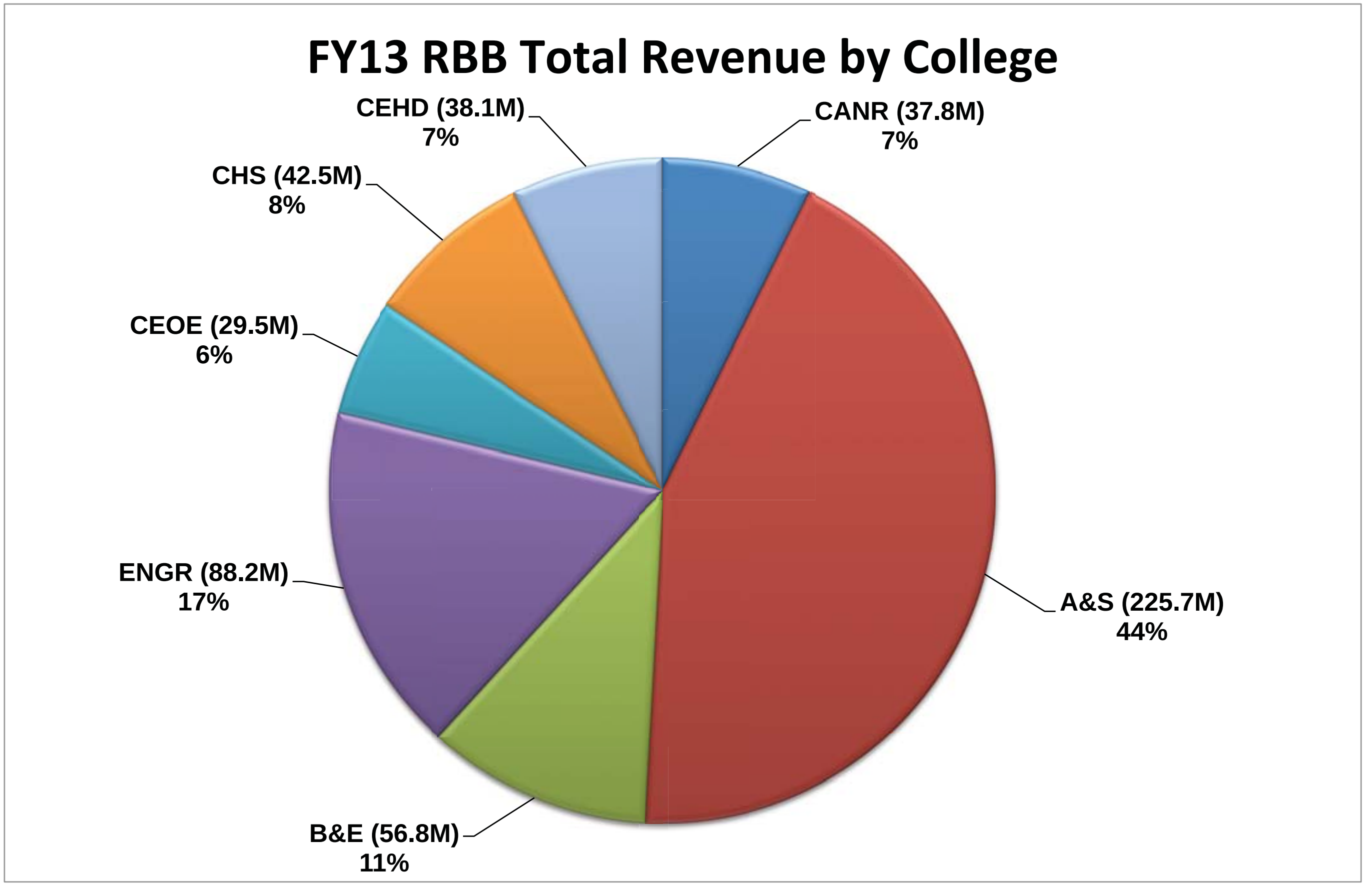
The Academic Support expense figure of $91,431.5 includes ALG 7 RO support of $7,560.4

The Non-Academic Support expense figure of $84,221.2 includes ALG12 Facilities Operations expense of $27,718.2

The UG Tuition (Net of Aid) Revenue figure of $316,156.9 includes reflects a tuition figure of $365,670.2 and an aid expense of ($49,513.3)

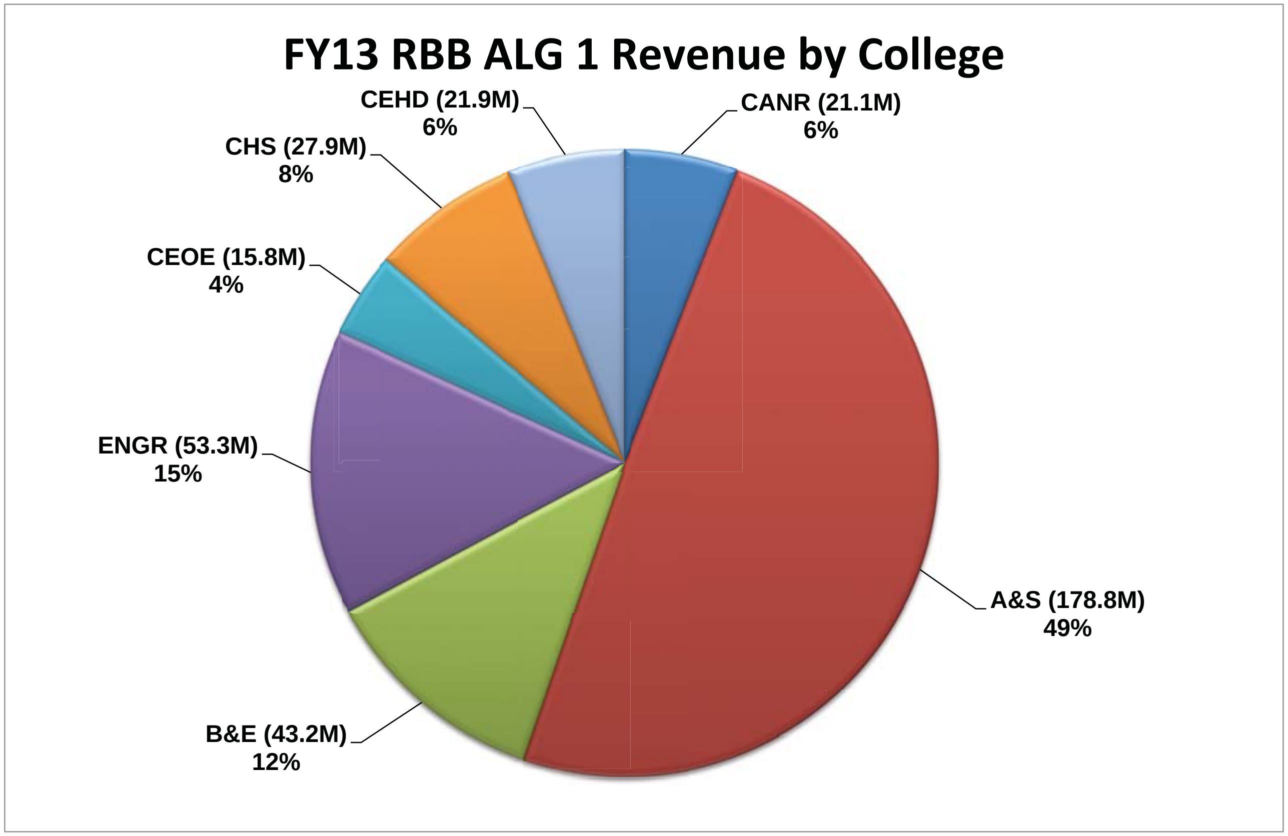
FY13 RBB Total Revenue by College

College		Revenue
CANR (37.8M)		37,750,727
A&S (225.7M)		225,665,487
B&E (56.8M)		56,802,756
ENGR (88.2M)		88,239,050
CEOE (29.5M)		29,452,837
CHS (42.5M)		42,511,224
CEHD (38.1M)		38,125,342
	Total	518,547,423



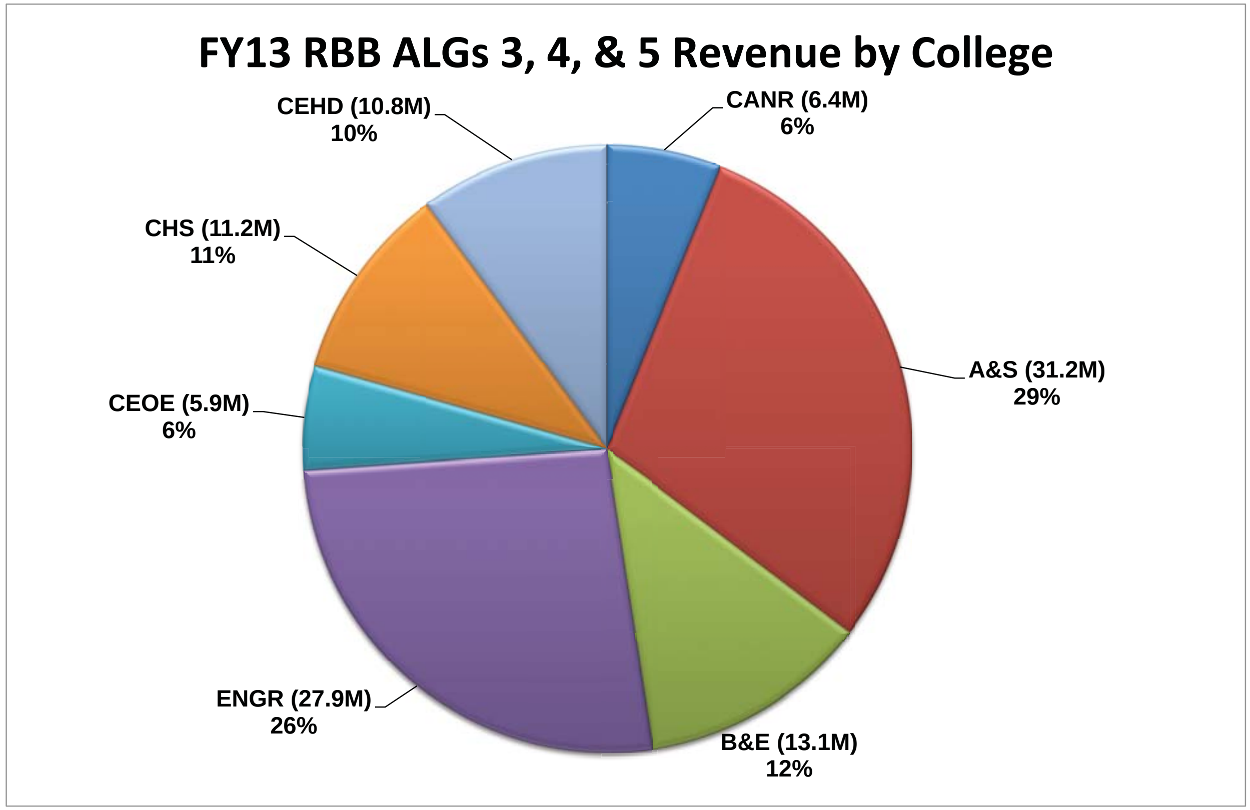
FY13 RBB Alogirithm 1 Revenue by College

College		Revenue
CANR (21.1M)		21,069,514
A&S (178.8M)		178,778,135
B&E (43.2M)		43,184,686
ENGR (53.3M)		53,345,482
CEOE (15.8M)		15,771,510
CHS (27.9M)		27,935,127
CEHD (21.9M)		21,897,117
	Total	**361,981,571**



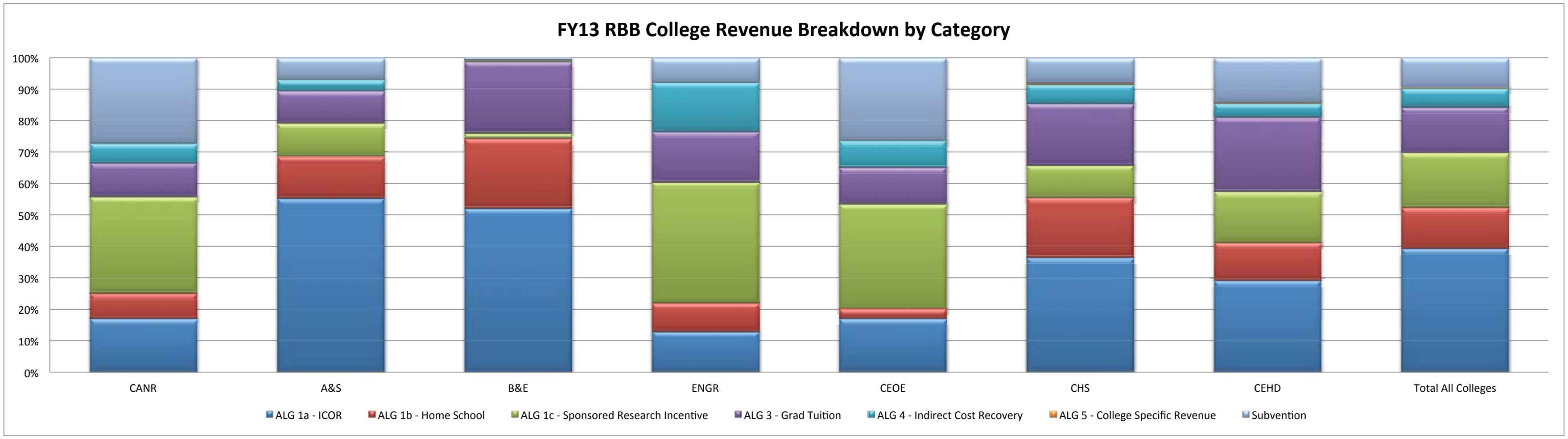
FY13 RBB Algorithms 3, 4, & 5 Revenue by College

College		Revenue
CANR (6.4M)		6,420,967
A&S (31.2M)		31,233,627
B&E (13.1M)		13,123,507
ENGR (27.9M)		27,931,355
CEOE (5.9M)		5,909,262
CHS (11.2M)		11,153,733
CEHD (10.8M)		10,793,400
	Total	**106,565,851**



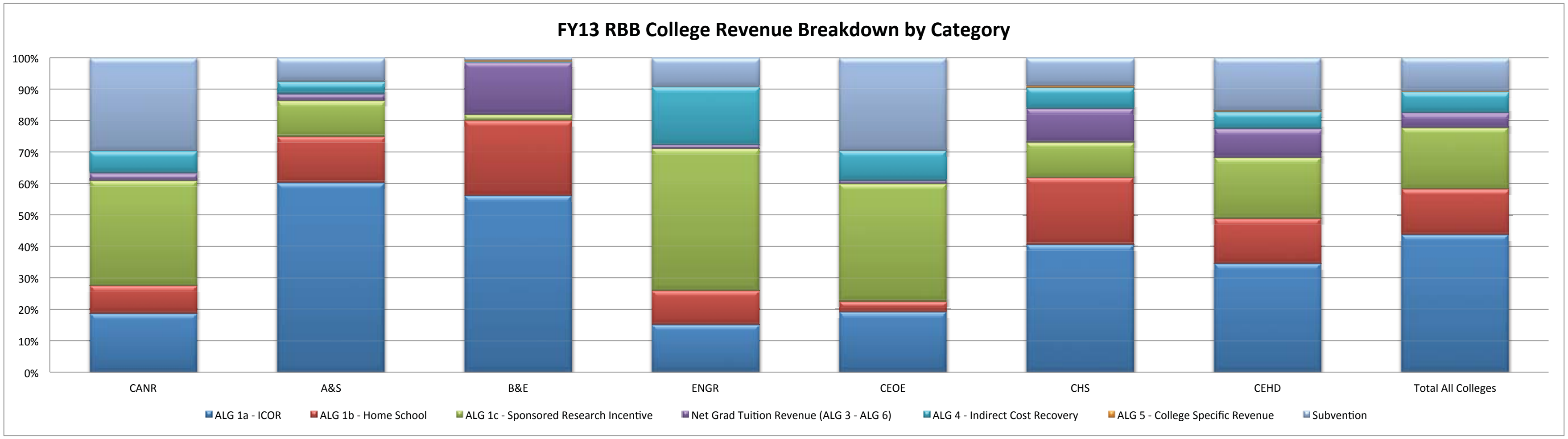
FY13 RBB College Revenue Breakdown by Category

	ALG 1a - ICOR	ALG 1b - Home School	ALG 1c - Sponsored Research Incentive	ALG 3 - Grad Tuition	ALG 4 - Indirect Cost Recovery	ALG 5 - College Specific Revenue	Subvention	Total Revenue
CANR	6,447,320	3,039,151	11,583,043	4,011,805	2,409,162	0	10,260,245	**37,750,727**
A&S	124,657,952	30,474,552	23,645,631	23,214,896	7,938,731	80,000	15,653,725	**225,665,487**
B&E	29,574,656	12,637,518	972,512	12,845,279	83,228	195,000	494,563	**56,802,756**
ENGR	11,313,402	8,106,870	33,925,211	14,096,713	13,834,642	0	6,962,213	**88,239,050**
CEOE	5,030,365	914,356	9,826,789	3,395,894	2,513,368	0	7,772,065	**29,452,837**
CHS	15,492,769	8,091,199	4,351,159	8,384,738	2,562,495	206,500	3,422,364	**42,511,224**
CEHD	11,098,171	4,607,898	6,191,048	9,000,000	1,700,000	93,400	5,434,825	**38,125,342**
Total All Colleges	**203,614,634**	**67,871,545**	**90,495,393**	**74,949,325**	**31,041,626**	**574,900**	**50,000,000**	**518,547,422**



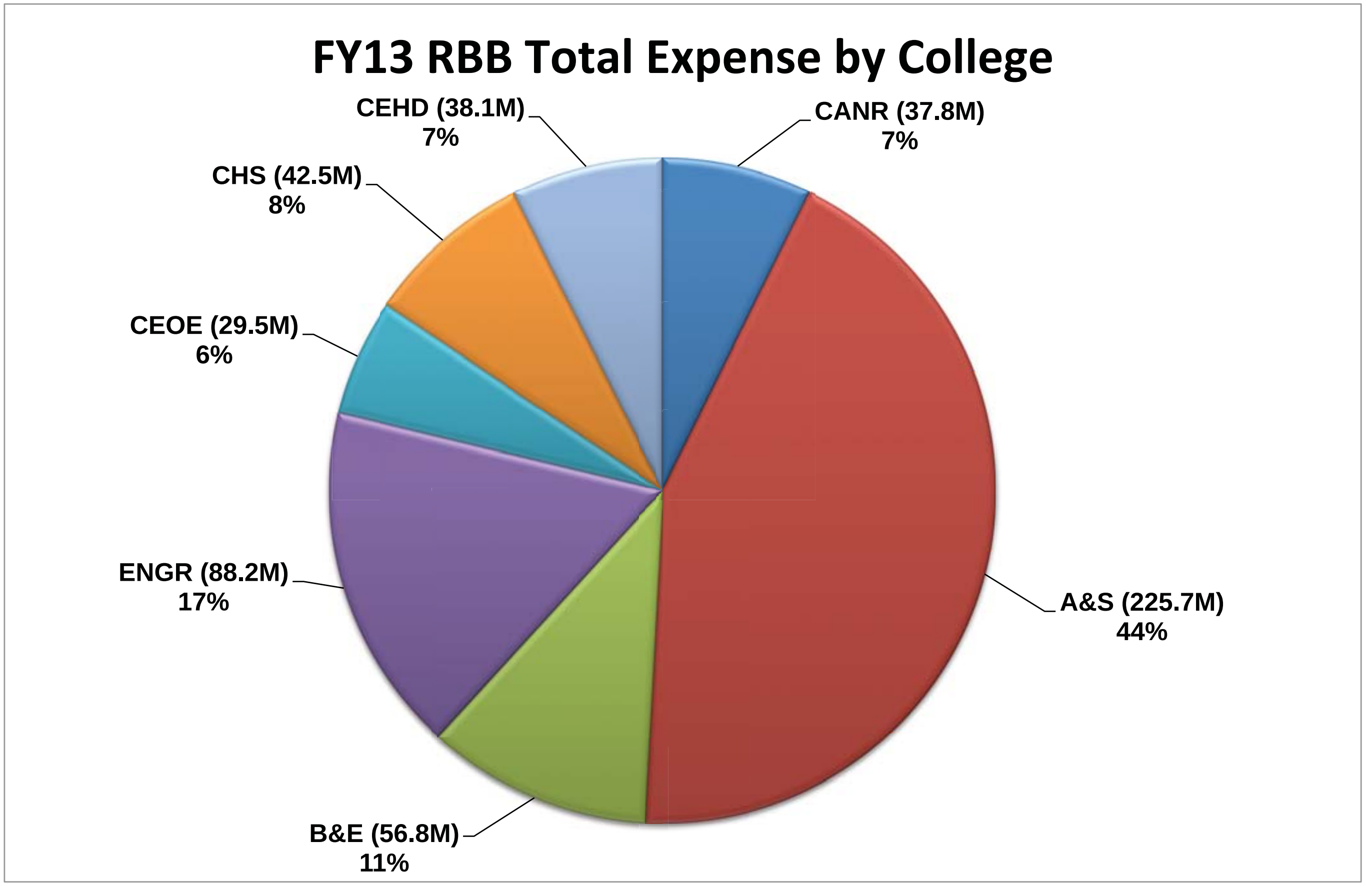
FY13 RBB College Revenue Breakdown by Category - Modified Look per B. Weber Request

	ALG 1a - ICOR	ALG 1b - Home School	ALG 1c - Sponsored Research Incentive	Net Grad Tuition Revenue (ALG 3 - ALG 6)	ALG 4 - Indirect Cost Recovery	ALG 5 - College Specific Revenue	Subvention	Total Revenue
CANR	6,447,320	3,039,151	11,583,043	792,809	2,409,162	0	10,260,245	**34,531,731**
A&S	124,657,952	30,474,552	23,645,631	4,410,830	7,938,731	80,000	15,653,725	**206,861,421**
B&E	29,574,656	12,637,518	972,512	8,761,491	83,228	195,000	494,563	**52,718,968**
ENGR	11,313,402	8,106,870	33,925,211	828,713	13,834,642	0	6,962,213	**74,971,050**
CEOE	5,030,365	914,356	9,826,789	246,244	2,513,368	0	7,772,065	**26,303,187**
CHS	15,492,769	8,091,199	4,351,159	4,048,615	2,562,495	206,500	3,422,364	**38,175,101**
CEHD	11,098,171	4,607,898	6,191,048	3,000,000	1,700,000	93,400	5,434,825	**32,125,342**
Total All Colleges	**203,614,634**	**67,871,545**	**90,495,393**	**22,088,702**	**31,041,626**	**574,900**	**50,000,000**	**465,686,799**



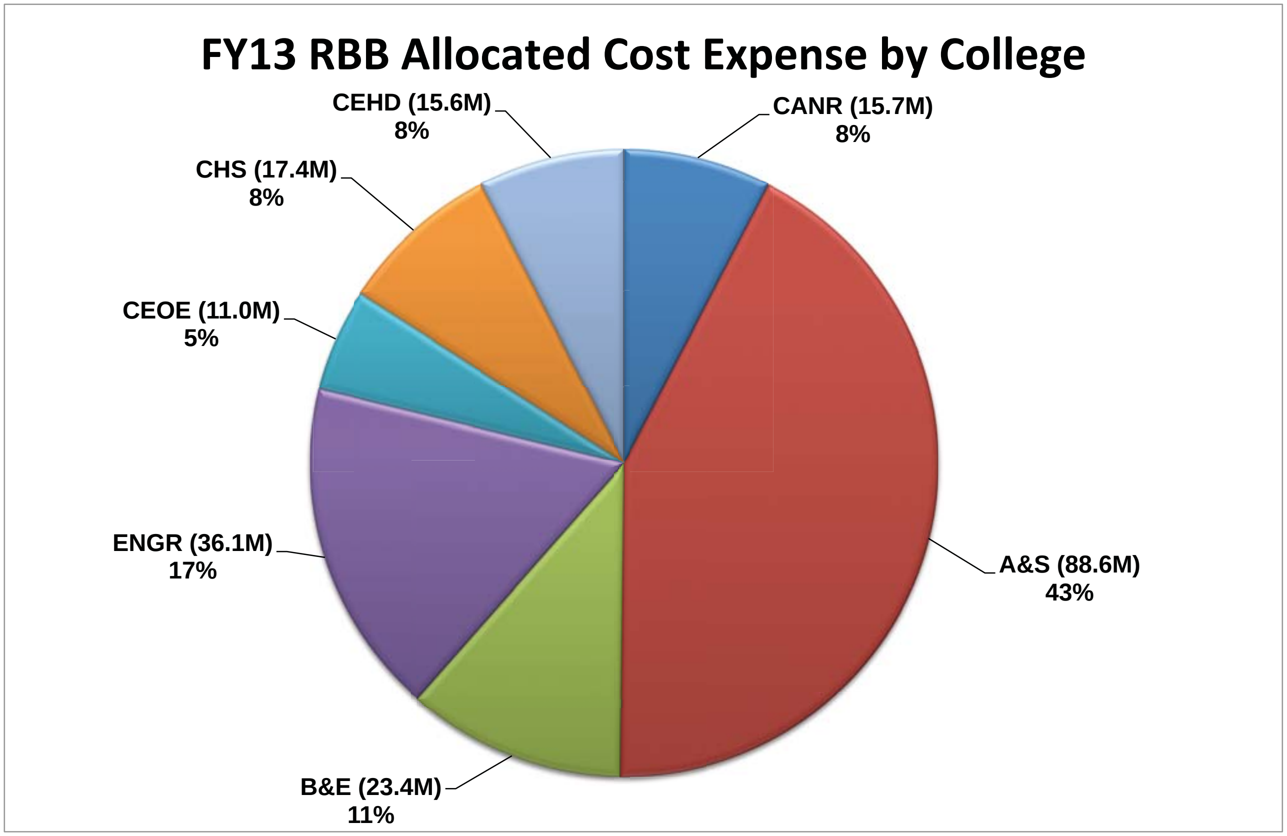
FY13 RBB Total Expense by College

College	Revenue
CANR (37.8M)	37,750,727
A&S (225.7M)	225,665,487
B&E (56.8M)	56,802,756
ENGR (88.2M)	88,239,050
CEOE (29.5M)	29,452,837
CHS (42.5M)	42,511,224
CEHD (38.1M)	38,125,342



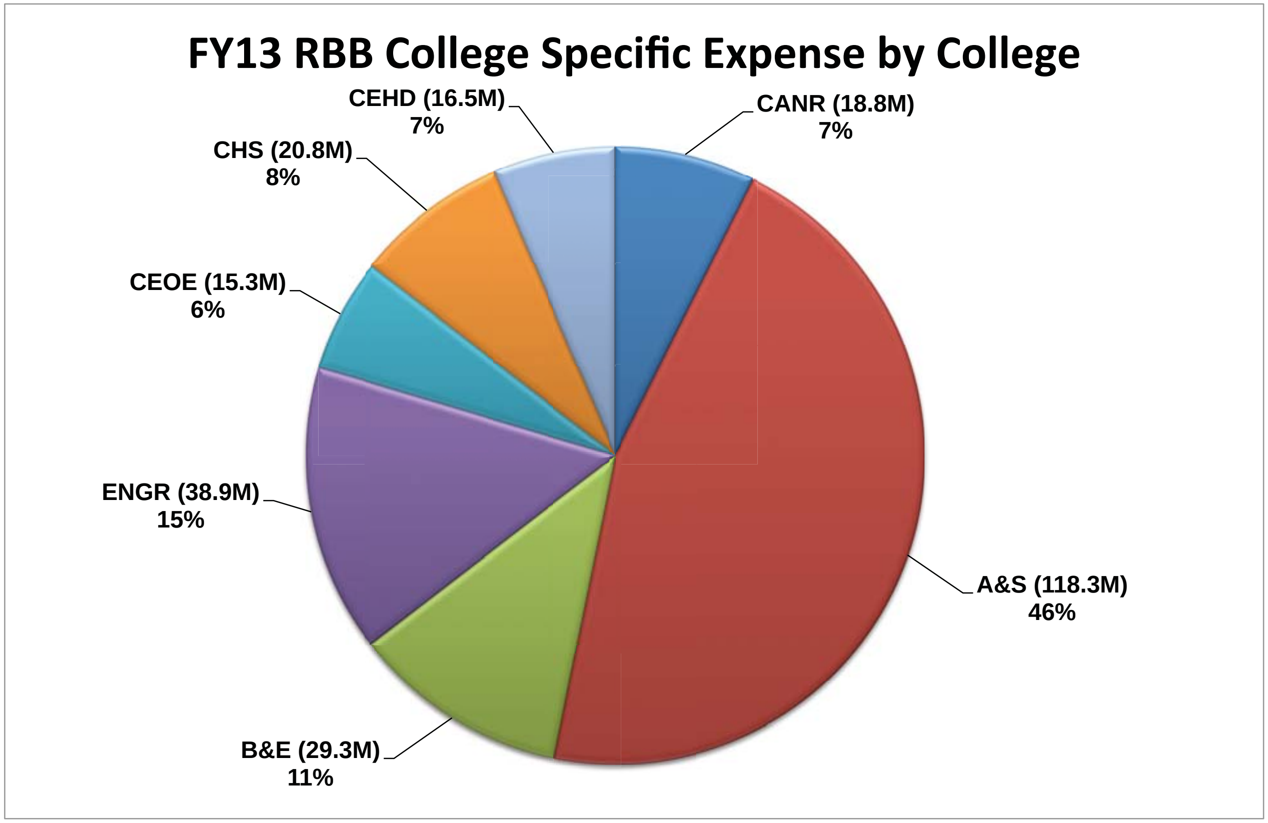
FY13 RBB Allocated Cost Expense by College

College	Expense
CANR (15.7M)	15,721,694
A&S (88.6M)	88,576,649
B&E (23.4M)	23,403,172
ENGR (36.1M)	36,076,728
CEOE (11.0M)	11,000,705
CHS (17.4M)	17,403,065
CEHD (15.6M)	15,631,605
Total	**207,813,617**



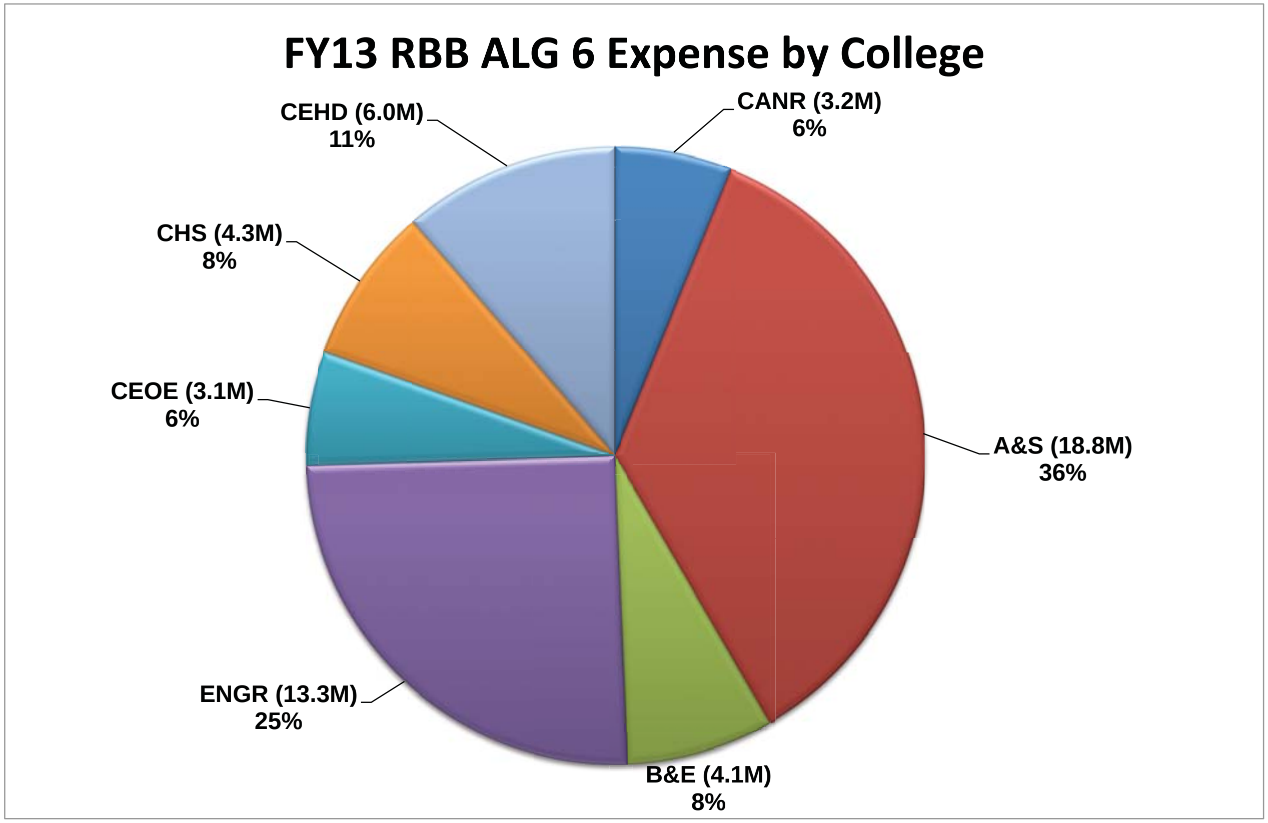
FY13 RBB College Specific Expense by College

College		Expense
CANR (18.8M)		18,810,037
A&S (118.3M)		118,284,772
B&E (29.3M)		29,315,796
ENGR (38.9M)		38,894,322
CEOE (15.3M)		15,302,482
CHS (20.8M)		20,772,037
CEHD (16.5M)		16,493,737
	Total	**257,873,182**



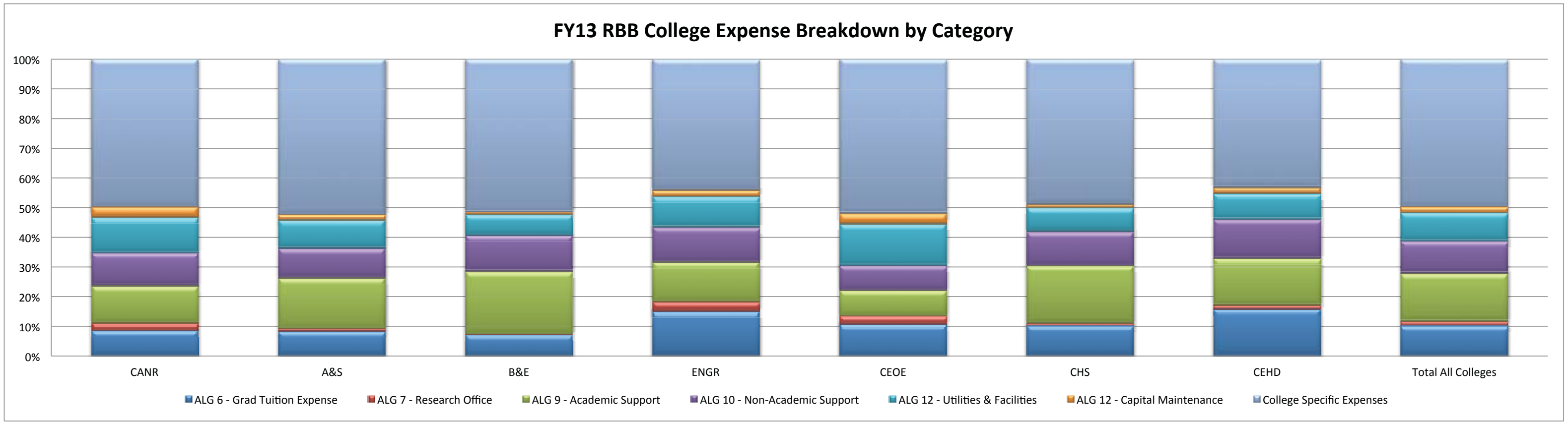
FY13 RBB ALG 6 Expense by College

College		Expense
CANR (3.2M)		3,218,996
A&S (18.8M)		18,804,066
B&E (4.1M)		4,083,788
ENGR (13.3M)		13,268,000
CEOE (3.1M)		3,149,650
CHS (4.3M)		4,336,123
CEHD (6.0M)		6,000,000
	Total	**52,860,623**



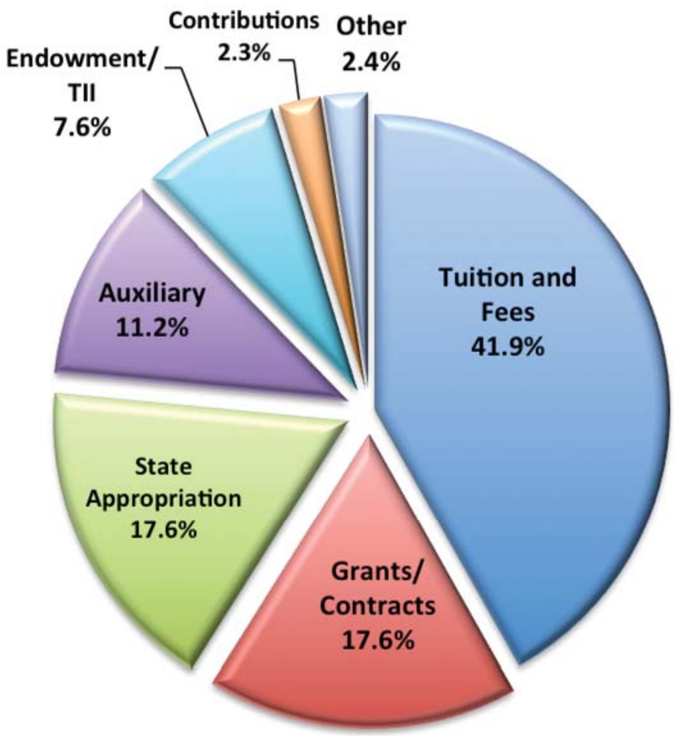
FY13 RBB College Expense Breakdown by Category

	ALG 6 - Grad Tuition Expense	ALG 7 - Research Office	ALG 9 - Academic Support	ALG 10 - Non-Academic Support	ALG 12 - Utilities & Facilities	ALG 12 - Capital Maintenance	College Specific Expenses	Total Expenses
CANR	3,218,996	967,695	4,740,274	4,164,788	4,563,777	1,285,160	18,810,037	**37,750,727**
A&S	18,804,066	1,975,453	38,547,024	22,670,437	21,339,488	4,044,248	118,284,772	**225,665,487**
B&E	4,083,788	81,248	12,003,669	6,922,451	4,009,968	385,837	29,315,796	**56,802,756**
ENGR	13,268,000	2,834,251	11,811,839	10,368,272	9,190,838	1,871,529	38,894,322	**88,239,050**
CEOE	3,149,650	820,970	2,532,857	2,468,542	4,150,832	1,027,504	15,302,482	**29,452,837**
CHS	4,336,123	363,514	8,206,920	4,901,900	3,465,236	465,495	20,772,037	**42,511,224**
CEHD	6,000,000	517,225	6,028,467	5,006,653	3,331,541	747,719	16,493,737	**38,125,342**
Total All Colleges	**52,860,623**	**7,560,355**	**83,871,051**	**56,503,041**	**50,051,679**	**9,827,491**	**257,873,182**	**518,547,422**



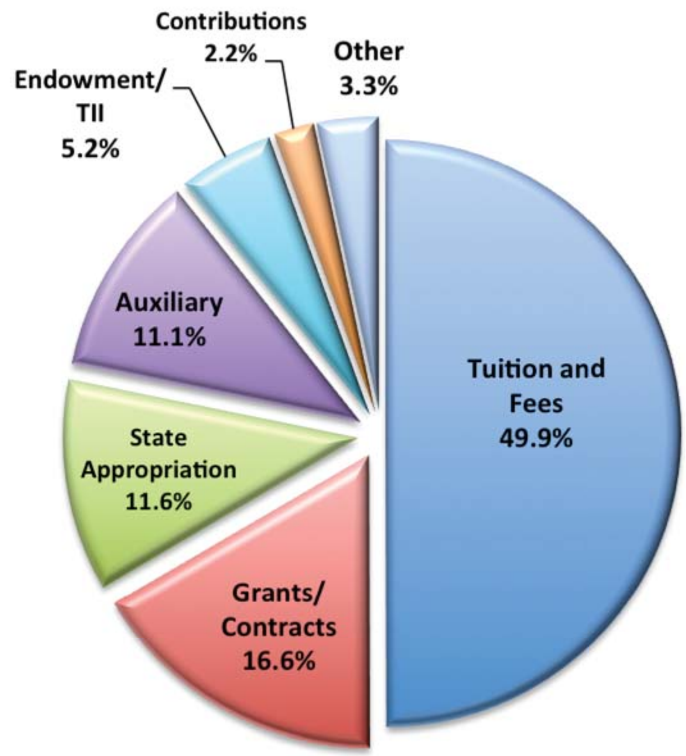
REVENUE COMPARISON – FY 2007 BUDGET TO FY 2013 BUDGET

FY 2007 REVENUE
$697.2 Million



Student Aid Budget: $65.5 million
Percent of Revenue: 9.4%

FY 2013 REVENUE
$987.5 Million



Student Aid Budget: $129.3 million
Percent of Revenue: 13.1%

UNIVERSITY OF DELAWARE
RESPONSIBILITY-BASED BUDGETING
Revenues and Expenses Allocations

REVENUES:

Algorithm 1 - UNDERGRADUATE TUITION net of aid & OTHER REVENUE

FIRST ~ 25%

- ~ 34% Distributed to support Executive Units, Strategic Initiatives, University Reserves and Capital Projects/Other.
- ~ 66% College Subvention - $50.0 m total recurring subvention for College balancing and recognition of Public Service.

REMAINING ~ 75%

- 75% Distributed to Colleges based on % of Total Undergraduate Credits by Instructor College of Record (as defined by College that is responsible for expenses).
- 25% Distributed to Colleges based on % of Total Undergraduate FTEs by Home College.

Algorithm 2 - SPONSORED ACTIVITY INCENTIVE

- 100% Distributed to Colleges based on % of Total Sponsored Activity Expenses by College (3-year simple average weighted 3-1-1 for Research, Instruction, and Public Service).

Algorithm 3 - GRADUATE TUITION REVENUE (gross tuition billed)

- 100% Distributed to Student's Home College as defined in UDSIS, adjusted for cross-College credits (using average credit hour revenue).

Algorithm 4 - INDIRECT COST RECOVERY REVENUE

- 1% Set aside for Unemployment.
- 99% Distributed to Colleges or Non-College Units that generated IDC.

Algorithm 5 - OTHER BASIC BUDGET COLLEGE-GENERATED REVENUE

- 100% Revenue production in individual College.

SUBVENTION

- 100% College Subvention - $50.0 m total for College balancing and recognition of Public Service. Provost may reallocate up to $2.5 m among Colleges each year. Reallocated amount becomes base for subsequent year.

EXPENSES:

COLLEGE SPECIFIC EXPENSES

- 100% College operating expenses.

Algorithm 6 - GRADUATE TUITION EXPENSES

- 100% College specifies source of funds when processing appointment.

Algorithm 7 - RESEARCH OFFICE EXPENSES

- 100% Allocated to Colleges based on % of Total Sponsored Activity Expenses by College (3-year simple average weighted 3-1-1 for Research, Instruction, and Public Service).

Algorithm 8 - EXECUTIVE UNITS EXPENSES (President, Provost and Executive Vice President)

- 100% Set aside from Algorithm 1 revenue.

Algorithm 9 - ACADEMIC SUPPORT EXPENSES (e.g.: Library, IT, Student Life, Admissions, Athletics, etc.)

- 50% Allocated to Colleges based on % of Total Regular FT & PT Faculty/Post Doc FTEs and 5% of Total Average Graduate Student Headcount (Fall/Spring).
- 50% Allocated to Colleges based on % of Total Average Undergraduate Headcount (Fall/Spring).

Algorithm 10 - NON-ACADEMIC SUPPORT EXPENSES

- 50% Allocated to Colleges based on % of Total Faculty/Staff FTEs and Total Average Student Headcount (Graduate and Undergraduate-Fall/Spring).
- 50% Allocated to Colleges based on % of Total Dollars (all funds) spent.

Algorithm 12 - FACILITIES, UTILITIES, PUBLIC SAFETY AND CAPITAL MAINTENANCE

- ~ 88% Allocated to Colleges based on % of Total Adjusted and Weighted Square Footage assigned (Facilities Operations, Utilities, Public Safety).
- ~ 12% Allocated to Colleges based on % of Total Adjusted and Weighted Square Footage assigned (Capital Maintenance).

Algorithm 13 - INDIRECT COSTS EXPENSES

- 100% Expenditures within specific Colleges or Non-College Units based on past indirect cost/benchmark allocations.

STRATEGIC INITIATIVES; UNIVERSITY RESERVES, CAPITAL PROJECTS/OTHER

- 100% Set aside from Algorithm 1 revenue to support Strategic Initiatives, University Reserves and Capital Projects/Other.

RESPONSIBILITY-BASED BUDGETING
Revenues and Expenses Allocations Description
Descriptions and Calculations updated for use in the FY 11 Model

REVENUES:

Algorithm 1 - UNDERGRADUATE TUITION net of aid, OTHER REVENUE (including state appropriation)
PLUS Algorithm 2 - SPONSORED ACTIVITY INCENTIVE

FIRST < 10% set aside to support Executive Units, Strategic Initiatives, University Reserves, and Capital Projects/Other (current financial plan assumption for FY 11 and beyond ~ 7.8%).

NEXT $50,000,000 set aside for Subvention

REMAINING BALANCE

- 75% ALG1 (a) and (b)
  - 75% Distributed to Colleges based on % of Total Undergraduate Credits by Instructor College of Record (as defined by College that is responsible for expenses).
  - 25% Distributed to Colleges based on % of Total Undergraduate FTEs by Home College.
- 25% ALG2 / ALG1 (c) - Sponsored Activity Incentive
  - 100% Distributed to Colleges based on % of Total Sponsored Activity Expenses by College (3-year simple average weighted 3-1-1 for Research, Instruction, and Public Service).

Algorithm 3 - GRADUATE TUITION REVENUE (gross tuition billed)

100% Distributed to Student's Home College as defined in UDSIS, adjusted for cross-College credits (using average credit hour revenue).

Algorithm 4 - INDIRECT COST RECOVERY REVENUE

1% Set aside for Unemployment.
2% To support Research Office needs.
97% Distributed to Colleges or Non-College Units that generated IDC.

Algorithm 5 - OTHER BASIC BUDGET COLLEGE-GENERATED REVENUE

100% Revenue production in individual College.

SUBVENTION

100% College Subvention - $50,000,000 for College balancing and recognition of Public Service. Provost may reallocate up to $2,500.000 among Colleges each year. Reallocated amount becomes base for subsequent year.

EXPENSES:

COLLEGE SPECIFIC EXPENSES

100% College operating expenses.

Algorithm 6 - GRADUATE TUITION EXPENSES

100% College specifies source of funds when processing appointment.

Algorithm 7 - RESEARCH OFFICE EXPENSES

100% Allocated to Colleges based on % of Total Sponsored Activity Expenses by College (3-year simple average weighted 3-1-1 for Research, Instruction, and Public Service).

Algorithm 8 - EXECUTIVE UNITS EXPENSES (President, Provost and Executive Vice President)

100% Set aside from Algorithm 1 revenue.

Algorithm 9 - ACADEMIC SUPPORT EXPENSES

50% Allocated to Colleges based on % of Total Regular FT & PT Faculty/Post Doc FTEs and 5% of Total Average Graduate Student Headcount (Fall/Spring).
50% Allocated to Colleges based on % of Total Average Undergraduate Headcount (Fall/Spring).

Algorithm 10 - NON-ACADEMIC SUPPORT EXPENSES (Incl. Public Safety)

50% Allocated to Colleges based on % of Total Faculty/Staff FTEs and Total Average Student Headcount (Graduate and Undergraduate-Fall/Spring).
50% Allocated to Colleges based on % of Total Dollars (all funds) spent.

Algorithm 12 - FACILITIES, UTILITIES, AND CAPITAL MAINTENANCE

UTILITIES

~ 60% Cost of utilities for non-college space as % of university square footage - allocated to colleges based on % of Total College Square Footage (no lab factor)
~ 40% Cost of utilities for colleges based on % of Total Weighted College Square Footage (including 1.35 lab factor)

FACILITIES

50% Allocated to colleges based on % of Total College Square Footage (no lab factor)
50% Allocated to colleges based on % of Average Student Headcount (Fall/Spring)

CAPITAL MAINTENANCE

100% Allocated to colleges based on % of Total College Square Footage (no lab factor)

Algorithm 13 - INDIRECT COSTS EXPENSES

100% Expenditures within specific Colleges or Non-College Units based on past indirect cost/benchmark allocations.

STRATEGIC INITIATIVES, UNIVERSITY RESERVES, CAPITAL PROJECTS/OTHER

100% Set aside from Algorithm 1 revenue to support Strategic Initiatives, University Reserves, and Capital Projects/Other.

REVENUE BASED BUDGETING
Revenue and Expense Allocation Methodology
Descriptions and Calculations updated for use in the FY 12 Model

REVENUES:

Algorithm 1 - UNDERGRADUATE TUITION net of aid, OTHER REVENUE (including state appropriation)

Undergraduate tuition and other unrestricted revenue is distributed to the Colleges according to the following methodology:

Step 1 — Set aside $50,000,000 for Subvention, which is allocated to Colleges at the discretion of the Provost

Step 2 — Set aside a maximum of 10% of Total Alg 1 revenue to support Executive Units, Strategic Initiatives, University Reserves, and Capital Projects/Other (in FY12 this is 7.72%)

Step 3 — 75% of the remaining revenue is calculated and distributed based on:

- Alg 1(a) — 75% of it is distributed based on ICOR Credits
  - The distribution is calculated based on % of Total Undergraduate Credits by Instructor College of Record (as defined by College that is responsible for the instructor's expenses).
- Alg 1(b) — 25% of it is distributed based on the student's Home College
  - The distribution is calculated based on % of Total Undergraduate FTEs by the College where the student is registered.

Step 4 — 25% of the remaining revenue is calculated and distributed based on:

- Alg 1(c) — Sponsored Activity Incentive: Distribution is calculated based on % of Total Sponsored Activity Expenses by College (3-year simple average weighted 3-1-1 for Research, Instruction, and Public Service).

Algorithm 3 - GRADUATE TUITION REVENUE

Colleges get 100% of the graduate tuition revenue that is billed to the students based on the Home College. The Budget Office redistributes revenues to the Teaching College in the case where graduate students take courses outside of their Home College.

Algorithm 4 - INDIRECT COST RECOVERY REVENUE

For every $1 of ICR revenue a unit generates:

- 1% is set aside for Unemployment
- 3% is set aside to support Research Office needs
- 96% is kept by the Unit that owns the grant

Algorithm 5 - OTHER BASIC BUDGET COLLEGE-GENERATED REVENUE

Colleges get 100% of the other revenue they generate

STATE RESTRICTED REVENUE

State funding for each College provided for support of specific programs

EXPENSES:

STATE RESTRICTED EXPENSE

Expenses funded by State Restricted Revenue

Algorithm 6 - GRADUATE TUITION EXPENSE

Colleges pay 100% of the graduate tuition expenses that they incur; the source of funding for these expenses is defined by the College that processes the graduate payment forms

ALLOCATED EXPENSE

Algorithm 7 - Research Office Expense

Operating expenses for the Research Office are allocated to the colleges based on % of Total Sponsored Activity Expenses by College (3-year simple average weighted 3-1-1 for Research, Instruction, and Public Service).

Algorithm 8 - Executive Units Expense (President, Provost and Executive Vice President)

Operating expenses for the Executive units are funded using the dollars set aside from Alg 1, Step 2.

Algorithm 9 - Academic Support Expenses

Operating expenses for Academic Support units are distributed to the Colleges according to the following methodology:

Step 1 (Alg 9a) — 50% of the expenses are distributed based on 2 factors:

Factor	
0.05	Allocated to Colleges based on average Graduate Student Headcount for Fall/Spring as % of Total for Colleges
1.00	Allocated to Colleges based on % of Total Regular FT & PT Faculty/Post Doc FTEs for Colleges Only

Step 2 (Alg 9b) — 50% of the expenses are distributed based on % of Total Average Undergraduate Headcount (Fall/Spring)

Algorithm 10 - Non-Academic Support Expense

Operating expenses for Non-Academic Support units are distributed to the Colleges according to the following methodology:

Step 1 (Alg 10a) — 50% of the expenses are distributed based on 2 factors:

Factor	
1.00	Allocated to Colleges based on % of Total Faculty/Staff FTEs for Colleges Only
1.00	Allocated to Colleges based on the average Student Headcount (Graduate and Undergraduate-Fall/Spring) as a % of Total for Colleges Only

Step 1 (Alg 10b) — 50% of the expenses are distributed based on % of Total Dollars spent for Colleges Only (all funds expense)

Algorithm 12 - Facilities, Utilities & Capital Maintenance

Utilities - the University's utility expense budget is distributed to the Colleges according to the following methodology:

Utilities (a) — Approx 60% of the cost is allocated to the Colleges based on each college's square footage as a % of the total college square footage (no lab factor)

Note: The percentage of the utility expense that is allocated via this step is calculated by dividing the non-college square footage into the total UD square footage (excluding auxiliaries). In the FY12 model, this is 56.6%.

Utilities (b) — Approx 40% of the cost is allocated to the Colleges based on each college's weighted square footage as a % of the total weighted college square footage. Lab space is weighted by 1.35 in this step.

Note: The percentage of the utility expense that is allocated via this step is calculated by dividing the college square footage into the total UD square footage (excluding auxiliaries). In the FY12 model, this is 43.4%.

Facilities - the Facilities unit operating expense is distributed to the Colleges according to the following methodology:

Facilities (a) — 50% is allocated to the colleges based on the college's square footage as a % of total college square footage (no lab factor)

Facilities (b) — 50% is allocated to the colleges based on the average Student Headcount (Graduate and Undergraduate - Fall/Spring) as a % of Total for Colleges only

Capital Maintenance

The University's capital maintenance expense is distributed to the Colleges based on the college's square footage as a % of total college square footage (no lab factor)

COLLEGE SPECIFIC EXPENSE

Revenues, net of allocated and graduate tuition expenses, designated for Colleges to use to support operations

REVENUE-BASED BUDGETING

Revenue and Expense Allocation Methodology

Descriptions and Calculations updated for use in the FY 13 Model

REVENUES:

Algorithm 1 - UNDERGRADUATE TUITION net of aid, OTHER REVENUE (including state appropriation)

Undergraduate tuition and other unrestricted revenue is distributed to the Colleges according to the following methodology:

Step 1 — Set aside $50,000,000 for Subvention, which is allocated to Colleges at the discretion of the Provost

Step 2 — Set aside a maximum of 10% of Total Alg 1 revenue to support Executive Units, Strategic Initiatives, University Reserves, and Capital Projects/Other (in FY13 this is 7.503%)

Step 3 — 75% of the remaining revenue is calculated and distributed based on:

- Alg 1(a) — 75% of it is distributed based on ICOR Credits & UG Students Taking Grad Credits
  - The distribution is calculated based on % of Total Undergraduate Credits by Instructor College of Record (as defined by College that is responsible for the instructor's expenses) and Total Graduate Credits taken by Undergraduate Students.
- Alg 1(b) — 25% of it is distributed based on the student's Home College
  - The distribution is calculated based on % of Total Undergraduate FTEs by the College where the student is registered.

Step 4 — 25% of the remaining revenue is calculated and distributed based on:

- Alg 1(c) — Sponsored Activity Incentive: Distribution is calculated based on % of Total Sponsored Activity Expenses by College (3-year simple average weighted 3-1-1 for Research, Instruction, and Public Service).

Algorithm 3 - GRADUATE TUITION REVENUE

Colleges get 100% of the graduate tuition revenue that is billed to the students based on the Home College. The Budget Office redistributes revenues to the Teaching College in the case where graduate students take courses outside of their Home College.

Algorithm 4 - INDIRECT COST RECOVERY REVENUE

For every $1 of ICR revenue a unit generates:

1%	is set aside for Unemployment
3%	is set aside to support Research Office needs
96%	is kept by the Unit that owns the grant

Algorithm 5 - OTHER BASIC BUDGET COLLEGE-GENERATED REVENUE

Colleges get 100% of the other revenue they generate

STATE RESTRICTED REVENUE

State funding for each College provided for support of specific programs

EXPENSES:

STATE RESTRICTED EXPENSE

Expenses funded by State Restricted Revenue

Algorithm 6 - GRADUATE TUITION EXPENSE

Colleges pay 100% of the graduate tuition expenses that they incur; the source of funding for these expenses is defined by the College that processes the graduate payment forms

ALLOCATED EXPENSE

Algorithm 7 - Research Office Expense

Operating expenses for the Research Office are allocated to the colleges based on % of Total Sponsored Activity Expenses by College (3-year simple average weighted 3-1-1 for Research, Instruction, and Public Service).

Algorithm 8 - Executive Units Expense (President, Provost and Executive Vice President)

Operating expenses for the Executive units are funded using the dollars set aside from Alg 1, Step 2.

Algorithm 9 - Academic Support Expenses

Operating expenses for Academic Support units are distributed to the Colleges according to the following methodology:

Step 1 (Alg 9a) — 50% of the expenses are distributed based on 2 factors:

Factor	
0.05	Allocated to Colleges based on average Graduate Student Headcount for Fall/Spring as % of Total for Colleges
1.00	Allocated to Colleges based on % of Total Regular FT & PT Faculty/Post Doc FTEs for Colleges Only

Step 2 (Alg 9b) — 50% of the expenses are distributed based on % of Total Average Undergraduate Headcount (Fall/Spring)

Algorithm 10 - Non-Academic Support Expense

Operating expenses for Non-Academic Support units are distributed to the Colleges according to the following methodology:

Step 1 (Alg 10a) — 50% of the expenses are distributed based on 2 factors:

Factor	
1.00	Allocated to Colleges based on % of Total Faculty/Staff FTEs for Colleges Only
1.00	Allocated to Colleges based on the average Student Headcount (Graduate and Undergraduate-Fall/Spring) as a % of Total for Colleges Only

Step 2 (Alg 10b) — 50% of the expenses are distributed based on % of Total Dollars spent for Colleges Only (all funds expense)

Algorithm 12 - Facilities, Utilities & Capital Maintenance

Utilities - the university's utility expense budget is distributed to the Colleges according to the following methodology:

Utilities (a) — Approx 60% of the cost is allocated to the Colleges based on each college's square footage as a % of the total college square footage (no lab factor)

Note: The percentage of the utility expense that is allocated via this step is calculated by dividing the non-college square footage into the total UD square footage (excluding auxiliaries). In the FY13 model, this is 56.7%.

Utilities (b) — Approx 40% of the cost is allocated to the Colleges based on each college's weighted square footage as a % of the total weighted college square footage. Lab space is weighted by 1.35 in this step.

Note: The percentage of the utility expense that is allocated via this step is calculated by dividing the college square footage into the total UD square footage (excluding auxiliaries). In the FY13 model, this is 43.3%.

Facilities - the Facilities unit operating expense is distributed to the Colleges according to the following methodology:

Facilities (a) — 50% is allocated to the colleges based on the college's square footage as a % of total college square footage (no lab factor)

Facilities (b) — 50% is allocated to the colleges based on the average Student Headcount (Graduate and Undergraduate - Fall/Spring) as a % of Total for Colleges only

Capital Maintenance

The university's capital maintenance expense is distributed to the Colleges based on the college's square footage as a % of total college square footage (no lab factor)

COLLEGE SPECIFIC EXPENSE

Revenues, net of allocated and graduate tuition expenses, designated for Colleges to use to support operations

REVENUE-BASED BUDGETING
Revenue and Expense Allocation Methodology
Descriptions and Calculations updated for use in the FY 14 Model

REVENUES:

Algorithm 1 - UNDERGRADUATE TUITION net of aid, OTHER REVENUE (including state appropriation)

Undergraduate tuition and other unrestricted revenue is distributed to the Colleges according to the following methodology:

Step 1 Set aside $50,000,000 for Subvention, which is allocated to Colleges at the discretion of the Provost

Step 2 Set aside a maximum of 10% of Total Alg 1 revenue to support Executive Units, Strategic Initiatives, University Reserves, and Capital Projects/Other (in FY14 this is 7.369%)

Step 3 75% of the remaining revenue is calculated and distributed based on:

Alg 1(a) 75% of it is distributed based on ICOR Credits & UG Students Taking Grad Credits

The distribution is calculated based on % of Total Undergraduate Credits by Instructor College of Record (as defined by College that is responsible for the instructor's expenses) and Total Graduate Credits taken by Undergraduate Students.

Alg 1(b) 25% of it is distributed based on the student's Home College

The distribution is calculated based on % of Total Undergraduate FTEs by the College where the student is registered.

Step 4 25% of the remaining revenue is calculated and distributed based on:

Alg 1(c) Sponsored Activity Incentive: Distribution is calculated based on % of Total Sponsored Activity Expenses by College (3-year simple average weighted 3-1-1 for Research, Instruction, and Public Service).

Algorithm 3 - GRADUATE TUITION REVENUE

Colleges get 100% of the graduate tuition revenue that is billed to the students based on the Home College. The Budget Office redistributes revenues to the Teaching College in the case where graduate students take courses outside of their Home College.

Algorithm 4 - INDIRECT COST RECOVERY REVENUE

For every $1 of ICR revenue a unit generates:

1% is set aside for Unemployment

3% is set aside to support Research Office needs

96% is kept by the Unit that owns the grant

Algorithm 5 - OTHER BASIC BUDGET COLLEGE-GENERATED REVENUE

Colleges get 100% of the other revenue they generate

STATE RESTRICTED REVENUE

State funding for each College provided for support of specific programs

EXPENSES:

STATE RESTRICTED EXPENSE

Expenses funded by State Restricted Revenue

Algorithm 6 - GRADUATE TUITION EXPENSE

Colleges pay 100% of the graduate tuition expenses that they incur; the source of funding for these expenses is defined by the College that processes the graduate payment forms

ALLOCATED EXPENSE

Algorithm 7 - Research Office Expense

Operating expenses for the Research Office are allocated to the colleges based on % of Total Sponsored Activity Expenses by College (3-year simple average weighted 3-1-1 for Research, Instruction, and Public Service).

Algorithm 8 - Executive Units Expense (President, Provost and Executive Vice President)

Operating expenses for the Executive units are funded using the dollars set aside from Alg 1, Step 2.

Algorithm 9 - Academic Support Expenses

Operating expenses for Academic Support units are distributed to the Colleges according to the following methodology:

Step 1 (Alg 9a) 50% of the expenses are distributed based on 2 factors:

Factor	
0.05	Allocated to Colleges based on average Graduate Student Real FTE for Fall/Spring as % of Total for Colleges
1.00	Allocated to Colleges based on % of Total Regular FT & PT Faculty/Post Doc FTEs for Colleges Only

Step 2 (Alg 9b) 50% of the expenses are distributed based on % of Total Average Undergraduate Headcount (Fall/Spring)

Algorithm 10 - Non-Academic Support Expense

Operating expenses for Non-Academic Support units are distributed to the Colleges according to the following methodology:

Step 1 (Alg 10a) 50% of the expenses are distributed based on 2 factors:

Factor	
1.00	Allocated to Colleges based on % of Total Faculty/Staff FTEs for Colleges Only
1.00	Allocated to Colleges based on the average Undergraduate Headcount (Fall/Spring) as a % of Total for Colleges Only
1.00	Allocated to Colleges based on the average Graduate Student real FTE (Fall/Spring) as a % of Total for Colleges Only

Step 2 (Alg 10b) 50% of the expenses are distributed based on % of Total Dollars spent for Colleges Only (all funds expense)

Algorithm 12 - Facilities, Utilities & Capital Maintenance

Utilities - the university's utility expense budget is distributed to the Colleges according to the following methodology:

Utilities (a) Approx 60% of the cost is allocated to the Colleges based on each college's square footage as a % of the total college square footage (no lab factor)

Note: The percentage of the utility expense that is allocated via this step is calculated by dividing the non-college square footage into the total UD square footage (excluding auxiliaries). In the FY13 model, this is 57.4%.

Utilities (b) Approx 40% of the cost is allocated to the Colleges based on each college's weighted square footage as a % of the total weighted college square footage. Lab space is weighted by 1.35 in this step.

Note: The percentage of the utility expense that is allocated via this step is calculated by dividing the college square footage into the total UD square footage (excluding auxiliaries). In the FY13 model, this is 42.6%.

Facilities - the Facilities unit operating expense is distributed to the Colleges according to the following methodology:

Facilities (a) 50% is allocated to the colleges based on the college's square footage as a % of total college square footage (no lab factor)

Facilities (b) 50% is allocated to the colleges based on the average Undergraduate Headcount and average Graduate Real FTE (Fall/Spring) as a % of Total for Colleges only

Capital Maintenance

The university's capital maintenance expense is distributed to the Colleges based on the college's square footage as a % of total college square footage (no lab factor)

COLLEGE SPECIFIC EXPENSE

Revenues, net of allocated and graduate tuition expenses, designated for Colleges to use to support operations

Appendix B
Committee Survey Data
N=486

Faculty Survey

The six question survey that was sent to all faculty was returned with the following results:

1. How have you learned about RBB at UD? Please answer all that apply.

a.	From the dean of your College	276	56%
b.	From the chair of your Department	363	74%
c.	From other faculty	255	52%
d.	Other	77	16%
e.	I have not learned about RBB.	26	5%

2. Regardless of how you have learned about RBB, do you feel that the effects of RBB on your Department have been adequately communicated to you?

a.	Yes	143	29%
b.	No	297	61%
c.	I don't know	49	10%

3. Are you aware of any positive effects that RBB has had on your Department?

a.	Yes (briefly describe)	68	14%
b.	No	407	86%

4. Are you aware of any negative effects that RBB has had on your Department?

a.	Yes (briefly describe)	403	85%
b.	No	71	15%

5. Has RBB created incentives and/or rewards for your individual performance?

a.	Yes (briefly describe)	36	8%
b.	No	359	78%
c.	Don't know	68	15%

6. Has RBB had any effect (either positive or negative) on your individual performance?

a.	Yes (briefly describe)	190	41%
b.	No	268	59%

Faculty noted that they have mostly learned about RBB from their Dean, their Chair, or other faculty, but only 29% felt that the effects of RBB on their Department had been adequately communicated to them. Only 14% of the faculty members who were aware of any positive effects of RBB on their Department. Based on the 63 written responses, most of these positive effects fall into the following categories:

1.	Teaching (increase classes/class size/programs leads to resources, chance to eliminate inefficient courses or programs)	19 responses
2.	More transparency and accountability	13 responses
3.	More awareness and overall efficiency	13 responses
4.	Department has gained resources because of RBB	9 responses
5.	Faculty are doing more grants	6 responses

Over 85% of faculty were aware of negative effects of RBB on their Departments. There were 375 written responses to this question. Some of the main categories of responses are as follows (note that some responses may fall into more than one category):

1. Loss of resources	141 responses
a. Budget cuts	61 responses
b. Loss of lines	38 responses
2. Teaching	115 responses
3. Increased class size	64 responses
4. Decreased quality of programs	61 responses
5. Interdisciplinary (competition and decrease in collaboration)	60 responses
6. Decrease in morale	54 responses
7. Decrease in scholarship (emphasis on revenue generation)	45 responses
8. Lack of transparency/accountability	37 responses
9. Revenue does not follow the source that generated it	36 responses
10. Effects on study abroad	6 responses
11. Effects on special sessions	8 responses

When asked if RBB has created incentives and/or rewards for individual performance, less than 8% said yes. Most of the 36 written responses fell into one of two categories:

1. Increased teaching leads to resources	16 responses
2. Increase incentive for writing grant proposals	11 responses

The last question on the faculty survey asked if RBB had any effect (either positive or negative) on the individual's performance? Roughly 41% said yes, but only one written response reflected a positive impact. Most of the 157 written responses can be categorized as follows (again note that some responses may fall into more than one category):

1. Teaching	54 responses
2. Morale	39 responses
3. Scholarship	33 responses
4. Budget cuts	16 responses

5. Workload

15 responses

Chairs Survey

The responses to the nine questions on the Chair's and Director's survey were arrayed as follows:

1. Do you feel that your Dean has adequately communicated to you how RBB is affecting your College and your Department?

a.	Yes	27	61%
b.	No	17	39%

2. Has RBB created incentives and/or rewards for your Department's performance?

a.	Yes	11	25%
b.	No	33	75%

3. Are there any Departmental incentives that you thought would materialize from RBB, but have not occurred?

c.	Yes	27	64%
d.	No	15	36%

4. Has your Department made any changes in courses, programs, or practices that have been driven by your understanding, or misunderstanding, of RBB?

e.	Yes	32	78%
f.	No	9	22%

5. If your answer to the previous question was yes, do you believe that these changes have been in the best interests of the academic mission of your Department?

g.	Yes	6	17%
h.	No	14	39%
i.	Neutral	16	44%

6. Allocations under RBB are made to a College rather than to a Department. In your College, do you feel that this creates a "disconnect" between Departmental performance and Departmental rewards?

j.	Yes	26	70%
k.	No	8	20%
l.	I don't know	4	10%

7. In RBB, Algorithm 1 determines how revenue is distributed among Colleges. Do you believe that this distribution is fair to your College?

a.	Yes	1	3%
b.	No	17	50%
c.	Don't know	16	47%

8. Do you believe the distribution using Algorithm 1 is fair to your department?

a. Yes	2	6%
b. No	16	47%
c. Don't know	16	47%

9. In RBB, Algorithm 9 (academic support) and Algorithm 10 (non-academic support) determine how common expenses are allocated among Colleges. Do you feel that these expense allocation algorithms are fair to your College/department?

a. Yes	1	3%
b. No	9	26%
c. Don't know	24	71%

In the survey of chairs and directors, less than 25% of the respondents indicated that RBB had created incentives/rewards for their Department, and 62% responded that expected incentives had not happened. Open-ended responses about expected incentives indicated that many faculty initially believed that if the Department increased class sizes/enrollment, programs, or research, there would be a positive payback.

These responses tie closely to two other questions in the survey. First, when asked if the Department had made any changes based on RBB expectations, 79% responded "Yes." Of the 28 written responses to this question, 24 referred to managing instructional aspects of their Department, including increasing class size, number of classes, and programs such as new minors. This suggests that the Departments made changes based on the expected benefits of RBB. Of the 4 other responses, one mentioned eliminating a graduate program, one mentioned reducing special session classes, and one questioned whether faculty should do interdisciplinary work.

Only 18% of the chairs felt that the changes had been in the best interests of the academic mission of the Department. The second question that can be related to perceived benefits showed that 73% of the chairs/directors felt that there was a disconnect because RBB allocations are made to a College rather than a Department. For the last three questions, only 1 respondent thought Algorithm 1 was fair to their College, only 2 thought Algorithm 1 was fair to their Department, and only 1 thought that expense algorithms 9 and 10 were fair to their College/Department. It should be noted that, for these three questions, the response "I don't know" occurred 47%, 47%, and 71% of the time.

Written Responses to Committee Survey

Results from Faculty

1. How have you learned about RBB at UD? Please answer all that apply.

From President Harker
Presentations
finance website
Campus meetings with RBB people
senate meetings
Pres Harker
senate meetings
associate dean
President's slide presentation
discussions with upper administration
college business office staff
Center directors
I was an administrator for two years
as it hits me in the face
General discussions
I learned on my own
Senate
faculty senate
reading about it online
By myself
Our college budget/financial manager
President Harker's letter
other staff in various units who work with budgets
from lots of different people
Administration
from reading online
Central administration
CBO
Anyone who works at UD and has a pulse
finance officer
random bits and pieces
Associate Dean
Provost, President
Other faculty's experience
I attended the RBB workshops that the administration offered when RBB started here. Rob Spector (no longer here at UD) gave the best presentations.
Provost budget office
Training
other deans
articles in UDaily
AAUP
President, Dean, Chair, Faculty, etc.
Financial manager

The Dean has tried to discuss it, but didn't seem to know answers to key questions at the time.
Reading administrators' statements
AAUP
As Acting Chhair
myself
President/Provost
while planning study abroad budget
reading UD communications about RBB
college and university administrators
Deputy Dean
Director
family member employed at UD
I served for 4 yrs on U Faculty Senate
college finance person
from my work on college committees
Tom Apple
No one seems know what exactly this RBB is. No one has explained this to me.
online - reading the RBB document
other members of the UD staff
many sources
rumors
Administrators
informational meeting led by someone who was helping to implement RBB
UD administration
faculty meetings
various informal conversations
President Harker
Informal conversations
President Harker
many scattered sources
chairs other depts
I was chair so it was my job to learn about RBB.
Faculty Senate
business officer in college
business manager of college

3. Are you aware of any positive effects that RBB has had on your department?

I suppose that it's good to strive for more efficient systems and structures.
it has made us more aware of how what we do impacts the overall college budget
IF we teach more students, we get more money
More active in initiating new courses to earn new funding
We reap a windfall in revenue
spur to rethink curriculum and mission
we hired a number of new faculty
As far as I understand, we are one of the few colleges breaking even, or even coming close.
We have increased our number of students so it has been beneficial
tuition capture seems more direct
more stress as money now dominates and academics takes a back seat
Postive changes in both the Ph.D. and Ed.D program and encouraging faculty to seek more grants
possibly more individuals have applied for grants
It can trim unnecessary classes in some cases. More negative effects though.
Probably the only positive thing about RBB is that it encourages faculty to actually fill there classes. While there are downsides to 'chasing RBB dollars' it also does reduce faculty deliberately discouraging students from enrolling in their courses. Incidentally, the designers of this survey have selected an inappropriately and ridiculously small response box.
resulting our department to increase its focus on undergraduate education
Allocation of resources based on performance
Motivated more grant writing.
The large number of students in our major makes our dept important to our college
We are more conscious of what we spend and what we "earn"
Helped us grow
We've been told that the department's budget has been supported by the high teaching numbers. (But unaware of supporting data about this.)
Incentive to increase class sizes (could be a negative too)
Accountability
Creation of new courses offered to students outside of our major
More flexibility at the college level for allocating resources for strategic initiatives.
one-time support funds distributed by Dean
Caudsed us to eliminate a program that needed to end
Clarity of accounting
allows us to be incentived to run professional master program
Initially increased resources available to department
prompts faculty discussion
recognizing accomplishments relative to responsibilities
Encouraged consolidation of resources on programs with greatest commitment from faculty
Has made our department more aware of financial obligations and the responsibility of managing a deficit
In the early days of RBB significant additional resources came to the department through RBB.
some recognition of research money overhead
greater emphasis on teaching?
You can only do things that is justified by revenues
There has been greater attention paid to workload assignments.
greater attention to how programs are funded; some streamlining of course offerings
Dean can use college funds to support college initiatives.
If I teach more classes, the department will get more money.
attention to efficiency

make us responsible for how we spend
Revenue based on enrollement
We have been operating under RBB successfully.
Resulted in some faculty increasing their teaching of service courses, thus increasing number of students we teach and bringing more money into our department, according to the chair.
No. My discipline is within the Arts and Humanities, generally not a "money-maker."
Since ELI has always paid its own way, RBB raised our visibility to other departments, some of which wanted to learn how we function.
We R leaner and MEANER just like most institutions and businesses during these difficult times.
There is more transparency in accounting at the department level
greater budget freedom
In control of our destiny
strategic thinking and allocation of resources
more control over funding priorities
Additional resources
Almost all of us are applying for grants.
I believe we retain more of the grant money we bring in than prior to RBB.
I do not speak initials
More awareness and credit for the service teaching load (large intro classes to non-majors)
There may be more willingness to teach large undergrad classes.
Encourage more teaching

4. Are you aware of any negative effects that RBB has had on your department?

Innapropriate allocation of funding. Not relating to the needs of individual departments
Budget cuts.
Focus moving from qualilty to revenue
re-vamping of study abroad, to our disadvantage; low tolerance for small class size; importation of un(der)qualified students from China
we are small and there is more pressure to have larger classes
Incentive to expand the number of undergraduates without adequate support to hire new faculty; Big changes in financial support and budget personnel
Major deficit of colleges that propagates and impacts research.
Insufficient operating budget
RBB fosters competition and fighting for scarce resources. It doesn't "incentivize" innovation because it stifles collaboration.
Large cuts in operating budget, elimination of staff positions, delays in needed searches, limits to s-contract budgets
budgets squeezed while workload increased
Fewer graduate assistantships, fewer resources, Dean discretion in distributing money across the college
underfunded teaching of labs, more classes and more students in clases but fewer support staff and TAs to cover
The college of arts and science has become the "service" college. We do most of the teaching and watch most of the resources go to engineering.
We don't hire enough to stay even on manpower. We teach either the most or 2nd most students of any dept on campus for any semester. we only seem to lose resources despite this, in every category, including TAs
created an obsession to make money ay all costs
all money goes to the dean, no incentive to make money for dept
If we try to restrict courses to majors only, we get less money.
absolutely stifles interdepartmental and intercollegial collaboration since no one knows who funds will come from or go to, more emphasis on getting higher enrollment # in classes rather than quality of teaching and fulfilling

needs of students, putting stress on CANR re: cost of keeping the farm though it is one of the greatest assets for teaching effectively and drawing prospective students
Unpredictable revenue stream and algorithm manipulation makes planning difficult
People teaching larger classes. Not teaching a class that is not listed from our department. Dean taking control of revenue so no incentives.
Only 24 hrs in the day so faculty are pulled between making money with new courses and performing their research adequately
confusion about support for winter teaching
It appears we are comepting with other colleges for credit hours, which appears to discourage interdisciplinary degrees and work; it has been made known we should be finding department-level revenue generating operations, like professional degrees, to compete.
Funding cuts, withdrawal of promised resources.
it seems the budget has suffered, despite increase in external funding won by our faculty
It has made it very difficult to cooperate with departments in other colleges.
eclipses department's intellectual agenda with discussions of ways to enhance enrollment
we have lost the feeder streams to our supplemental fund. We also have been repeatedly forced to make up budgetary shortfalls in other schools and told it's because of the "Algorithm"
professors teaching too many courses, uncompensated independent studies, no hiring to replace specialists due to attrition, valulable but small programs under the gun
Discourages cross listing of courses
significantly increased the stress level
confusion about what is good for Department from budgetary point of view
Emphasis on larger classes
emphasis on money rahter than scholarship or education is not necessarily going to help us on the path to prominence
less funding in several areas, including professional development support
Hiring freeze and low morale. A sense that the system is unfair and opaque. The basic premise of giving the Dean's or faculty more freedom to make strategic decisions is flawed if the rules are not followed. They are not being followed. For example, A&S has a structural deficit and cannot hire. Engineering has a larger per faculty/student deficit. They are given massive loans. The loans are forgiven. They are allowed to hire.
Budget cuts, including loss of TA lines
morale is lower because of previous miscommunication from the Dean and previous dept chair
It has led to uncertainty regarding funding, since no one understands the algorithm used, it is not available for us to see and understand ourselves; an adversarial attitude or at least the perception of one with another academic unit over undergraduate students in an interdisciplinary program,
Larger class sizes
less avalialbe economic resources
Cut resources. More "taxes" applied from upper administration.
Instead of all inclusive, it had made the atmosphere more exclusive. The problem might not be the system but the preception of how the system works
This space is way too smal. RBB has inhibited cross-college instruction and collaboration
diminished resources for educating students
A&S is broke...Engineering overspent by 25 million -- yet they are hiring and A&S is not.
due to the budget being based on previous years it has been more difficult for some faculty to teach during winter and summer
Less teaching support, larger class sizes, and on overall lack of any clarity regarding how money flows in the University
The emphasis on inter-unit competiton for resources creates an atmosphere in which scholarly merit is secondary to fundability
Move to eliminate low enrollment classes and offer introductory classes to attract other majors. No incentive to

have laboratories.
heavy research program has high infrastructure costs not yet fully factored into RBB
It appears that Nursing does not receive the funds to support clinical education of students. we are told the program is losing money for the University
it negatively impacts the way we make academic decisions and the budget has been reduced
money now dominates and academics takes a back seat
sudden cut of overhead return rate
Focus has too strongly switched to financial revenue, as opposed to academic quality
reduced resources
we keep adding new programs, teaching bigger classrooms and get no benefit. Also we can not hire any new CNTT's because of the tax, so we only have temp S contract people
Loss of office space and program flexibility
RBB has sometimes impacted programs that are in the early stages of development. Because of the higher course numbers required for a class to "make" new programs can be disadvantaged by the system.
emphasis is on student numbers, not quality teaching
arbitrary cuts, unnecessary anxiety, culture of pessimism, shrinking ability to serve students in teaching and advising, NO CLUE WHAT CAN BE DONE TO CHANGE THE BUDGETED AMOUNT as the "algorithm" is both a mystery and ever-changing
seems like there are so many more budgetary hoops to jump though, more admin folks and less efficiency
definitely makes for a more contentious, competitive (as apposed to cooperative) environment. It has led to a business-like attitude where money is at the route of all decisions made. It has worsened morale at the university.
Lack of transparency, budget cuts
manufactured budget problems
It promotes the teaching of large classes and influences many decisions we make about the curriculum. Also has a big impact on grad courses. If you can't reach 10 students, it really isn't going to be offered.
poor salaries, no money for travel to conferences, no new hires
RBB is optimized to have phys education dept. (or whatever its called) to offer a new racketball class (I spelled "racquet" incorrectly on purpose) and have a student teach it. That's how you make money. It also forces departments to offer coursework masters to make money and this reduces one's ability to educate students in a deep manner not just skim the surface. If you want to become a tech school this is fine.
confusion about what it means; shifting or eliminating programs and classes to meet the (unclear) needs of RBB. Most just say it means, "Butts in seats."
While I have arrived at the university after RBB was instituted, it seems to have created a general sense of financial instability.
Basically - I can only see Negative budgetary effects in every possible way since I arrived at UDel
loss funding due to decline in college revenues that were shifted to another college
increased enrollments, shrinking budget
It appears to pit units against each other
RBB has resulted in a zero-sum competition between different colleges. This is extremely destructive, not productive, especially for departments in colleges that currently have fewer students. The algorythms aren't transparent at all. This is like a some of the management strategies that have had very negative effects in the corporate world.
larger classes, fewer faculty, smaller budget
Budget cuts for not enough students?
it has reduced morale, and "pitting" one discipline against others
Anxiety
finances controlled by the Dean and not in a fully transparent manner
We subsidize the sciences
Fewer resources
This is created a real impediment to inter-college collaboration, to the development of courses and to the resource

allocations to colleges.
Uncertainty
Individual departments in L&S vastly vary in their "results". Highly productive dept w/in L&S are adversely affected by a college level RBB.
RBB does not address the costs of chemical instrumentation, lab classes with TA who have market value above university rate, or research intensive department in a low research college.
Less co-operation from other units in the college and outside the college because it is no longer in their interest to cooperate rather than compete
Competition for resources and student seats
loss of standard courses necessary for UG major and Graduate PhD program; effect is a watered down course offering; privileges easy courses or topically popular courses over core and often more challenging courses; major negative impact on faculty development and hiring: fosters profession of generalist while putting researchers at disadvantage.
too much emphasis on enrollments so that we teach large into courses at the expense of offering upper level courses for our majors; decline in graduate support; decline in summer offerings and as a result decline in opportunities for our graduate students to teach courses; a level of financial uncertainty that negatively impacts faculty morale
The college appears to be charging the Department for services it provides.
nickel and diming of operating costs
We were urged to increase enrollments and we did just that. Yet, we do not realize the benefits.
Despite the high number of students we teach, we seem to get no monetary benefit from RBB.
money to B&E went to the new building
less money
I am teaching more classes and expected to take more students than I think is appropriate
Small masters programs are struggling. Discontinuing free tuition for summer courses for teachers has badly hurt enrollment.

5. Has RBB created incentives and/or rewards for your individual performance?

am more aware that dollars follow students-- and keep this in mind in terms of teaching to students both in our department and outside of it.
Faculty are only incentivized in the form of PD accounts IF AND ONLY IF the grad student tuition is written into grants! But this makes grants less competitive because they are more expensive to fund with tuition (EXPENSIVE out of state tuition) written into them.
Incentives for bigger classes
more research $$ supposedly means more money from other places- by it is zero-sum in A&S, so maybe engineering will cough some of their teaching funds up, no?
It makes me want to consider innovative programming options (certificate programs etc)
Incentive to increase enrollment in 100 and 200-level courses
The incentives are to slack off because nothing can do would be rewarded under RBB
tuition $$ is easily tracked to my teaching efforts
The RBB has emphasized that teaching is a business. If what I am doing is not producing a profit, then it does not have worth.
It has pushed me to be more involved in grant writing activity even though the majority of my institutional responsibilities are related to teaching.
only those who bring in grants count
Slush funds for the grant-getters
Overhead recovery
It has incentivized us to discourage enrollments in majors we must provide lab instruction.
so I'm told, although I don't see how they connect to workload

Teaching large courses
Some, including teaching to larger class sizes
No money is passed through for department level activities--it all stops at the dean's office. Departments have no incentives, only negative incentives.
Clearer and more appropriate rewards for good teaching, publishing, winning grants
money based on enrollments and activities increasing enrollment of students from other colleges
research incentive theoretically incentivizes research performance, but overall decrease in financial support undermines our ability to do more grant writing
Claims that incentives have been created, but these are not realized
Dean attempts to reward for work in supporting the College's agenda; programs are held accountable for contributions to the College's bottom line --and are rewarded when they do
Well, if I teach more it will help the department but I cannot think of any personal benefits from RBB.
Indirectly through the dean's decision to return some grant money to PIs
resources to help with my grant writing
YES--BUT THEY DID NOT WORK
constricts course offerings and what I was hired to do
It's clear that I would benefit the department/college by teaching more undergraduates than I do, so tht is an apparent incentive from an overall good point of view
No incentive or rewards. If anything, it turns me off! Rather than all or none for RBB, why can't we have a blend of some of the principles of RBB as well as central management of funds by the Provost.
returns on overhead from grants
Our department has thought creatively about how to drive revenue under rrb.
I believe I get to keep some of my contract money as incentive for getting
I do better/more, my dept does better/more, and we can better tie our performance to our budget
Attempts were made to reduce the level of academic rigor in the class I teach.
Maximise enrollment in classes. Better use of space.

6. Has RBB had any effect (either positive or negative) on your individual performance?

the incentives?! are completely opaque. Despite my productiveity etc it seems all rewards are taken away and we just get finances cut no matter what we do.
Spending time to find ways to close the budget. No overhead return to department and PI.
My morale is low because RBB communicates that my worth as a faculty member is only based on whether or not I bring money to the department, not whether I publish about innovative or creative ideas and certainly not if I teach innovative courses.
negative: class sizes have increased
RBB creates an atmosphere where those in some units and colleges feel like they can make advances on campus no matter what the do or how hard they work.
RBB as it is done here strongly encourages silo building and strongly discourages interdisciplinary activity in either teaching or research. i have recently done all kinds of unofficial things to get around obstacles so that I can work with colleagues in other colleges. and, this happens when the really exciting work elsewhere is interdisciplinary.
research is ignored if it does not raise funding, so why bother
I feel pressured to increase the max enrollment in my courses (to get more dept $)BUT simultaneously, I feel pressure from my department to keep my 4XX level courses capped under 25 students
have had to consider whether to offer larger classes I am less interested in for the sake of bringing in more money rather than teaching high quality classes I am passionate about to a smaller group of students
Have not pursued online courses due to no assurances from Dean that revenues would accrue to our department and program.
Always trying to find another way to bring more students or funds into the department; very draining/frustrating.

Negative only: more concentration on competition with other units and less on cooperation to achieve beneficial results.
the budget crisis in my department, in part caused by the RBB "Algorithm" has increased everyone's work load and made it much harder to serve our students
overworked, feel like I can't do all that is expected of me
I am teaching more students from outside my department, and worrying a lot about not having success in grant funding
Made me really skeptical about any adminsitrator's staements about it since they have repeatedly changed what effects are and changed incentives
Decreased enrollments overall, with the emphasis on greater numbers in classes.
atmosphere has resulted in tension and pressure from some faculty on others due to fear of lack of resources
More work in the classroom with larger numbers of students and no TAs. Conference attendance severely limited due to lack of funds for it.
RBB, along with other cases of UD mismanagement, has been undermining my motivation to work hard
i work harder to identify novel ways to increase revenue
RBB has the potential to lead to better utilization of lab space in our college. It is easy to compare department's lab needs based on research dollars. Unfortunately, this is not the only metric and some fields are much better endowed than others. Should only the well-endowed fields have access to good lab facilities? I believe we are able to bring in sufficient resources to justify my unit's lab space needs, but it is not an easy argument to make when money is the primary consideration.
Larger class sizes not conducive to enhancing student experience
Our unit generates income primary from undergraduate teaching ... this type of revenue generation does not seem to help us.
To a slight extent, I do think who I am catering the course which sometimes force me the make decisions that I otherwise would not have made.
It has made me abandon efforts to collaboratively teach interdisciplinary courses and to teach across college lines
Increased class size hampers best practices in teaching
Performance No...Morale, yes. A&S did not have enough money to keep promises to the best chair we ever had.
I have nearly doubled my class size which completely changed how I execute the lab sections of the class.
It makes me worry about what her my program will survive. Although we have an exceptionally strong program., it is expensive and, therefore , at risk.
Concerned that low enrollment, laboratory classes I teach will be eliminated.
because of reduced budget, it has restricted my flexibilty in research and teaching and increased the time needed for my service duties
I have become more independent of the system and reduced my research program costs to keep my program sustainable. It is lighter, smaller, more flexible, and cheaper. Less revenue needed to support it to have time to deal with the additional administration duties I need to oversee
I have spent a tremendous amount of time developing courses and programs that may have to end because of RBB. This has prevented me using that time to work with students or on other important projects.
zero budget for any teaching supplies, higher course numbers than effective PBL and interactive discussion based courses allow, uncertainty over vision for future program excellence, many wasted hours of faculty meetings and administrator time trying to discern what and how to effectively navigate RBB to positive ends
Due to larger classes and the need to bring in money to the department to support our expenses, I feel our time allotted to scholarship has been negatively impacted. Research faculty who are actively seeking funding but may not have it, are saddled with lots of teaching responsbilities which diminished their ability to write. This is particularly difficult for junior faculty.
new contract = disaster w/ no merit pay next year and very little pay (merit or otherwise) thereafter. Result = I will retire much sooner than expected to escape this lunacy
The general environment created by RBB probably puts a little more pressure on me to seek extramural funding.
Every budget cut, every administrative assistant that is missing, every push for getting more grants with less and less TA, RA, and administrative support, every additional web-form I need to fill rather than have an

administrative assistant fill it up, every TA I don't get due to budgetary cut - it all reduces my output and increases time spent on Not doing what I should be doing (i.e Doing Research and Teaching)
RBB is demoralizing. It makes it difficult, often impossible, to work across college lines. It is unfair in distributing funds .
I teach larger numbers of students
From the perspective of dis-incentivizing cross-college collaborations, joint graduate programs, you name it. It has made this University less cohesive and generated a each college for itself atmosphere. It was a noble experiment, but the unintended consequences have had real and deleterious effects on faculty performance.
Decreased ability to discuss long range plans with chair and other faculty
RBB tells me to ignore teaching and focus on research (research growth is encouraged 3X over teaching.0
All the money now goes to the deans who may or may not return to departments
Negative effects only: student enrollment dictates course content to the point of watering down course expectations, creating climate of self-censorship in topics that can be taught, and loss of academic freedom. Major negative impact on faculty linking teaching and research: courses that are deemed challenging by students don't make, taking away opportunity of faculty having students participate in cutting edge research.
I am seeing little or no overhead return to the projects and grants that produce the added departmental or college income.
am re-thinking my service obligations and the funding sources to maximize applying to places that allow higher indirect costs (i.e I won't 'waste' my time applying for state opportunities or funding from foundations that do not offer indirects
I think it has complicated attempts to create viable Area Studies programs because it encourages units to do versions of the same thing within their own unit rather than cooperating across units.
less salary increase
Becasue of heavier teaching load, I have had less time to enhance my courses.
increased workload decreased resources
drive me away from the place, lack of conviviality, lack of shared sense of purpose, cynicism about the purposes of the unit and the Univrersity, nihilism
Created a system of financial apartheid in our department
very negative effect on general morale
I teach a core class for our major, which now has an enrollment of 100 students (previously approx 50-60 students). I had to change to a multiple choice format for exams so I could use electronic grading. The univ is stressing problem based learning, discovery learning, increasing the writing requirements for classes, but large class enrollments restrict those type of teaching/learning methods.
rather than focus on individual research agendas we have been asked to find ways to generate dollars
I teach more students and have less quality teaching because of it
Department budget cuts caused by college seizing our funds has hurt research and teaching projects.
Poor morale, lack of hiring has placed huge burden on being able to accomplish increasing demands in my area, uncertainty, performance undervalued compared to a "do everything and generate money" sentiment, poor
It is very discouraging and demotivating
destroyed the finances of my college and department and that has affected me, my colleagues and our students in a negative way
It has distracted me from concentrating on my research to write extramural grant proposals, thus reducing my overall productivity. It has put pressure on my doctoral programs and our ability to admit and consequently advise doctoral students as well.
I've been cut out of overload teaching
Large class sizes affects teaching effectiveness, less time to attend to research, more involved in designing short-term revenue generating programs, less team teaching,
Not yet; I am concerned about the near-term effects on our ability to attract and train interdisciplinary students (b/c RBB incentivises department-level protectionism and inhibits new, creative solutions for student training), which I believe would ultimately have a negative impact on performance
attitude

It makes us all not trust the administration...so only negative results.
increasing weight is placed on ability to obtain grant-funding; some types of research are easier to fund in current climate and if you don't do that type of research it's harder to receive support from departments
It has taught me that the only way to work around here is to cynically manipulate the system. What is good is what the formula says is good, whether that is moral or not.
Negative, but prefer not to say
more emphasis on grant, less emphasis on teaching, more service work.
We continue to loose resources (financial and personnel) to supporting teaching and research.
It fosters an anti-intellectual work environment, which lowers morale.
Termination/reduction in funding for several research related activities
Teaching workload will be higher, money follows students
I teach more students, for no incentive, and class quality has declined as have my teaching reviews.
Makes summer consulting a clearer option
There seems to be a lack of collaboration as researchers are hesitant or unwilling to work with others
I am less motivated to teach or do service. The main rewards are for research income.
Too many things important for student learning are not being done
Resources to support teaching are being lost
Because of RBB, I can no longer afford to travel to conferences, which has had a substantial negative impact on my scholarship. It has also forced me to seek external funding at a time when there is greater competition for diminishing resources, whcih has drawn time aware from more fruitful activities.
It has made me suspicious of Hooligan Hall and the people who run it. It makes me believe the president is out of touch. Good people have left the administration--people who say the king has no clothes.
lower morale; RBB is a zero sum game
I'm hesitant to develop new courses because they won't have an immediate pay-off.
Diminished sense of value and importance of public service
RBB has influenced staffing decisions that have spillover for all of us
with declinig support I have more trouble visitng archives (in Europe) and now can attend ONE conference a year which curtails the development of projects in early stages
be more selfish about time rather than help others
The effect is negative in terms of morale, because RBB only rewards units for numbers of students; excellence in scholarship, teaching, and service do not count of themselves any more. This is demoralizing, but I try push on due to a sense of professionalism so that my performance will not decline. Is this not absurd that the faculty must now strive for excellence in order to overcome the negative incentives that the administration has created?
Denied overload teaching opportunity
have no clue how it works
Our equipment is antiquated and in need of replacement but we do not have the needed funds to provide appropriate instruments and or equipment
I have had to do more with less support, resources
pushed me to seek more grant funding
I understand the rationale, but I feel that a great deal of the things that I do are looked at and asked about repeatedly.
It affects faculty morale; that affects my sense of commitment to the institution. I still do research and teach and perform service obligations, but it's hard to feel as though anything I do shapes institutional policies.
morale is low making it more difficult to be positive on a day to day basis
yes--greater concern about ent]rollments

Results from Chairs

3. Are there any departmental incentives that you thought would materialize from RBB, but have not occurred?

Still don't understand financial impact to us for considering new initiatives
increased resources for reserarch and instruction based on overhead and ICOR numbers
We expected that there would be specific well defined incentives for starting successful new programs, offering new courses, teaching more students, etc. While there are incentives, they are not at all explicit.
increased enrollment and F&A income; special-session teaching
Yes, tuition generated from new 4+1 programs...has yet to materialize.
sharing of special session tuition, increased return of indirects, online tuition sharing
More funds and resources to grow/build dept
pay back from increasing class enrollment
I thought that increasing revenue for the college (increased F&A, increased crredit hours taught) would increase the amount of resources coming to our department. However, our department has increased revenue only to see our resources drastically cut. What a department does under RBB has no correlation to its resource change, at least in our college.
I had thought that RBB would allow to incentivize high performnce, be it in the are of research or teaching,
more research funding
We think that larger classes would increase our revenue. Since the money goes to the College, I have no idea if this has occurred or not. Or how much revenue would be generated by increased enrollment.
Monetary rewards to department for new initiatives that increase revenue for the college/department.
More decision making about use of resources at the Department level
We thought we would understand what effects increasing professional programs and other activities would have, but were never given any idea of the costs and benefits of any activities at all.
Clear relationship between teaching and the budget.
Returns for more teaching and research
Rewards for research and teaching performance
Incentives have not really trickled down to depts in the varied ways revenues might be nuanced or costs constrained.
More resources for higher productivity, a new grad program. NO incentives for undergrad enrollment and quality of education.
I thought that there would be more incentives to enroll undergraduate students.
incenti to grow professional student enrollmentllment allow
Graduate tuition return, summer/winter session course incentives, course buyouts, etc.

4. Has your department made any changes in courses, programs, or practices that have been driven by your understanding, or misunderstanding, or RBB?

Minor winter and summer session offering additions.
Larger class sizes
I have reduced special-session teaching and have resisted further enrollment increases
Yes, we created the 4+1 strictly because of the "reward" that RBB was to provide. We never had a 4+1 before. Now we do...yet still no payoff.
Increased teaching in special sessions and online, increased departmental responsibility of payment for infrastructure needs.
course offering adjustments
Created more minors, courses to generate additional revenue streams
we have dramatically increased class size
At first, we though increasing revenue for the college would help the department. It hasn't. So then we ask why should we care.
Larger classes, less cooperation with other depts ou
RBB has created a change in perception across campus which I would characterize as a ¨scarcity¨mentality. The point is not whether this is accurate or not but a general feeling of lack of control and financial constraints.
RBB has led me to question whether we should do interdisicplinary work. Thus, it is harmful.
Offered larger classes to increase tuition revenue
We have eliminated our graduate program
larger class size to generate revenue, fewer new smaller experimental classes, decreased faculty travel and professional development due to lack of funds from Dean's office, decrease in support staff to save monies, more courses taught by graduate students instead of faculty to increase faculty research time, more time spent on thinking about promotional materials and revenue generating actions rather than a focus on enhancing existing curriculum, fewer honors sections due to lack of financial incentive to faculty
Increasing undergraduate programs, numbers of majors; increasing graduate professional programs.
increased enrollment limits in classes with broad appeal
Teaching more courses and that graduate students cost the college 3000 dollars
We're trying to incentivize teaching
there is a focus on expanding the graduate programs.
Added a minor.
We have increased out on-line offerings (from none to one course in winter and summer) and have made a greater effort to recruit students from other colleges into our classes
We started a new grad program - success yet to be determined. Conflict caused by miscommunication between Dean and Deputy Dean on the matter.
Better management of enrollment
We've added courses that would draw students.
We are workign to create some courses that would appeal to students outside of our major and will enhace learning and create new expderiences for all.
Larger classes

Increased admission of self paying graduate students, introduction of professional focused graduate courses, introduction of summer/winter courses

5. If your answer is yes, do you believe that the changes have been in the best interests of the academic mission of the department?

Written Responses to YES	Written Responses to NO
We're severely short-staffed relative to the growth in our majors + minors, so I don't want to spread teaching resources too thinly.	Too much emphasis on enrolling in courses in our college, not necessarily in the best interest of the academic program of students
All changes are in line with our dept mission and have full support of faculty	Department is in the red for the first time. No $$ to maintain or enhance infrastructure or research equipment, required to pay for teaching!!!!
We will be able to expand knowledge to other majors than just our own	increasing class size has decreased teaching quality
Less waste, helps keep tuiton costs down.	Resources don't flow to the departmental level.
This has allowed us to broaden our reach and make greater connections.	Less cross-college cooperation
These increase our course offerings and student body	as indicated earlier
	Huge courses do not improve teaching
	No. The decisions are all motivated by the Dean's desire to generate revenue so that the Dean can create projects that will generate revenue in ways that are not consistent with faculty priorities for the academic mission of the Department. The purpose of generating revenue is to develop new projects that are initiaited out of the Dean's office rather than iniatied by faculty, e.g. allocating monies to a new Center without input from the faculty as a whole. Faculty have also been discouraged from engaging in applied research b/c this type of work is often considered "service" rather than translational research. In addition, service is not valued as a mechanism of developing important partnershps in the community that may later be helpful/necessary for carrying out research projects in the community. Basic research is rewarded 3 to 1 (service) with incentive monies. Projects are important to the field through applied research are also discouraged because of the typical lower indirect rates (from private foundations, state government) than the higher indirect rates by the federal grants, e.g. NIH.
	There has been more focus on programs that generate revenue
	Playing to the most in-demand or popular courses isn't exactly a strategic plan, and this approach has led to too many CNTT hires, creating an imbalance in the department.
	We do not benefit from have a large number of undergraduate majors

7. In RBB, Algorithm 1 determines how revenue is distributed among Colleges. Do you believe that this distribution is fair to your College?

Written Responses to YES	Written Responses to NO
Seems to account for both teaching and funding activity.	Need even more credit for research
	The tax going to engineering is unfair. We remain the University of Dupont
	The research incentive is too steep - not enough left for classroom teaching
	CAS does the vast majority of teaching, yet is in debt. Research percentage is very favorable for colleges that have less teaching and more time for research.
	Distribution was based on pre RBB performances and thus penalizes colleges as they change
	Colleges that have majors but little service teaching are greatly advantaged over colleges that, by their inherent nature, do a lot of service teaching. Colleges that don't do much service teaching generally have more effort in research, which further imballances the tuition revenue distribution. In A&S, we have many departments/programs that are needed for a university to be a university, but they are not revenue producers. The way RBB works now, it is departments like mine that subsidize these efforts, which is unfair.
	College became impoverished under RBB
	Funding is granted too mechanistically and simplicisticly at that.
	Algorithm 1 isn't the only one that affects revenue distribution. The algorithms are all intrinsically arbitrary, and since all colleges have different profiles, it's difficult to make a convincing argument that any one algorithm is fair or not.
	A&S is the largest college
	Colleges that generate more revenue are rewarded with more monies. Reward is not based upon the intellectual contribution of the unit to the University.
	Money is taken away from CAS and given to other colleges.
	CAS heavily subvents other colleges.
	Too much of our revenue is used to subvent other colleges
	Favors Engineering too much.

8. Do you believe the distribution using Algorithm 1 is fair to your department?

Written Responses to YES	Written Responses to NO
Funds are not distributed to departments via the algorithm as noted earlier.	Still not focused enough on research
	The research incentive is too steep - not enough left for classroom teaching. Our Dept is a cash cow for the College and for UD; we teach a lot, and we bring in millions in grant $. But we don't have the faculty, space, or research resources we need - or deserve under RBB.
	Teaching more, less time for research to gain those $$.
	We make a profit, but are allocated funds at a far lower rate
	The payback per student taught is far less than what was originally promised to us
	Our department fares well under the algorithm, but the "profit" is used by the college to fund other programs that are not revenue generators.
	Charged double
	The job freeze has caused the dean to deny us a replacement line in moden Chinese history, which is terribly important to the academic purpose of the University.
	See previous question/comment.
	Because our department is in CAS.
	As we don't get to see what fraction is given to us
	I don't think Algorithm 1 determines the distribution of funds to my department; the Dean determines what my department gets and I don't know on what basis he does that.
	There appears to be little if any connection between individual or departmental effectiveness and financial or material resources

9. In RBB, Algorithm 9 (academic support) and Algorithm 10 (non-academic support) determine how common expenses are allocated among Colleges. Do you feel that these expense allocation algorithms are fair to your College/department?

There were no written responses to YES.

Written responses to NO.

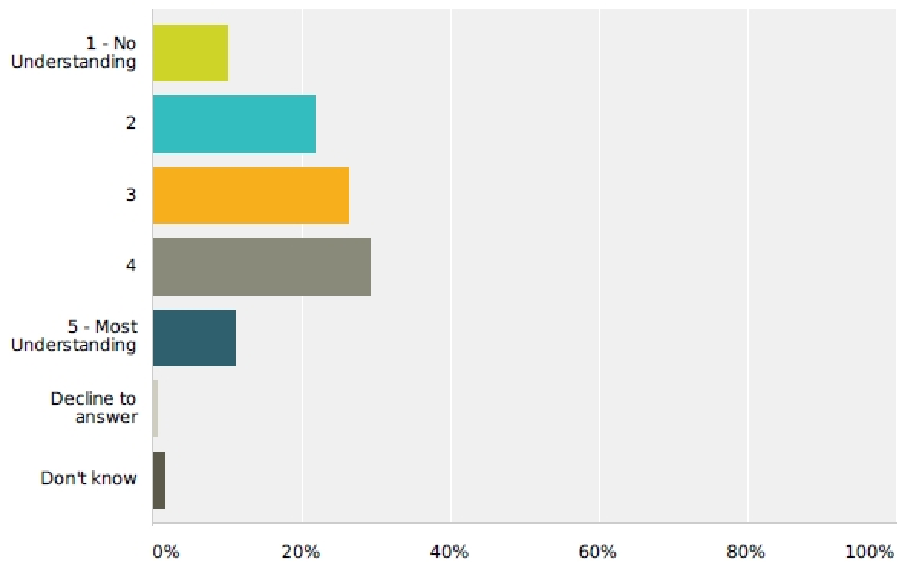
The growth in our enrollment and F&A income isn't matched by growth in these types of support. By the way, earlier the survey said that under RBB the $ goes Colleges, not Depts. That's true at UD but not true of RBB in principle. That implementation decision should be re-examined.
Labs and high-tech research facilities are very expensive to run, I dont know that it is being done equiatably across campus.
with RBB, CAS is struggling to maintain any budget in the black, as are most colleges. There is something wrong

when most of the units at the university are in the red.
All charges tacked on to faculty lines
I would judge that no one associated with creating or implmeneting RBB had anything academic in mind. It's fit for Walmart or Target, not an institution of higher learning.
See previous comment, but in addition, academic support and non-academic support allocations should be based on different criteria.
Units that are expected to have the potential to generate high levels of revenue are provided greater assistance with expenses than smaller units with more modest revenue potential.
Allocates too much to engineering.

Appendix C
Results from AAUP Survey

Q11 11. On a scale of 1 to 5, please indicate your level of understanding of how the Responsibility Based Budgeting system (RBB) affects your department.

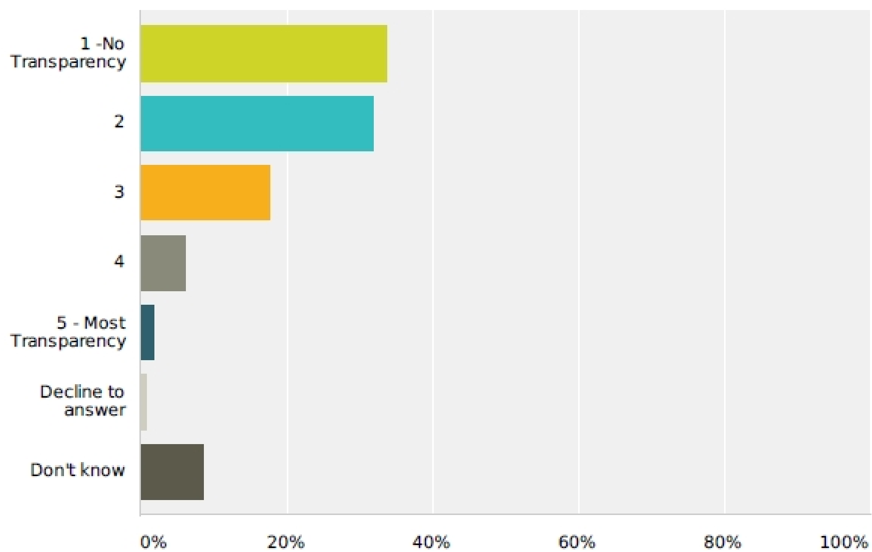
Answered: 471 Skipped: 18



Answer Choices	Responses	
1 - No Understanding	**9.98%**	47
2	**21.66%**	102
3	**26.33%**	124
4	**29.09%**	137
5 - Most Understanding	**11.04%**	52
Decline to answer	**0.42%**	2
Don't know	**1.49%**	7
Total		471

Q12 12. On a scale of 1 to 5, please indicate your attitude regarding the transparency of the implementation of the Responsibility Based Budgeting (RBB) as it affects your department.

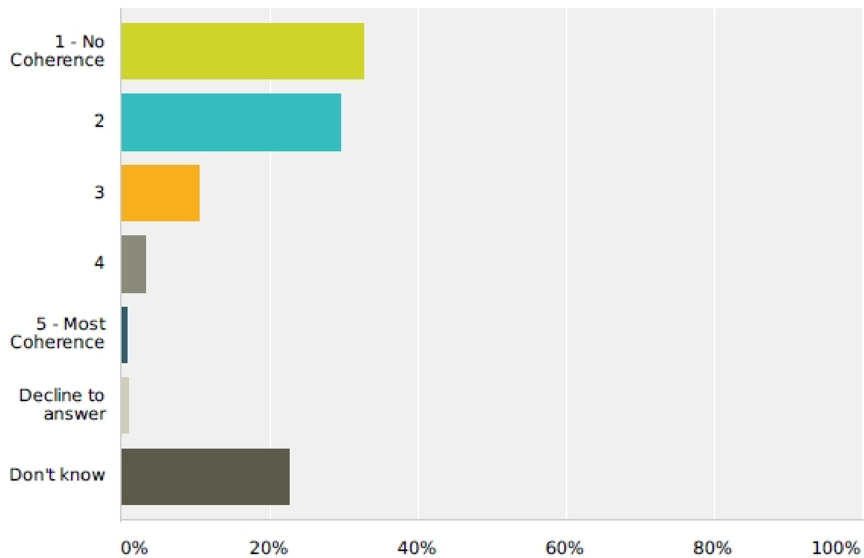
Answered: 470 Skipped: 19



Answer Choices	Responses	
1 -No Transparency	**33.62%**	158
2	**31.91%**	150
3	**17.66%**	83
4	**5.96%**	28
5 - Most Transparency	**1.70%**	8
Decline to answer	**0.64%**	3
Don't know	**8.51%**	40
Total		470

Q13 13. On a scale of 1 to 5, please indicate your attitude regarding the coherence of the implementation of the Responsibility Based Budgeting (RBB) as it affects your department.

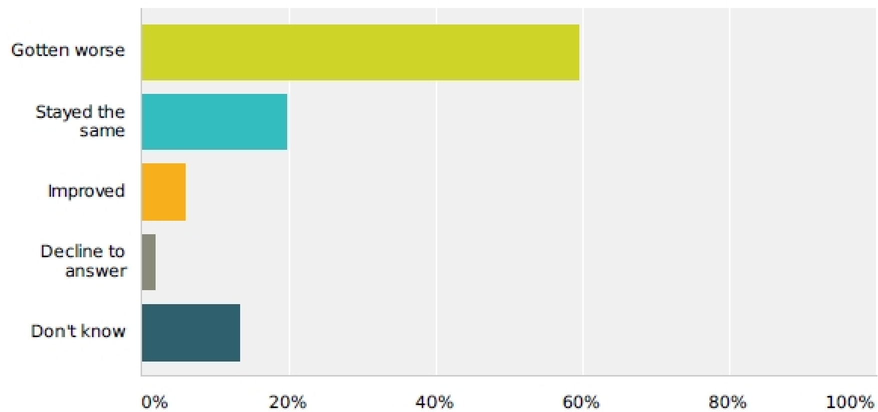
Answered: 469 Skipped: 20



Answer Choices	Responses	
1 - No Coherence	**32.62%**	153
2	**29.64%**	139
3	**10.45%**	49
4	**3.20%**	15
5 - Most Coherence	**0.64%**	3
Decline to answer	**0.85%**	4
Don't know	**22.60%**	106
Total		469

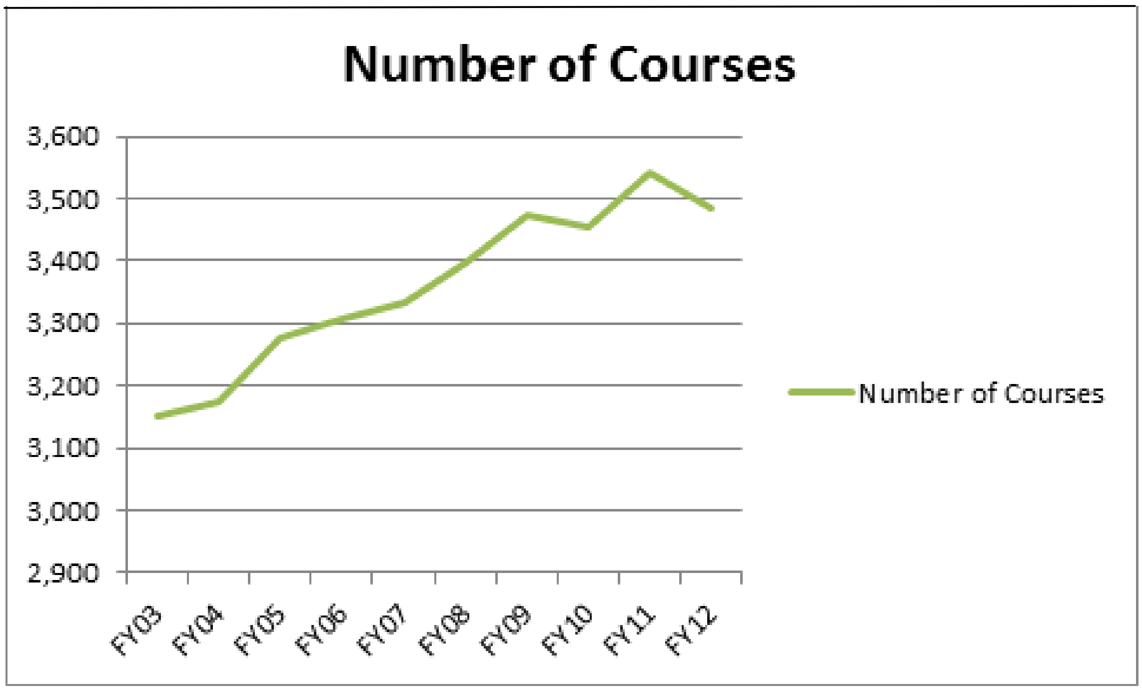
Q15 15. Over the last three years, would you say that morale at the university has:

Answered: 465 Skipped: 24

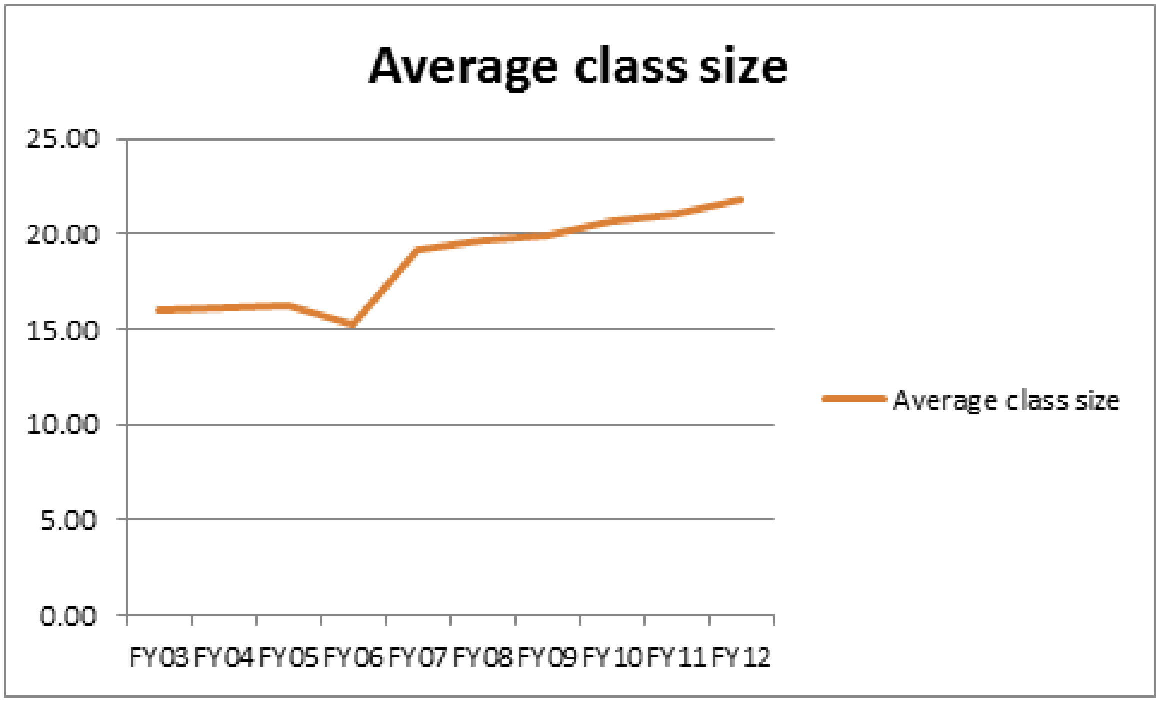


Answer Choices	Responses	
Gotten worse	**59.57%**	277
Stayed the same	**19.57%**	91
Improved	**5.81%**	27
Decline to answer	**1.72%**	8
Don't know	**13.33%**	62
Total		465

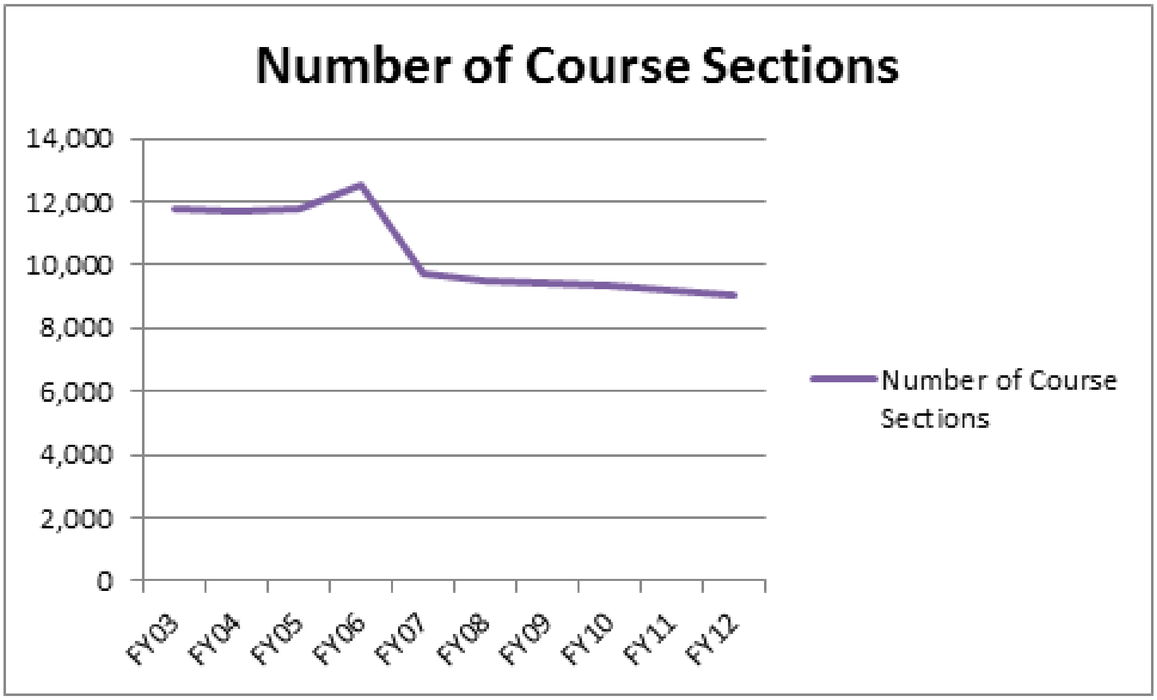
Appendix D
Changes at UD Over Time



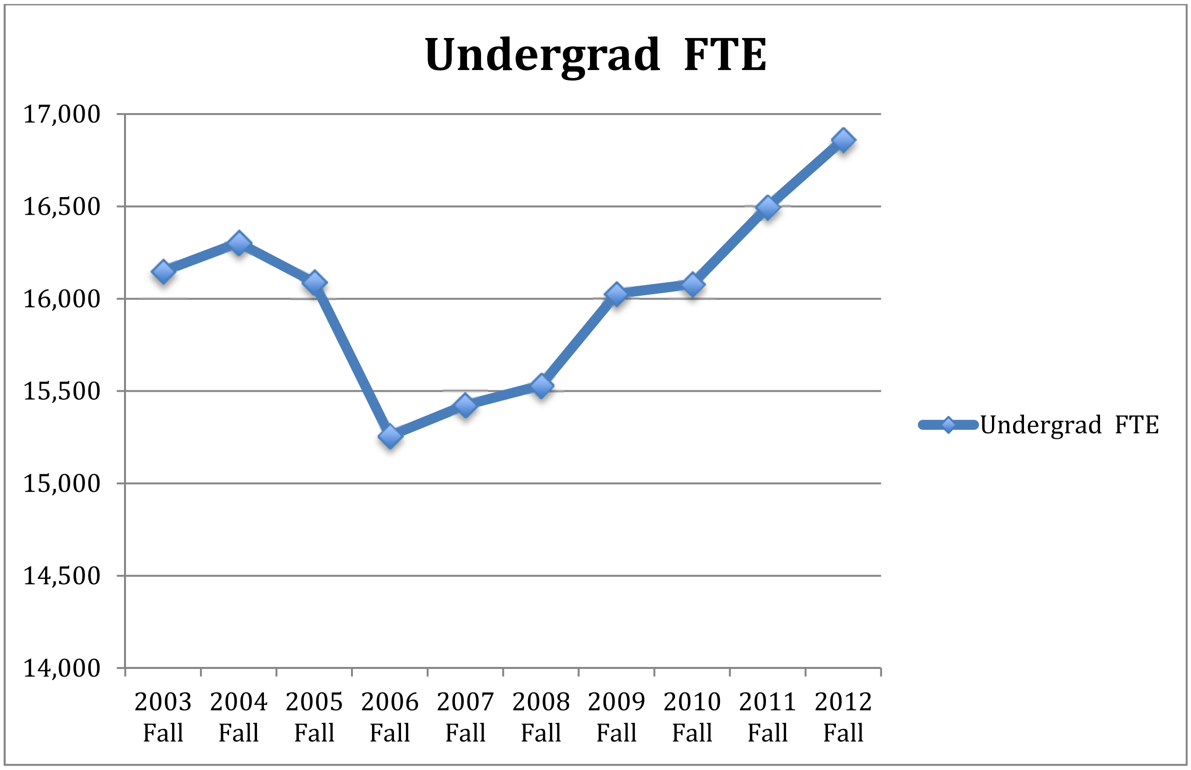
The numbers of courses being taught shows a steady rise from 3151 taught in 2002-2003 to 3485 taught from 2011 to 2012, for an overall increase of 10.6%. From 2007 to 2012 there was a 2.5% increase.



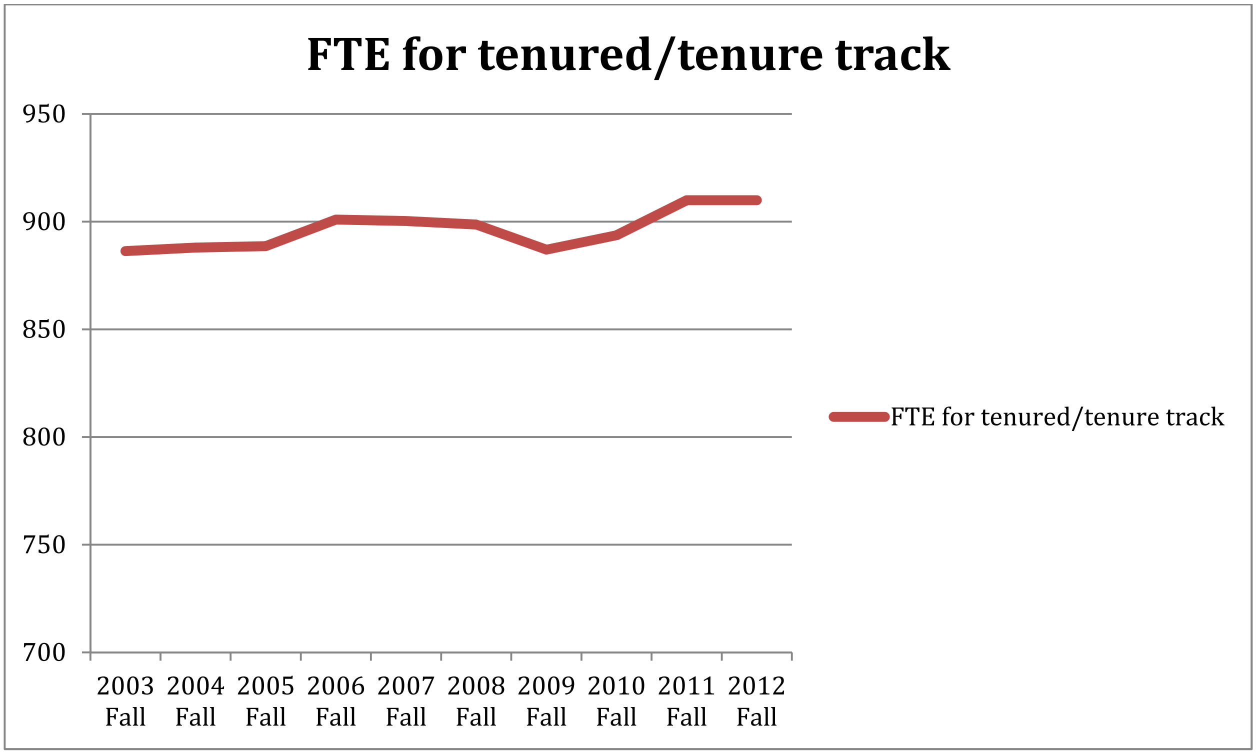
The average class size has increased by 6 students, from about 16 students per class in 2003 to about 22 students in 2012. From 2007 to 2012 there has been about an 11% increase in class size.



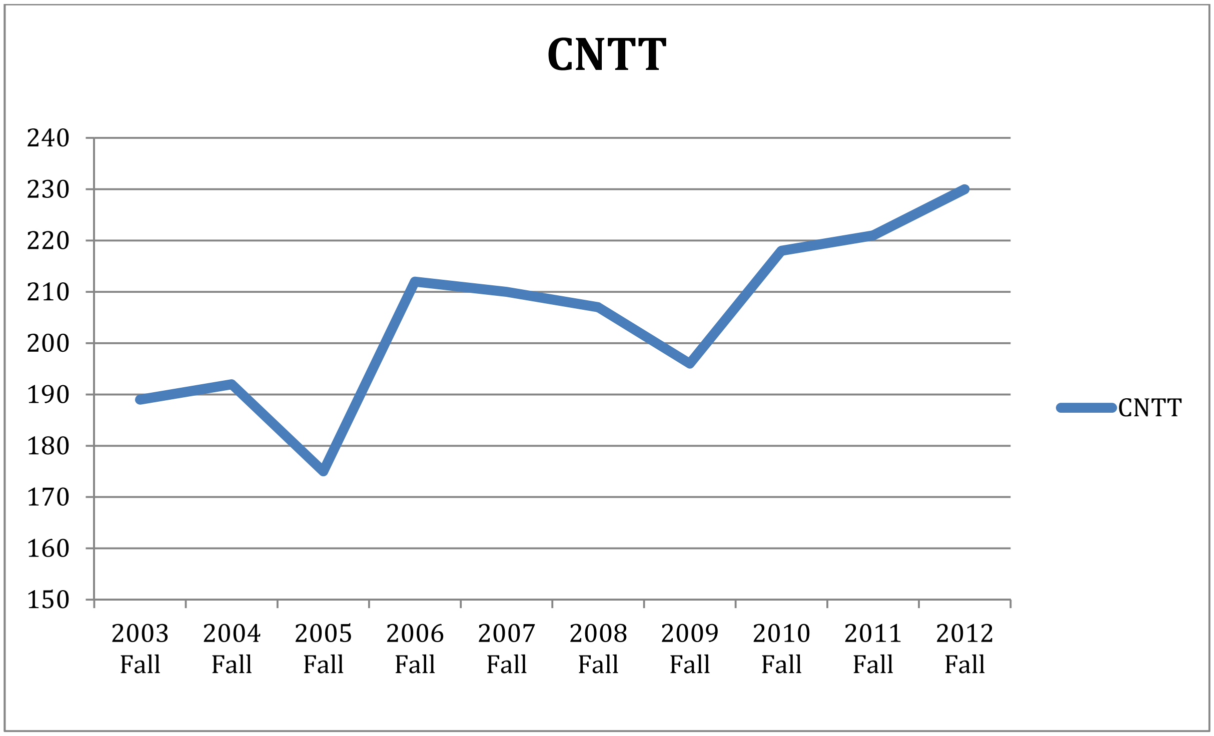
The number of course sections has dropped from 11,747 in 2003 to 9,053 in 2012. From 2007 to 2012 there has been about a 2% decrease in the number of courses sections offered each year.



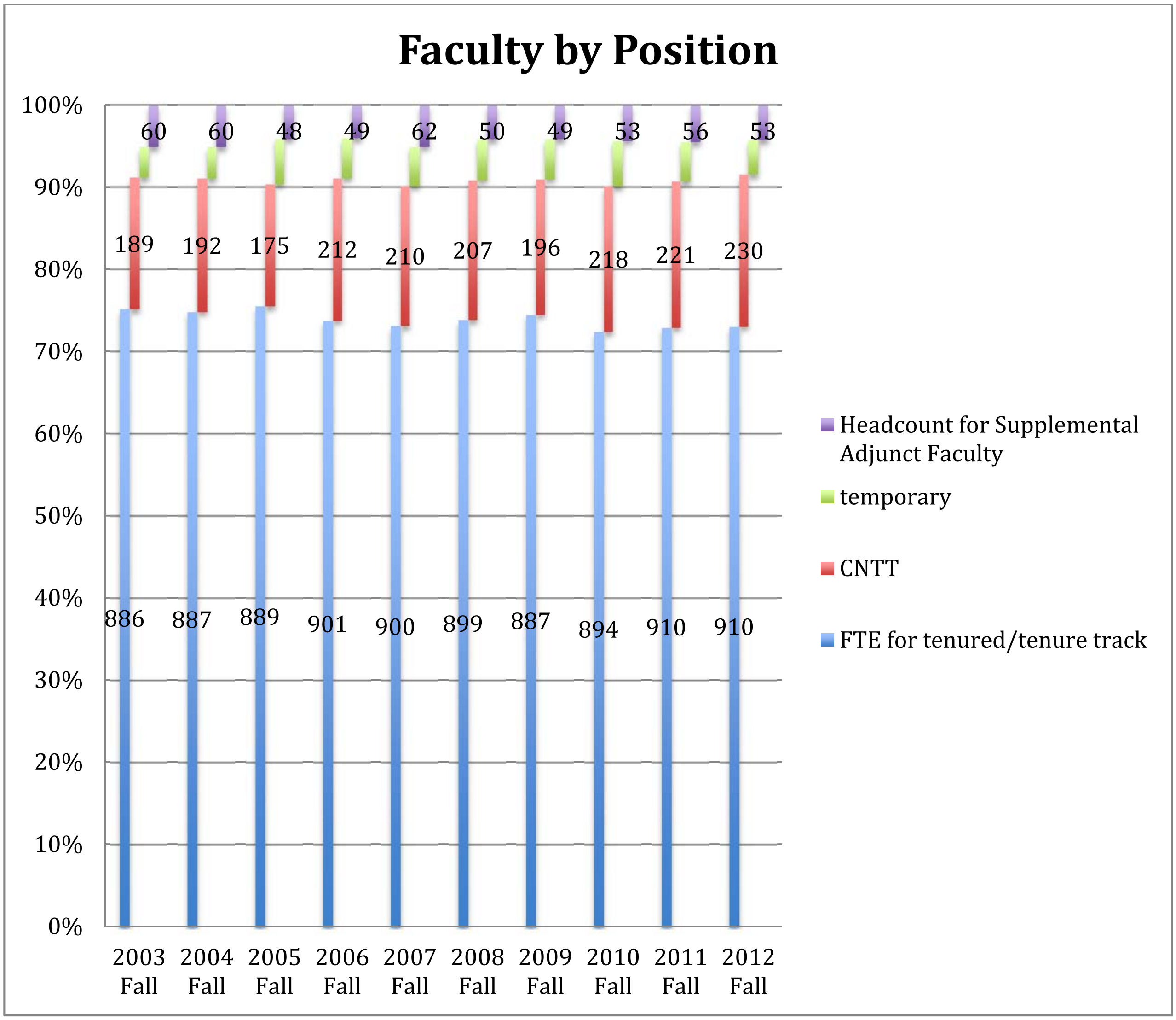
Between 2003 and 2007 enrollment fell by 5.5%. From 2007 to 2012 enrollment went up by 9.3%. However, if we compare across the long term from 2003 to 2012 the enrollment has only gone up 4.4%, with 712 more undergraduate in 2012 than there were in 2003.

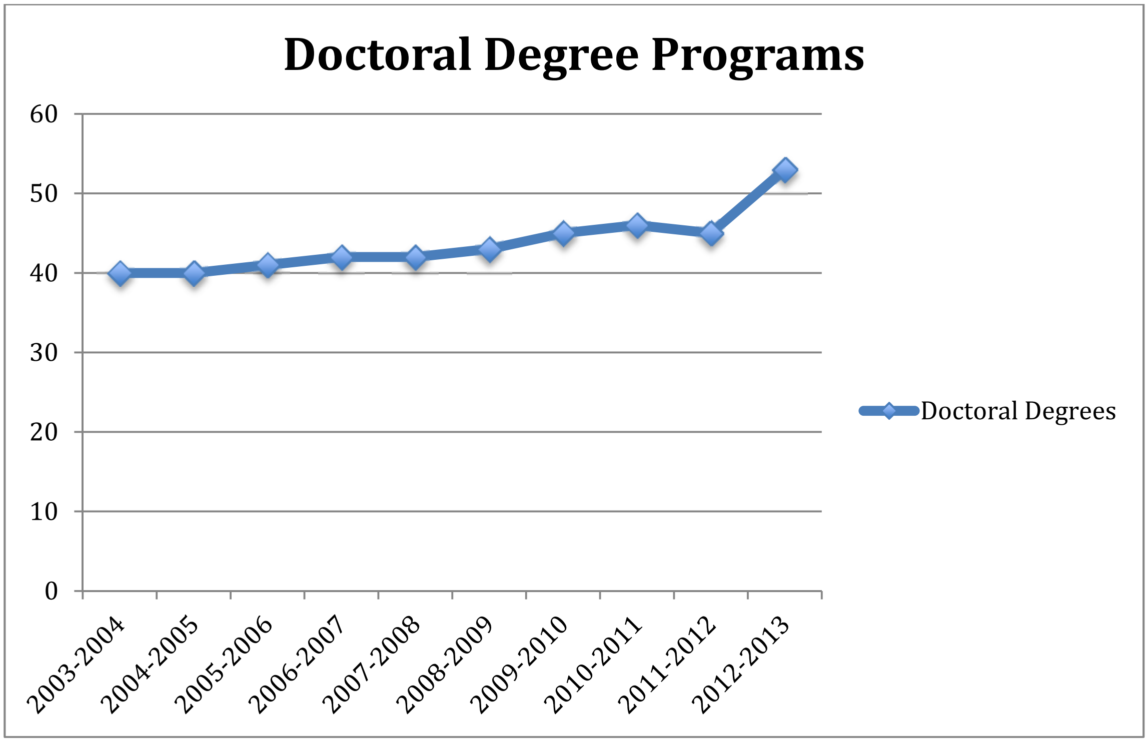


Since 2003 there have been 24 more full-time tenure track faculty added to the payrolls. This marks an increase of 2.7%. Since 2007 there have been 10 new tenure and tenure track lines added to the overall faculty roles for an increase of 1.1%.

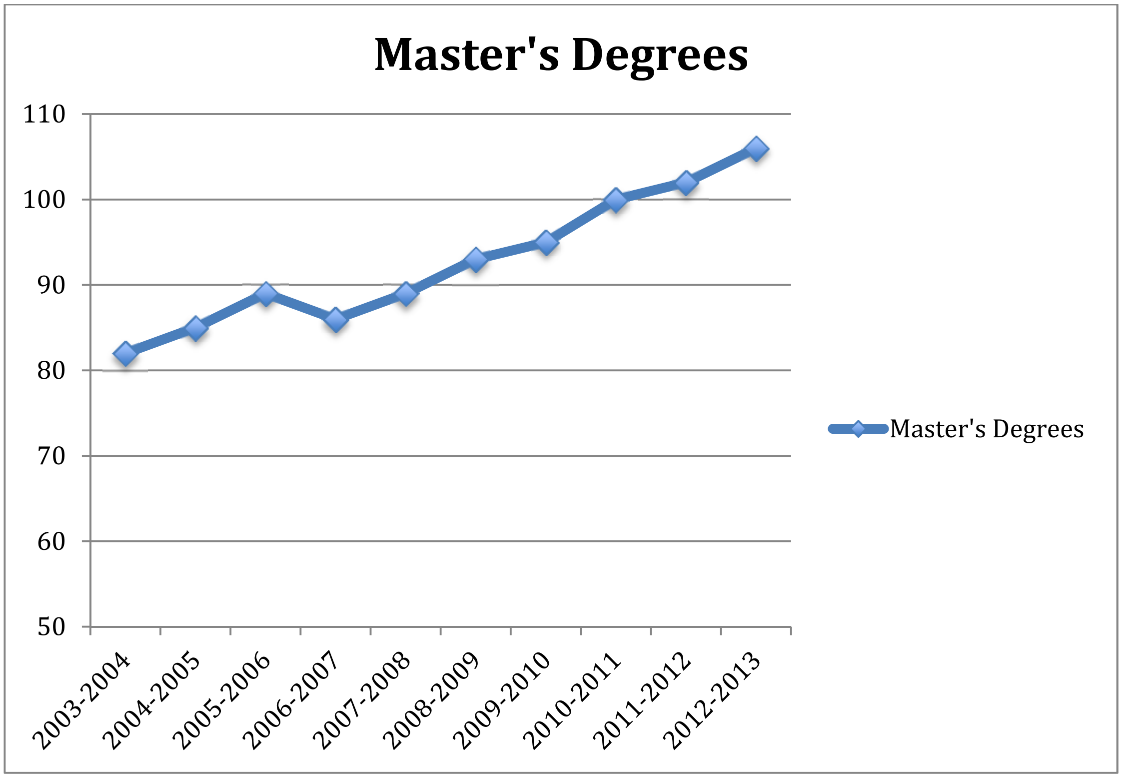


In 2003 there were 187 full-time CNTT faculty, in 2012 there were 229, for an increase of 21.7%. From 2007 to 2012 the increase was 9.5%.

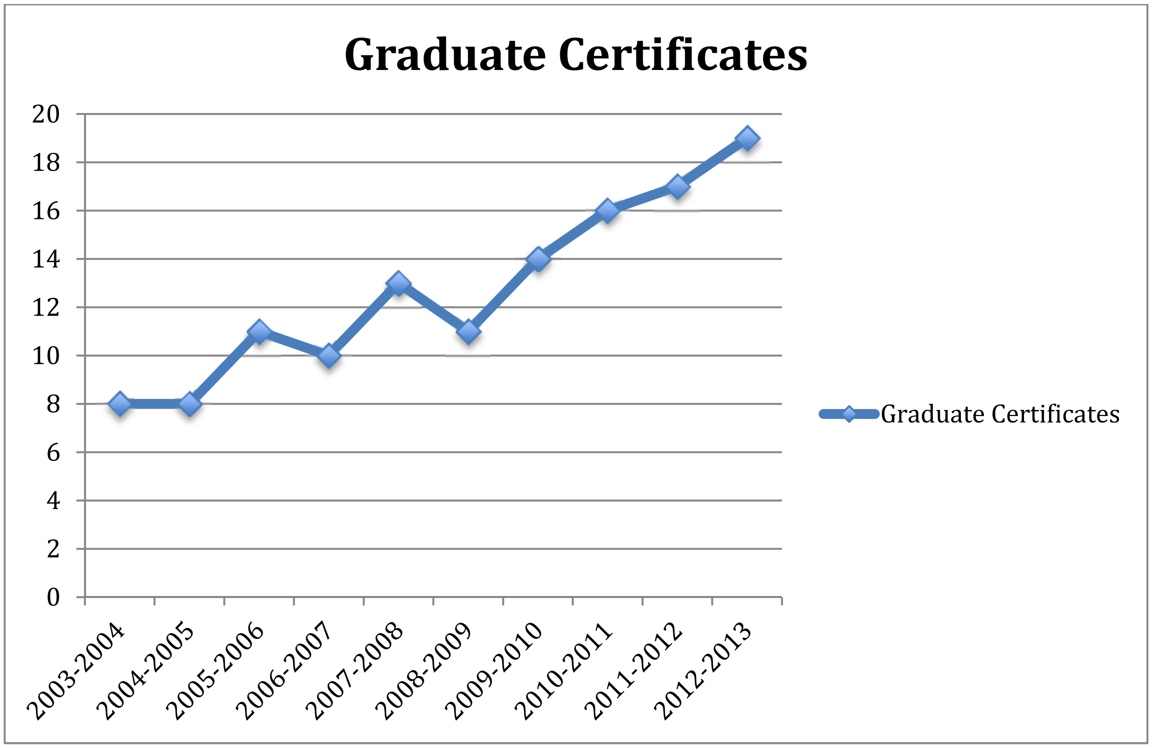

Faculty by Position
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
60 60 48 49 62 50 49 53 56 53
189 192 175 212 210 207 196 218 221 230
886 887 889 901 900 899 887 894 910 910
2003 Fall
2004 Fall
2005 Fall
2006 Fall
2007 Fall
2008 Fall
2009 Fall
2010 Fall
2011 Fall
2012 Fall
Headcount for Supplemental Adjunct Faculty
temporary
CNTT
FTE for tenured/tenure track



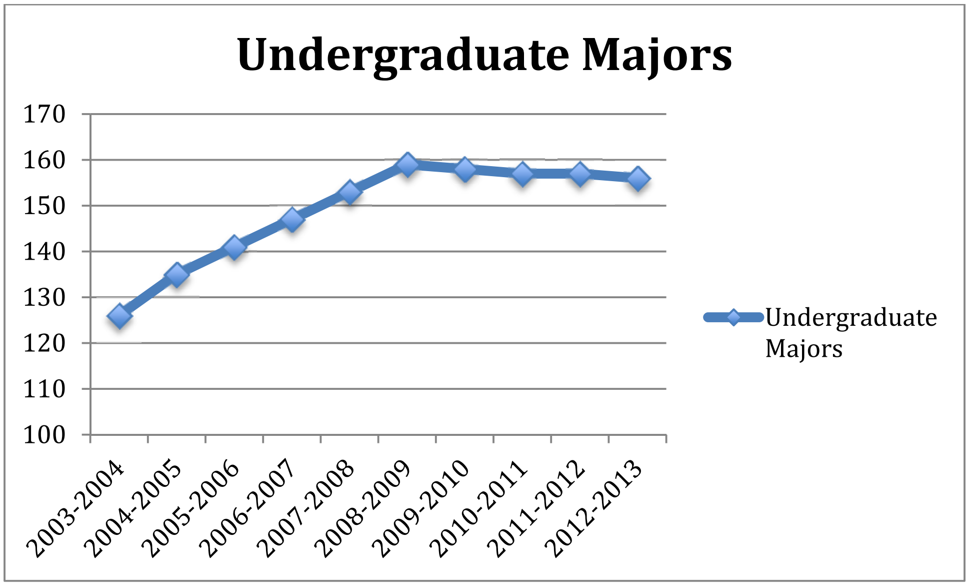
The number of doctoral degree programs has increased from 40 in 2003 to 53 in 2012. Since 2007 there has been a 26% increase in doctoral programs.



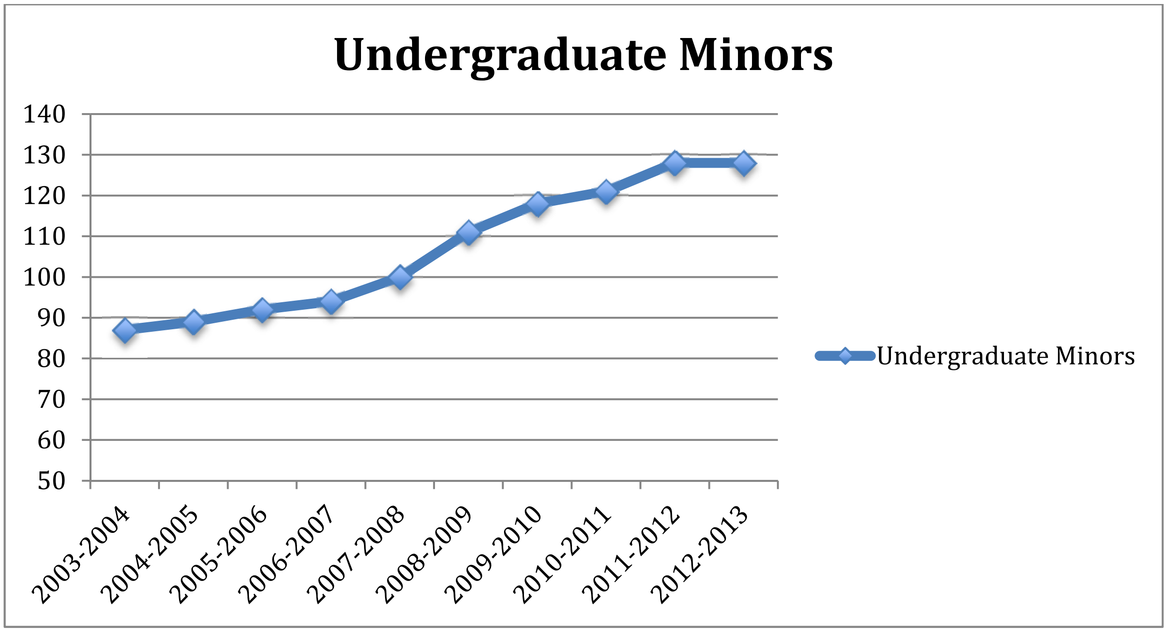
Since 2003 there have been 24 new masters programs added, with a 19% increase in masters degree programs going from 89 in 2007 to 106 in 2012. The increase from 2003 to 2007 was an 8% increase with 7 programs added.



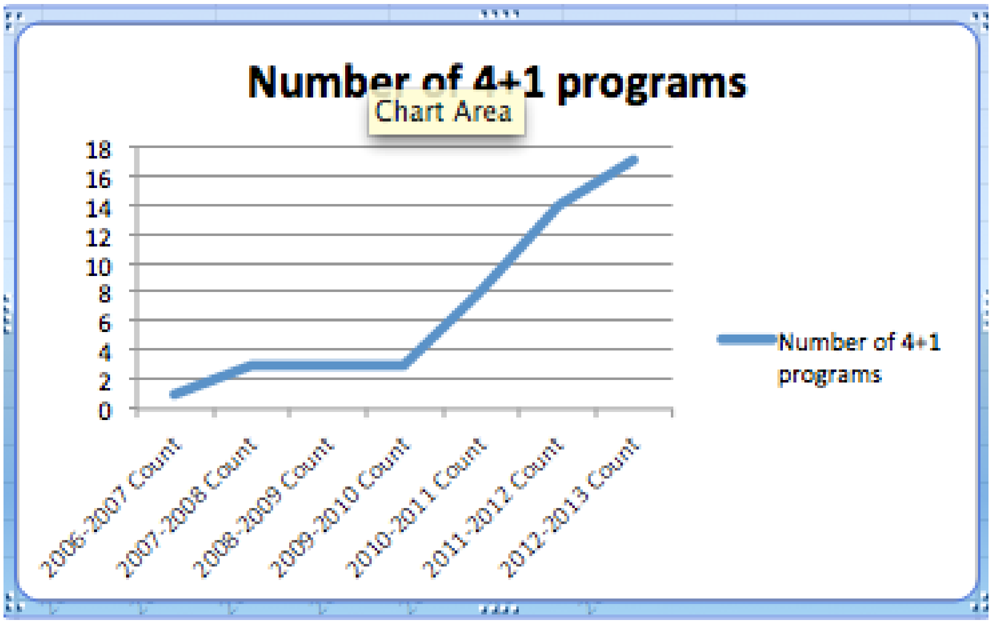
Since 2003 there have been 11 new certificate program have been added for an increase of 48%.



From 2003 to 2007 there was a steady increase in majors going from 126 to 153, with a peak of 159 majors in 2008. Since 2008 the number of majors has decreased slightly with 156 majors in 2012.



From 2003-2007 undergraduate minors increased by 7 from 87 to 94, a rise of 8%. From 2007 to 2012, 28 new undergraduate minors were created for a rise of 28%.



In 2007 there was one 4+1 masters program, in 2012 there were 17.