

RCM at Rutgers: A Five-Year Review

The report of the committee conducting the five-year review of the responsibility center management budget model at Rutgers, The State University of New Jersey.

June 2021

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Executive Summary

In November 2020, a universitywide committee began a five-year milestone review of its budget model, the quantitative system that underpins the University budget and manages funds flow internally and externally. The budget model used at Rutgers since 2016 is Responsibility Center Management (RCM). The Committee's charge was to examine the impact and performance of RCM since its adoption, with a particular focus on:

- Assessing how effectively the current RCM model is being used to support institutional priorities, such as academic excellence; public mission; diversity, equity, and inclusion; and strategic clarity
- Reviewing RCM formulas and allocation methodologies to assess how the university's campus and school-level needs are balanced against strategic and discretionary funding
- Recommending improvements in the mechanics of RCM that would help achieve desired institutional outcomes
- Devising strategies to make the mechanics of the model transparent to stakeholders and facilitate communication and open dialogue between units across the university

The 27-person committee, divided into five subcommittees for examination of these key areas of focus, conducted its work over the course of six months.

Four of the subcommittees examined the impact of the model and related practices, policies, and procedures on four institutional domains: graduate education, undergraduate education, health care and the academic health enterprise, and the research enterprise. A fifth subcommittee undertook the charge of considering the specific challenges and concerns of units and departments that are categorized as "cost centers" within the RCM framework.

In addition to conducting its own work, the Committee also sought out feedback and recommendations from other sources, including each of the faculty councils, the University Senate, the University Committee on Academic Planning, Auxiliary unit leaders, university finance officers, the results of faculty and staff surveys, and other faculty and staff groups that provided input through informal means.

During the review, the Committee identified areas where **the design of the current budget model appears to discourage desired behaviors or impede mission-critical programs and initiatives**, including those that relate to Ph.D. education, arts and humanities, diversity, equity, and inclusion, and those that support students or further the University's public mission.

The Committee uncovered instances, from across the campuses, schools, departments, and units where a lack of understanding of **the design of the current budget model seemed to hinder interdisciplinarity and collaboration across budget lines**, making it difficult for faculty to collaborate on courses that cross schools or chancellor-units, creating unnecessary competition for students, and complicating efforts to build inter-unit research collaborations.

The Committee also identified areas of **significant confusion within the Rutgers community over the mechanics of the current budget model, and related policies,**

practices, and procedures, including the use of service level agreements, the role of advisory committees, how budget priorities are communicated, and the terminology used.

To address these challenges, the Committee developed the series of recommendations listed in this report, which call for creating stronger and more effective alignment between the budget model and academic excellence as well as the public mission, and by creating clear priorities and appropriate incentives to reinforce this alignment. The recommendations also introduce ways to implement adjustments that will foster and facilitate interdisciplinary activities and collaboration, and they provide guidance for how the university can introduce greater transparency into the design and operation of the budget model and related practices and decision-making processes.

While some of the recommendations generated by the committee call for specific, mechanical adjustments to the budget model, most point to larger questions about goals and priorities for the university. To ensure that the budget model is working in the service of the university, there is a need for deliberate, intentional, and difficult work to more clearly establish the priorities that the budget model must support.

Charge

A budget facilitates planning for and executing an organization's mission by outlining expected revenues and planned expenditures and cataloguing other available resources. Because resources are finite, determining how and where to invest them requires tradeoffs. For this reason, budgets are often described as a reflection of an organization's priorities.

Underlying the budget and planning process is the *budget model*, a quantitative system that manages funds flow both internally and externally through a set of principles, rules, formulas, and policies.

In 2016, Rutgers adopted a Responsibility Center Management budget model (RCM). Generally speaking, RCM is a decentralized model that is popular in higher education because it aligns resources with the units that generate them. These units control their own revenues and direct costs (salary, space, etc.) and take on a share of indirect costs (universitywide and shared services like the library, enrollment management, purchasing, etc.).

By assigning responsibility of revenues and costs in this way to units known as "responsibility centers," RCM is intended to increase transparency by illuminating direct and indirect costs, and to encourage units to increase revenues and reduce costs in alignment with the University Mission. Since the RCM model requires unit-level control, it also encourages those units to develop multi-year budget plans, which facilitates the coordination that is critical to successful operation of the university as it fulfills its public mission.

Prior to the adoption of RCM, Rutgers employed an all funds budgeting (AFB) model. In the Rutgers AFB model, the intention was to facilitate more strategic resource allocation decisions and drive control and accountability to lower levels of the organization. However, a percentage of tuition and other unrestricted revenue was directed to support central and local administration costs rather than, as happens under RCM, algorithmically allocating those costs directly to the academic units. Units associated with UMDNJ used a different, RCM-like model. After the merger, RCM was adopted as the budget model for all of Rutgers.

Budget models require regular review. Rutgers committed to conducting a review of RCM five years after implementation. Accordingly, the RCM Review Committee was appointed in the Fall of 2020 and charged with addressing the following aspects of RCM:

- Assess how effectively the current RCM model is being used to support institutional priorities such as academic excellence; public mission; diversity, equity, and inclusion; and strategic clarity;
- Review RCM formulas and allocation methodologies to assess how the university's campus and school-level needs are balanced against strategic and discretionary funding;
- Recommend improvements in the mechanics of RCM that would help achieve desired institutional outcomes;
- Devise strategies to make the mechanics of the model transparent to stakeholders and facilitate communication and honest dialogue between units across the university.

The Committee charge included an expectation of the following deliverables and outcomes:

- Produce a concise, actionable report by the end of June 2021 that makes concrete recommendations in the areas above. Some recommendations may be implemented for the FY23 budget cycle, while others may need further review or/and take longer to implement;
- Increase the understanding of RCM and instill a greater sense of ownership over the budget and planning process among Rutgers leadership through an open and transparent process;
- Develop a model for future RCM reviews at Rutgers and institutionalize a process for continuous assessment;
- Track issues for future consideration.

Governance Structure

To ensure broad engagement, the RCM Review was conducted by a committee comprised of academic leaders, including deans, directors, faculty, and financial leaders from across the university. Their work was supported by a steering committee that provided overarching guidance on the charge, structure, and scope of review, including the identification of the review committee, and the project management support of University Finance & Administration and the Office of University Strategy. During its review, the RCM Review Committee engaged additional members of the Rutgers community through subcommittees.

Steering Committee	<ul style="list-style-type: none"> • Comprised of chancellors and senior leaders • Providing guidance to the structure and scope of review
Review Committee	<ul style="list-style-type: none"> • Comprised of deans, faculty, center directors and budget officers • Leading the work of the assessment, review and drafting recommendations
Advisory Groups	<ul style="list-style-type: none"> • Senate Budget and Finance Committee • Faculty Councils • Administrative Council
Community Input	<ul style="list-style-type: none"> • Community-wide RCM perceptions survey sent to all faculty and staff • Survey of deans and administrative leaders • On-going dialogue with faculty, staff, leadership

Figure 1 RCM Review Structure

Methodology

The Review Committee met eight times, beginning on November 17, 2020.

The first committee meeting included a detailed discussion of the charge, information that would need to be gathered, and the process by which feedback and broad community input could be solicited. The committee agreed to divide into four subcommittees, on undergraduate education, graduate education, health care, and research, with each subcommittee being chaired by an academic leader with support from one of the chief budget officers. In January, a decision was made to form a fifth subcommittee tasked with formulating recommendations on cost centers.

After the first meeting, a detailed survey related to the strengths and weaknesses of the current budget model was fielded to the roughly 100 members of the Administrative Council. The results of this survey are included in the appendix. Because many of the survey questions were open-ended, the Office of Institutional Research and Academic Planning provided support by coding the responses to questions according to emerging themes.

In December, the Committee devoted time to holding a detailed discussion of the construction of the cost pools and the formulae and allocation models that underpin them. Results of the administrative council survey were shared, and planning began for a universitywide faculty and staff survey to further document perceptions of strengths and weaknesses in the budget model.

In January, the community survey was fielded for a 10-day period, garnering roughly 1,500 responses. These responses were segmented by how respondents identified their level of engagement with the budgeting process—no direct engagement, some engagement, and high engagement. The responses from this survey are included in the appendix.

Also in January, additional faculty members were added to the committee in response to suggestions from the Senate Executive Committee that greater faculty engagement would facilitate a strong and fair review. Additional plans were confirmed to engage each of the faculty councils in formulating areas for review and possible recommendations, and two meetings with the Senate's Budget and Finance Committee were planned. The review plan and preliminary survey analysis were shared with the Senate. The co-chairs also received feedback and recommendations from a group of endowed professors.

February and March entailed ongoing subcommittee discussions, and committee meetings were dedicated to developing themes. President Holloway joined the March meeting to discuss areas of important consideration and strategic needs for the university, encouraging the review committee to consider how the budget model could be adjusted to best support these needs.

To help ensure consistency of approach for recommendations, the subcommittees were asked to draft their recommendations using a template. The template called for explication of challenges, evidence of the challenges, and specific recommendations to address them. The full subcommittee reports are shared in the appendix.

In April and May, the Committee moved to synthesizing and merging the subcommittee recommendations based on major themes. Grouping the recommendations by themes recognizes the cross-cutting nature of many of the major challenges. It also ensures alignment of recommendations with broad areas of the university's mission.

Because many beyond this committee have thought deeply about the budget model, the committee included recommendations shared by the Senate Budget and Finance Committee and the Committee on Academic Planning in its deliberations on recommendations.

Finally, May and June were used to hone recommendations and to socialize and vet them before finalization. This process included sharing draft recommendations with the Administrative Council, the Senate, and the Business Leadership Team—which includes finance experts from across the university.

Challenges and Recommendations

The RCM Review Committee's final recommendations are adjustments and improvements designed to improve day-to-day operation and collaboration within and across academic and administrative units, general clarity, and alignment with university mission and goals. Subcommittee reports are included as an appendix.

Recommendation Sources

The following committee recommendations arise from the work of five subcommittees of the RCM Review Committee:

- Cost Center Subcommittee
- Graduate Subcommittee
- Health Care Subcommittee
- Research Subcommittee
- Undergraduate Subcommittee

The committee also drew from past recommendations of the budget model that have taken place both in the University Senate and through the Committee on Academic Planning.

Recommendations

The RCM Review Committee recommendations, which are described in further detail in this report, are organized under the following broad headers:

Align the Budget Model with University Priorities

- Centering academic excellence and public mission
- Articulating priorities and creating incentives

Support Interdisciplinary Activities and Collaboration

- Teaching across schools and campuses
- Interdisciplinary research

Promote Transparency and Clarity

- Enabling Transparency of Central Costs and Services
- Improving Communication, Training, Terminology
- Establishing Principles for Budget Governance/Near-term Mechanical Adjustments
- Clarifying Responsibility for Physical Space Costs and Debt Service

Align the Budget Model with University Priorities

Rutgers, The State University of New Jersey, has “the threefold mission of providing for the instructional needs of New Jersey’s residents through its undergraduate, graduate, and continuing education programs; conducting the innovative research that contributes to the medical, environmental, social, and cultural well-being of the state, as well as aiding the economy and the state’s businesses and industries; and performing public service in support of the needs of the residents of the state and its local, county, and state governments.”

Committee analysis revealed the widespread belief that the current budget model design prioritizes revenue generation over academic mission, highlighting a need to create stronger, clearer alignment between academic priorities, mission, and planning, with the budget model reflecting the outcomes of the planning process. The prevailing view is that the budget model is dictating academic strategy, which is an inversion of the desired relationship.

Centering Academic Excellence and the Public Mission

Challenge. The current budget model appears to prioritize revenue generation over academic excellence and the public mission. This is particularly concerning for units that are dependent on university and chancellor-level budget support.

The Committee found that the design of the current budget model and the metrics used for certain calculations appear to encourage behaviors that favor revenue generation over other contributions, disadvantaging many non- or low revenue generating units that play a critical role in the university’s public mission and hindering some important academic and mission-critical strategic initiatives.

Recommendations

- Create clear mechanisms for distributing strategic funding or budget allocations to responsibility centers specifically for the support of mission-critical programs and activities, such as Ph.D. education and research. Similarly, explore ways to account for mission-centered outcomes, like teaching excellence and public engagement in teaching and research.
- Recognize the need to allocate funding for student support services, particularly in those areas where higher proportions of students are using those services.

Articulating Priorities and Creating Incentives

Challenge. The budget model is not perceived to reflect institutional priorities or create appropriate incentives for behaviors related to those priorities, particularly as it relates to facilitating appropriate levels of support for programs and initiatives that are deemed critical to the University's mission and the pursuit of academic excellence.

The Committee found that the design of the current model creates a dynamic in which funding for the delivery of non- or low-revenue generating programs and initiatives must constantly be weighed against their effect on the "bottom line" and the potential revenue-generating performance of other programs within the same unit. Basing funding decisions on these factors, rather than on a strategic prioritization of programs and initiatives that is based on the pursuit of academic excellence and support of the public mission, leads to unnecessary tension within responsibility centers and may disincentivize development and support for vital activities.

Recommendations

- Introduce incentives for allocations that reward areas critical to academic excellence and the public mission of the university, including diversity, equity, and inclusion, Ph.D. education, interdisciplinarity, public engagement and positive student academic outcomes and experiences.
- Create a practice of regularly communicating and reviewing incentives associated with academic excellence to ensure alignment with strategic priorities.

Support Interdisciplinary Activities and Collaboration

Interdisciplinarity and collaboration are critical to the day-to-day operations of the university, the execution of the institution's mission, and the success of many of its schools, departments, programs, centers, and strategic initiatives. Many of today's most pressing questions require interdisciplinary approaches to research and students who are trained to work across traditional discipline boundaries.

Committee work identified several instances where the current budget model does not provide a clear path for interdisciplinary collaboration in teaching, learning, research, and public engagement, complicating decisions related to course delivery (e.g., which courses to offer or students to enroll, as well as staffing and academic support decisions) and program composition (e.g., which programs, initiatives, and research projects to start or sustain).

Supporting Teaching and Learning across Schools and Campuses

Challenge. The current budget model and related policies and practices can be significant barriers to fostering teaching and learning, which are inherently interdisciplinary and involve collaboration across programs, departments, schools, and campuses.

The Committee catalogued elements of the current budget model and related administrative requirements that limit the pursuit of interdisciplinary initiatives and cross-unit collaborations. It highlighted the impact of these elements on the operations of interdisciplinary or inter-unit academic programs and departments; partnerships and projects with interdisciplinary and inter-unit research centers and institutes; and decisions related to course offerings and teaching assignments across all levels and campuses. The Committee also called attention to the ad hoc administrative nature of much interdisciplinary collaboration and the lack of consistent frameworks to navigate budget considerations.

Recommendations

- Establish a practice of periodically reviewing, assessing, and if necessary, modifying, the tuition split formula, including the use of headcount and FTE metrics within it, to ensure alignment with academic priorities and strategic goals since the tuition split formula is central to cross-school collaboration.
- In New Brunswick, centralize student aid to eliminate this form of competition among schools for students.
- Create mechanisms, incentives, or strategic funding allocations for interdisciplinary activities to encourage cross-school and cross-faculty collaboration and to support programs that are interdisciplinary by design.
- Establish formal processes, tools, templates, or administrative support to smooth out the administrative coordination of collaborations between responsibility centers for teaching efforts.

Facilitating and Supporting Research

Challenge. The current budget model and related policies and practices are perceived to discourage pursuit of certain types of grants and hinder collaboration with interdisciplinary or inter-unit research centers. The current model does not fully or appropriately account for the diversity of grant-funding at Rutgers.

The Committee called attention to the ways the current budget model impacts interdisciplinary, collaborative, and inter-unit research and associated grant funding, especially in relation to cost sharing, revenue attribution, staffing, effort reporting, and the identification, designation, and support of principal investigators (PIs).

The Committee also identified complications stemming from the “one size fits all” approach to grants. The current methodology applies to different types of grants equally, without regard to or adjustment for the goals, origin, beneficiary, or associated facilities and administrative (F&A) rates associated with each individual grant. Relatedly, the absence of an established process to determine the distribution of F&A recovery and the assignment of charges leads to *ad hoc* solutions that take time and result in inconsistent outcomes. The challenges faced by university research centers, including consideration of how they are classified within the model and how the funding they receive connects to faculty reporting lines and F&A recovery, were also examined.

Recommendations

- Adjust the formula for allocating research administration support costs to units to include grant expenditures proportionally to the F&A rate associated with the grant.
- Recognize the larger contribution of training grants to the University Mission and exclude the associated grant expense from the cost allocation formula.
- Exclude expenditures from equipment grants that do not require the university to incur acquisition costs or provide other ongoing support.
- Establish formal processes and provide tools, templates, or administrative support that facilitate the administrative coordination of research collaborations between responsibility centers.

Promote Transparency and Clarity

The Committee found that the current design of the budget model and many of the related policies and practices need greater clarity around the distribution of revenues and allocation of costs. They also noted the need for better training, communication, and terminology, and called for increased focus on governance related to the design and management of the budget model. In particular, the Committee examined the experience of campus units designated in the model as “cost centers,” focusing on the interactions between those units and their customers and

highlighting specific challenges related to obtaining detailed information about cost center budgets, services provided, and service level agreements.

Enabling Transparency of Central Costs and Services

Challenge. Current structures for managing central costs and engaging with central service providers lack clarity, creating concern about the existing mechanisms for oversight and quality control.

The Committee reported concerns related to central services, such as insufficient input and insight into cost center budgets, what services they offer, whether services are appropriately priced, and how effectively cost centers support needs of the university.

Recommendations

- Create an education and information infrastructure for RCM describing the services provided by cost centers.
- Create more effective mechanisms for input on cost center activities and budgets to ensure that services offered by cost centers are valuable, relevant, and eliminate unnecessary duplication of services.
- Consider establishing limits for contributions to cost center services that are not providing desired benefits to units.
- Establish Service Level Agreements for all cost centers to document and define ranges of services and create greater flexibility for responsibility centers to secure the services that meet their needs.
- Improve effectiveness of the current Cost Pool Advisory Committees model by defining their purpose and charge, specifying decision-making authority, and standardizing documentation, membership, and operating procedures for these groups.
- Synchronize the advisory board review process with the overall budget cycle, particularly around timing of decisions, to ensure that institutional decisions are not made until feedback from advisory committees is received.
- Consider establishing parameters for decisions that involve shifting functions and resources between units and define the overall decision-making process.
- Consider a full review of services offered by cost centers in order to validate the need for services, determine and address areas of duplication, and ensure alignment with institutional priorities and budgetary affordability.
- Explore ways to improve the way the model helps contain costs in relation to revenue by evaluating the feasibility of using the revenue sources of responsibility centers to pay for

some central services instead of continuing the current method of allocating central costs. Alternatively, consider a hybrid approach.

Improving Communication, Training, Terminology

Challenge. Lack of centralized information and resources, regular communications, and precision in terminology all contribute to confusion about the budget model and an increased likelihood of misinterpretation of how certain aspects of the model are employed.

The Committee found that many across the university do not understand the budget model framework or the role the budget model plays in the allocation of resources. Current information sharing practices leave many with budget responsibilities feeling as though they do not have access to the data they need, while those who do not have budget responsibilities have limited insight into the rationale that drives the budget model. The Committee also noted its concern about terminology, which characterizes the operations of the university in fiscal and accounting terms rather than from an academically centered perspective.

Recommendations

- Offer budget model training to leaders, department chairs, program directors, deans, and any other staff with budget responsibility.
- Create an informational website with FAQs, budget model visualizations, common terminology and nomenclature, and other materials deemed beneficial to educating the university community on the budget and the budget model.
- Revise current terminology, such as “subvention,” “cost center,” and “responsibility center,” which implies a broad focus on accounting rather than the academic mission.

Communicating Priorities and Methodologies

Challenge. Governance and design of the budget model are removed from university stakeholders who feel they are best positioned to offer guidance about the impact of decisions.

While the RCM review itself is a step in this direction, the Committee called for the need for better engagement of academic leaders in the governance of the budget model, through committees or other forms of direct feedback. The Committee suggested mechanical adjustments to the model that could better-facilitate long-range planning and address specific pain points associated with deferred maintenance, cost variances, and the complexity of the current cost pool structure.

Recommendations

- Institute a practice of regular communication by university leadership about the priorities that drive decisions related to the allocation of funds and, ensure that there are clear mechanisms for academic and shared governance leaders to offer feedback and guidance for funding priorities.

- Clarify type of cost variances and establish parameters for actual increases in costs, shift of costs, or changes that result in increased costs. Since the expense-to-total algorithm does not necessarily correlate to increase in services, it should be re-evaluated particularly for the health care enterprise so that the unique attributes and needs of the health care business and its support by external entities can be taken into consideration.
- Create more stability and facilitate planning by adjusting the budget process from 1-year planning to 2- to 3-year planning wherever feasible. Similarly, move to rolling 3-year averages to revise certain cost pool metrics and methodologies.
- Explore reducing the number of central costs pools or cost centers to simplify the budget structure and reduce confusion.
- Explore the creation of a cost pool for deferred maintenance, especially for units that require university or chancellor-level support.

Clarifying Responsibility for Physical Space Costs and Debt Service

Challenge. The current budget model does not provide a mechanism for responsibility centers to release unneeded space in order to reduce the related allocated costs.

When RCM was first implemented, one of the purported advantages was that the university's space usage could be optimized by providing financial incentives for a unit to relinquish unneeded space currently assigned to it, thus allowing the university to reassign the space to another unit. In practice, a unit cannot return space unless there is another unit ready to assume the space and related costs.

Recommendations

- Create a universitywide "space marketplace" that allows units to give up space at any time. There would need to be a central funding source to cover the costs associated with any unassigned space being held in the central marketplace.
- Conduct a complete review of university space to identify opportunities to reduce the overall footprint. Reallocating space among units only shifts costs from one unit to another whereas reducing total space usage would reduce the university's total costs associated with maintaining physical space and deferred maintenance liability.
- Consider opportunities to monetize university-owned space where and when possible. Selling or leasing university-owned spaces could provide new revenue streams to invest in other priorities. The university should explore these options fully to understand what is possible.
- Explore the use of a weighting factor associated with space classifications in the Archibus system and, consequently, how space is used in the RCM allocation methodology. The weighting factor should consider on campus versus off campus space and the level of services required to maintain the space as a Rutgers asset. For example, off-campus space

that receives no Rutgers services should be allocated costs through the RCM model at a much lower rate than an on-campus lab.

Challenge. Debt service is generally allocated to the occupants of the respective building financed by that debt. In some cases, this practice has created inequities between the units and in other cases, occupants in partially-occupied buildings are bearing a disproportionate share of debt service.

Some units are charged for debt service costs that pre-date RCM, when financing decisions did not take into account the impact of occupants assuming responsibility for that debt. This has resulted in inequities between occupants of buildings that were financed by debt prior to the implementation of RCM and units that occupy buildings with no associated debt (because they were "paid in full" prior to RCM).

In some cases, units are occupying a small percentage of a building and paying the full debt service, while other units decide to lease external space rather than enter into such a situation. These outcomes do not reflect the intent of an RCM model and should be remedied.

Recommendations

- Create more transparency about university debt service as it is unclear to some schools, departments, and units what they are paying for and how capital projects and acquisitions are prioritized.
- Review the current methodology to assess whether the allocation of direct debt service to building occupants creates a fair and equitable distribution of the cost of debt and if it creates incentives to fully utilize vacant university-owned space, or whether debt service costs should instead be allocated more broadly or through a different algorithm.
- Provide more details on the university's existing debt portfolio and debt capacity to ensure a broader understanding of these costs and implications on future investment in capital projects.

Closing

In crafting its recommendations, the RCM Review Committee took pains to consider the challenges and opportunities from the broadest possible view, taking into account the diversity of experiences and an acknowledgement that the impact of changes to the budget model would vary across campuses, schools, departments, programs, and units.

The Committee's work has been deliberative and broad, ensuring that every aspect of shared governance was weighed in thoughtfully and meaningfully to the deliberations. To ensure that this report captures the breadth of the Committee's work and to provide context to those involved in changes or adjustments that result from this review, the bulleted recommendations are supplemented by narrative portions and the subcommittee reports are enclosed as an appendix.

For the same reasons of capturing breadth and context, the report includes all of the challenges and recommendations identified by the Committee, without filtering or organizing for prioritization or feasibility. It will be incumbent upon those responsible for the budget to consider how best to prioritize these recommendations based on complexity of implementation, impact, and timing considerations.

While many of the Committee's recommendations pertain to mechanical aspects of the budget model, even more relate to challenges that fall outside the bounds of the budget model itself. For the mechanical recommendations to be implemented effectively, university leadership must take up the challenging work of clearly articulating university priorities and goals, and then should ensure that the budget model is aligned with them. Conversations during committee deliberations and in public forums were dominated by concerns not about the budget model itself, but about how decisions to deploy scarce resources are made. These concerns will not be addressed by "one-time" solutions; they will require the development of institutional habits, practices, and policies that ensure that funding decisions—and the way those decisions are made—are clearly aligned with institutional goals.

Overall, the review of the budget model has been an overwhelmingly fruitful and positive exercise. Beyond surfacing concrete issues and recommended solutions, the review process also revealed and amplified a university community that is deeply engaged in the operations of the university and clearly committed to our public mission, to excellence in teaching and research, and to serving the people of New Jersey.

This was the first review of the RCM budget model at Rutgers, but it will not be the last. The Committee hopes that the work detailed here will serve as a model to future inquiry and provide a baseline for analysis for future review committees in what should be a regular cadence of review, in the spirit of continuous improvement.

Appendix A: Recommendations List

RCM Review Committee Recommendations

Area	Recommendation
Centering Academic Excellence and the Public Mission	Create clear mechanisms for distributing strategic funding or budget allocations to responsibility centers specifically for the support of mission-critical programs and activities, such as doctoral student education and research. Similarly, explore ways to account for mission-centered outcomes, like teaching excellence and public engagement in teaching and research.
	Recognize the need to reserve funding for student support services, particularly in those areas where higher proportions of students are using those services.
Articulating Priorities and Creating Incentives	Introduce incentives for allocations that reward areas critical to academic excellence and the public mission of the university, including diversity, equity, and inclusion, doctoral education, interdisciplinarity, public engagement and positive student academic outcomes and experiences.
	Create a practice of regularly communicating and reviewing incentives associated with academic excellence to ensure alignment with strategic priorities.
Supporting Teaching and Learning across Schools and Campuses	Establish a practice of periodically reviewing, assessing, and if necessary, modifying, the tuition split formula, including the use of headcount and FTE metrics within it, to ensure alignment with academic priorities and strategic goals since the tuition split formula is central to cross-school collaboration.
	In New Brunswick, centralize student aid to eliminate this form of competition among schools for students.
	Create mechanisms, incentives, or strategic funding allocations for interdisciplinary activities to encourage cross-school and cross-faculty collaboration and to support programs that are interdisciplinary by design.
	Establish formal processes, tools, templates, or administrative support to smooth out the administrative coordination of collaborations between responsibility centers for teaching efforts.

Area	Recommendation
Facilitating and Supporting Research	Adjust the formula for allocating research administration support costs to units to include grant expenditures proportionally to the F&A rate associated with the grant.
	Recognize the larger contribution of training grants to the University’s mission and exclude the associated grant expense from the cost allocation formula.
	Exclude expenditures from equipment grants that do not require the University to incur acquisition costs or provide other ongoing support.
	Establish formal processes and provide tools, templates, or administrative support that facilitate the administrative coordination of research collaborations between responsibility centers.
Enabling Transparency of Central Costs and Services	Create an education and information infrastructure for RCM describing the services provided by cost centers.
	Create more effective mechanisms for input on cost center activities and budgets to ensure that services offered by cost centers are valuable, relevant, and eliminate unnecessary duplication of services.
	Consider establishing limits for contributions to cost center services that are not providing desired benefits to units.
	Establish Service Level Agreements for all cost centers to document and define ranges of services and create greater flexibility for responsibility centers.
	Improve effectiveness of the current Cost Pool Advisory Committees model by defining their purpose and charge, specifying decision-making authority, and standardizing documentation, membership, and operating procedures for these groups.
	Synchronize the Cost Pool advisory process with the overall budget cycle, particularly around timing of decisions, to ensure that institutional decisions are not made until feedback from the cost pool advisory committees is received.
	Consider establishing parameters for decisions that involve shifting functions and resources between units and define the overall decision-making process.
	Consider a full review of services offered by cost centers in order to validate the need for services, determine and address areas of duplication, and ensure alignment with institutional priorities and budgetary affordability.
	Explore ways to improve the way the model helps contain costs in relation to revenue by evaluating the feasibility of using the revenue sources of responsibility centers to pay for some central services instead of continuing the current method of allocating central costs. Alternatively, consider a hybrid approach.

Area	Recommendation
Improving Communication, Training, Terminology	Offer budget model training to leaders, department chairs, program directors, deans, and any other staff with budget responsibility.
	Create an informational website with FAQs, budget model visualizations, common terminology and nomenclature, and other materials deemed beneficial to educating the university community on the budget and the budget model.
	Revise current terminology, like "subvention," "cost center," "responsibility center," that implies a broad focus on accounting rather than the academic mission.
Communicating Priorities and Methodologies	Institute a practice of regular communication by university leadership about the priorities that drive decisions related to the allocation of funds, and ensure that there are clear mechanisms for academic and shared governance leaders to offer feedback and guidance for funding priorities.
	Clarify type of cost variances and establish parameters for actual increases in costs, shift of costs, or changes that result in increased costs. Since the expense-to-total algorithm does not necessarily correlate to increase in services, it should be re-evaluated particularly for the health care enterprise so that the unique attributes and needs of the health care business and its support by external entities can be taken into consideration.
	Create more stability and facilitate planning by adjusting the budget process from 1-year planning to 2- to 3-year planning wherever feasible. Similarly, move to rolling 3-year averages to revise certain cost pool metrics and methodologies.
	Explore reducing the number of central costs pools or cost centers to simplify the budget structure and reduce confusion.
	Explore the creation of a cost pool for deferred maintenance, especially for units that require central support.

Area	Recommendation
Clarifying Responsibility for Physical Space Costs and Debt Service	<p>Create a universitywide “space marketplace” that allows units to give up space at any time. There would need to be a central funding source to cover the costs associated with any unassigned space being held in the central marketplace.</p>
	<p>Conduct a complete review of university space to identify opportunities to reduce the overall footprint. Reallocating space among units only shifts costs from one unit to another whereas reducing total space usage would reduce the university’s total costs associated with maintaining physical space.</p>
	<p>Consider opportunities to monetize university-owned space where and when possible. Selling or leasing university-owned spaces could provide new revenue streams to invest in other priorities. So, the university should explore these options fully to understand what is possible.</p>
	<p>Explore the use of a weighting factor associated with space classifications in the Archibus system and, consequently, how space is used in the RCM allocation methodology. The weighting factor should consider on campus versus off campus space and the level of services required to maintain the space as a Rutgers asset. For example, off-campus space that receives no Rutgers services should be allocated costs through the RCM model at a much lower rate than an on-campus lab.</p>
	<p>Create more transparency about university debt service as it is unclear to some schools, departments, and units what they are paying for and how capital projects and acquisitions are prioritized.</p>
	<p>Review the current methodology to assess whether the allocation of direct debt service to building occupants creates a fair and equitable distribution of the cost of debt and if it creates incentives to fully utilize vacant university-owned space, or whether debt service costs should instead be allocated more broadly or through a different algorithm.</p>
	<p>Provide more details on the university’s existing debt portfolio and debt capacity to ensure a broader understanding of these costs and implications on future investment in capital projects.</p>

Appendix B: Subcommittee Recommendations

Cost Centers

A subcommittee tasked with reviewing policies, procedures, and experiences related to cost pools.

Members: Monica Adya, Joseph Barone, Angelita Bonilla, Kathleen Bramwell, Francine Conway, Erin Cuomo, Ernesto DiSandro, Gwendolyn Mahon, Charles Mathews, Felicia McGinty, Michele Norin, Piotr Piotrowiak, John Quirinale, Henry Velez, Cheryl Wisnack, Christopher Zraly

Summary of Work & Key Findings

The subcommittee examined the experience of campus units designated in the model as “central cost centers,” focusing on the interactions between those units and their customers and highlighted specific challenges related to obtaining detailed information about cost center / cost pool budgets, services provided, and service level agreements. The subcommittee also discussed concerns around the timing of reviewing budgets with the cost pool advisory committees, the role and authority of the cost pool advisory committees, training, communication, and governance.

1. Recommendations Related to the Cost Pool Advisory Committee

- Change the name to **Cost Center Advisory Committees**
 - There is an important distinction between Cost Center and Cost Pool
 - The scope of the advisory committees should be on cost centers not just cost pools
- Define a purpose and charge starting with the following objectives:
 - Serve as an advisory group
 - Represent the broader constituency in the budgeting process
 - Understand the organization and services
 - Understand high level view of costs and funding sources
 - All gross costs including funding sources
 - Review projections for future budget plans
 - Provide feedback on new areas of investment
 - Ensure bi-directional communication and transparency
- Outline a profile of membership and representation
 - Deans
 - Chancellor Office Representatives
 - CBOs
- Make sure committee members are informed about the overall budget and RCM model
 - Consider formal orientation particularly for new members

2. Recommendations Related to the Decision-Making Process

- Define the overall decision-making process
 - Include a policy for making budget changes once budgets have been approved
- Define roles and responsibilities
- Outline themes of decisions and decision authority within those themes

- Specify the parameters for decisions that require immediate action and fall outside of the review process - having some latitude is important for leadership of any unit
- Synchronize the review schedule with the overall budget cycle, particularly around timing of decisions
 - Institutional decisions should not be made until feedback from the committees is received
 - Consider that the timing of knowing the needs list for the planning year can be challenging
- Delineate and review a more comprehensive view of the budget
 - There should be an oversight committee comprised of representatives that are informed and have “an appropriate level of influence/responsibility”
- Develop a feedback mechanism regarding decisions made and outcomes/impact of those decisions
- Include impact assessments for potential decisions about investment proposals
- Provide revised budget documents to the Cost Centers if adjustments are made after final budgets are approved for clarity and record keeping purposes
 - Include information relevant to the adjustments, such as state paid fringe details

3. Recommendations Related to Process, Information, and Operating Procedures

- Committee meetings should occur year-round rather than just in the fall to foster greater engagement
 - Prepare draft meeting schedule and materials that will be discussed
- Develop standard documentation
 - Budget templates and cost profiles for detailed group work
 - Develop a format to show changes year over year considering the defined categories for cost variances
 - Provide materials ahead of time so members have an opportunity to review and prepare questions/input for the meetings
- All Cost Centers should provide and review the following information:
 - Overview of organization, mission, and org chart (including head counts)
 - Summary of functions, services, and funding sources
 - Comprehensive overview of budget
 - Short- and long-term strategy and initiatives
 - This should be a business case approach, i.e., proposals with 5-year projections
- Establish expectations and a suggested plan for how the committee members take the information back to the units for review and input
 - Define materials to provide for this purpose
- Consider developing a process, such as townhall meetings or public commentary period (can be electronic) accessible to all members of the community to share information about proposed investments and initiatives before decisions are made. This will address an explicit recommendation from the COACHE workgroup focused on shared governance to increase opportunities for input: to establish a process that “allows the administration to engage in the process of provision of regularly scheduled feedback to faculty on goals set in strategic plans or other major reports to convey information on progress and goal attainment.”
- Consider faculty-oriented communications about proposed initiatives and investments
- Issue an annual report of outcomes and observations from the committees

- Consider establishing an oversight committee to review and modify the Cost Center Advisory Committee process on an annual basis
 - Could be titled RCM Shared Governance Advisory Committee and could start with the members of the RCM Cost Pool Review Subcommittee

4. Recommendations Related to Costs

- Define buckets for cost variances and establish parameters for each, such as
 - Increases and decreases in costs
 - Fixed and variable
 - Shift of costs between allocations
- Transition of costs covered by one-time funds that eventually become part of the allocation
- Changes in the unit that resulted in increased costs through the respective formula
 - This would be at the RC level due to changes in the distribution calculations
- Establish parameters for decisions that involve shifting functions and resources between units
- Establish a process and criteria for out-of-cycle requests
- Evaluate the functionality of the central budgeting systems to address the challenges in compiling comprehensive revenue and cost data at the unit level

5. Recommendations Related to Services – Short-term vs Long-term and Central vs Local

- Establish Service Level Agreements and/or Statements of Services for all cost centers
 - Create a standard template that includes the following:
 - Name
 - Central or Local (include location if local)
 - Scope of Operation, Work and Services
 - Delineation of services included in the allocation
 - Expectations for complementary/supplementary services to be provided by the campus or unit (not by the cost center)
 - Related activities are expected to be performed in the units and therefore need to be considered in the planning process
 - Add-on services if applicable: Is there a pay for play option to get additional services where needed? If so, describe how it works.
 - Trigger points for increasing service levels
- Establish a formal mechanism for school/end user input on RCM-supported services provided by central offices
- Formulate a short-term working group to identify key performance and service indicators
- Include routine consideration for services that can be discontinued and/or provided by the private sector, particularly if the services benefit just a few

6. Recommendations Related to Funding Sources and Long-Term Planning

- Identify a comprehensive institutional strategy and plan as the context for institutional revenue, investment requirements, budget decisions and the governance process
 - The strategy, plan, and budget should span a rolling 5-year window
 - Establish a committee with oversight on this window
 - Identify capabilities for what-if scenarios on funding models and sources
 - Clearly delineate compliance requirements where needed

- Consider if and what policies are needed within this framework
- Funding for strategic initiatives is understood and supported but more information about those initiatives should be provided
- Consider developing/providing a modeling tool that units (RCs and CCs) could use for what-if scenarios and potential impacts of cost adjustments
- Revisit the strategy and business model for deferred maintenance
 - Costs are currently covered by responsibility centers
 - Decisions were made several years ago that include criteria for determining what's covered by the allocation and what is paid for separately
 - Include key stakeholders
 - Consider establishing a working group to analyze and make recommendations

Graduate Education

A subcommittee tasked with considering the impact of the current budget model on graduate education.

Members: Wanda Blanchett, Jolie Cizewski, Larry Gaines, Taja-Nia Henderson, Gwendolyn Mahon, Michele Norin, Michael Palis, Menahem Spiegel

Summary of Work & Key Findings

1. RCM Model Does Not Recognize Mission-Critical Programs and Programming

The design of the RCM model does not recognize mission-critical programs that may be unfavorable financially for a responsibility center to deliver, such as doctoral graduate education. This lack of recognition creates a tension between delivery of the mission-critical program and the “bottom line” of the responsibility center. For example, the nature of doctoral graduate education requires significant financial support for doctoral students. If that support is not provided by sponsored research, the responsibility center must provide the funding. To provide the funding, the responsibility center must have a financially strong undergraduate and/or masters level program providing the funding for the doctoral program. If that is not the case, the responsibility center may be required to diminish doctoral education to meet its financial responsibilities. The current budget model provides strategic initiatives funding for the President and the Chancellors which are allocated generally to developing new programs and projects and are not targeted to support ongoing programs.

Recommended solution or improvement: Create a mechanism that distributes strategic funding to responsibility centers which are allocated specifically to support mission-critical, financially unfavorable programs.

2. RCM Does Not Foster Inter-disciplinary/Inter-Unit Doctoral Education and Research

The most challenging problems being addressed in fundamental research often cross units, at the departmental, dean, and chancellor level. At the same time, doctoral education and preparing for future careers also often cross the disciplines, involving multi-disciplinary education and training and inter-disciplinary collaborations. The current model of responsibility centered management, oversight, and funding of doctoral education imposes significant barriers to fostering inter-unit research and education. Doctoral education is particularly sensitive to this since a large fraction of Ph.D. programs draw on faculty from different units, including different chancellors. Challenges start with graduate courses (which unit teaches the courses, who pays the tuition when students take courses taught by faculty outside of their unit, how do you facilitate courses taught by faculty in different units) and extend to supporting students as teaching assistants (students in one unit may be well qualified to teach an introductory course hosted by another unit, but only TAs in the teaching unit are supported and have access to the teaching experience) and fostering success of training grants from external agencies that require inter-disciplinary doctoral (and sometimes postdoctoral) education and training. There are no mechanisms currently in RCM to foster inter-unit collaboration, especially in doctoral education, training, research, and financial support. At best ad hoc solutions are found between units for specific activities.

Recommended solution or improvement: Create a mechanism that distributes strategic funding to responsibility centers which are allocated specifically to support mission-critical, financially unfavorable programs, in particular to foster inter-unit, interdisciplinary doctoral education and research.

This recommendation stems from the recognition of Rutgers University as a major research university is based significantly on its excellence in doctoral education measured in the external resources it attracts for doctoral education and research (e.g., training grants, external prestigious fellowships for students, etc.) and ultimately its placement of Ph.D. alumni in higher education, fundamental and applied research, industry, and government. Rutgers currently lags behind its peers in training grants, external fellowships, and the number of Ph.D. students support as teaching assistants. Reducing the barriers to inter-unit doctoral education, training and research and, increasing significantly, the amount of support available to doctoral students at all levels would enhance the recognition of excellence at Rutgers University.

Outstanding research and academic excellence are and have been foundational pillars for Rutgers University. As with doctoral graduate education, the RCM model does not recognize the potentially financially unfavorable aspects of maintaining high-level scholarship and teaching excellence. For example, to conduct research, responsibility centers may provide faculty relief from teaching by reducing the teaching load. If that reduced load is not funded by sponsored research, the responsibility center is required to fund the reduced teaching load by utilizing part-time lecturers or supplementing tenure track faculty. If the program has an accrediting agency, there may be accreditation requirements on the number of full-time faculty conducting scholarship, which means incorporating part-time lecturers or non-tenure track faculty may financially support the reduced teaching load, but does not support the accreditation process – which is critical to the academic excellence of the responsibility center. The current model does not create opportunities for responsibility centers to receive additional resources to support research or academic excellence.

Recommended solution or improvement: Create a formula that incorporates revenue generation, non-sponsored research requirements and production, and teaching excellence into the distribution of resources. Sponsored research is externally funded and would not be incorporated in the formula. If there are other mission critical issues, such as graduation rates, they should also be incorporated into the formula.

3. RCM Does Not Foster Academic Excellence

Our current RCM model is not built with our commitments to academic excellence in mind and nor does it incorporate a set of academic excellence priorities as they pertain to graduate education.

Recommended solution or improvement: Going forward we must make sure that our model of RCM reflects our academic excellence goals with respect to graduate education including supporting competitive external funding that requires a university match, state or foundation funding that is mission-critical and a service to the local community that doesn't cover fringe and RCM costs, the costs associate with offering high-quality Ph.D. programs and supporting students.

Health Care

A subcommittee tasked with considering the impact of the current budget model on health care.

Members: Kathleen Bramwell, Robert Johnson, Gwendolyn Mahon, Ann Stock

Summary of Work & Key Findings

While RCM has the potential to be a valuable budgeting tool, its implementation at Rutgers has neglected several key considerations that compromise its effectiveness in promoting excellence in all areas of the University's mission and achieving efficiency in operations. Current weaknesses include allocation of costs for services without sufficient user input, lack of transparency at all levels, and the absence of incentives to further strategic priorities. A specific concern to health care is that RCM has been designed for Rutgers' academic mission, without recognition that clinical care is a business, involving partnerships with external entities, and requiring considerations distinct from those relevant to education and research activities.

The Subcommittee's major recommendations include:

- (1) RCM services should be assessed de novo based on the needs (services, quality, and local control) of the RC's. All services should be prioritized, and decisions should be made based on this prioritization and overall affordability. We should evaluate the assumption that the current cost structure is affordable and that costs can be added each year.
- (2) The current model disincentivizes growth and disproportionately charges the clinical enterprise for RCM services based on its investment in growth by an external health system. The expense-to-total algorithm does not necessarily correlate to increase in services. This should be re-evaluated particularly for the health care enterprise.
- (3) Academic leaders should be involved in understanding and making recommendations for funding priorities. There seems to be a gap in the relationship between increased RCM costs/investments and achieving academic excellence.
- (4) Despite good intentions, the current paradigm does not enable transparency regarding the technical model, funding decision processes, service levels nor expectations of the services.
- (5) RBHS should continue to be part of the overall RCM model for its research, education, and community service missions. Acknowledgement that health care is a different business supported by external entities must be taken into consideration. Health care should appropriately pay for services used, but not be penalized as a result of external investments in its growth.

RCM is a budgetary model which can be very effective. Understanding and communicating a recommendation for how RCM is improved to support the research and education mission and the RBHS business of health care is the task that the Health Care Subcommittee (HSC) has undertaken.

Health care is a business which is very different from the research and education missions. RBHS aligns with the other RC's across Rutgers in that it also prioritizes the research

and education mission. However, it is also in the business of providing a product (high quality community-accessible health care) for a price. The business of health care is highly regulated and RCM is not necessarily designed to fit our business model. Rather than support this important business, we are concerned about the perverse incentives RCM created. There is no question that the “health care business” must pay Rutgers for the central services it provides (UHR, finance, facilities, etc.), but it is infeasible and counterproductive, for successful growth in health care revenue to result in disproportionate increases in costs, making it impossible to cover costs properly. The net incentive is to shrink revenue, instead.

RBHS partnered with an external entity to operate its clinical business for many reasons. In the attempt to become the best academic health system in New Jersey and perhaps across the country, the health care business needed a huge financial investment. RBHS found an external partner to make this investment. Millions of dollars of external funds are being invested in the Cancer Institute, the clinical departments within our medical schools, recruitment of highly specialized clinical faculty, an electronic health record system (>\$1B), new buildings and much more. RWJBarnabas Health (RWJBH) is also investing millions in the recruitment of new tenured and tenure track faculty to increase and promote academic excellence.

The Master Affiliation Agreement and the Integrated Practice Agreement between Rutgers and RWJBH operates in way that RWJBH collects our health care income and pays us for our health care costs, assuming any risks associated with third party payors, external legislations, charity care, bad debt, etc. They have agreed to pay for RCM capped at a 3% increase over the previous year. When RWJBH invests in the recruitment of new clinical faculty, clinical staff, etc., our health care revenue and expenses increase disproportionately to the rest of the University and therefore we end up paying for a larger portion of the overall expenses. This is not proportional to the services we receive or need. RWJBH will pay all direct expenses and invest even more in the health care infrastructure. The current RCM model no longer supports and enhances the health care business. In fact, it is counterproductive and there is a disincentive for growth/investment. As an example, RWJMS’ RCM for FY2022 increased another \$4.3M due to growth on the clinical side. This is up even more from previous years. It is not sustainable.

For this reason, we believe that RBHS should be aligned with RCM recommendations for the research and education mission, but that the clinical activities should be carved out and a new approach created to pay for the services it needs and utilizes. We need to figure out a way to do this yet avoid costs being shifted to the research and education mission. The assumption that the existing cost structure of the services is sound has not been vetted and is part of the overall theme regarding lack of transparency.

If RCM is configured to incentivize growth, then as the clinical mission increasingly becomes more successful, external revenue to RBHS may increase and can be used to support the non-clinical, academic mission. The academic mission should not be forced to support RCM-related costs pushed to the clinical mission as a result of investments being made by external health system(s).

As discussed in meeting with deans/directors in other chancellor-led units, there appears to be a misconception that non-RBHS units are supporting the health care mission. We believe that this may be coming from the fact that clinical contracts are exempt from the research cost pool. All across chancellor-led units, non-research related contracts are exempted from the research cost pool and other units have high-dollar contracts which are exempted.

Research

A subcommittee tasked with considering the impact of the current budget model on research.

Members: XinQi Dong, Jeetendra Eswaraka, Paul Jargowsky, Laura Lawson, David Moore, Denis Paré, Ann Stock

Summary of Work & Key Findings

The current RCM model was adopted as a way to balance revenues and expenses, but with little consideration for Rutgers' strategic priorities. Generally, the same RCM taxes are applied to different types of grants irrespective of their goals, origin, beneficiary, or associated F&As. As a result, the current model disincentivizes Responsibility Centers (RCs) from supporting grant applications with low F&As even though they could sustain valuable projects (e.g., training grants). Instead of this one-size-fits-all approach, RCM taxes should be deliberately modulated according to our strategic priorities. However, even under this revised model, our margin of maneuver will remain limited because exempting some grants from RCM taxes will require a proportional increase in the taxation of other grants.

Therefore, the subcommittee feels that in addition to modulating RCM taxes, we must increase revenues, for instance by investing in pilot projects, and decrease cost pools. With respect to the latter, we are struck by the fact that if grant revenues go down, the current approach is not to reduce cost pools proportionally but to increase the taxation rate on grants to make up for the difference. The subcommittee feels that this logic should be reversed: set the budget of (and services offered by) cost pools based on revenues and with user input.

The subcommittee's recommendations include:

- (1) Modulate RCM taxes as a function of Rutgers' strategic priorities.
- (2) Increase grant revenues by investing in pilot projects.
- (3) Decrease cost pools by outsourcing some services to the private sector.
- (4) Create an RCM structure that promotes collaborations between RCs and smooths out their administrative coordination.
- (5) Make RCM taxes proportional to the ICRs associated with a given grant.
- (6) Exempt training grants from RCM taxes.
- (7) Exempt equipment grants from RCM taxes.
- (8) Offer training in the RCM model to new faculty members and Deans.
- (9) Create a central hotline so that users can report emerging problems.
- (10) Provide RC leaders with timely briefings on RCM allocations and projections.

1. In its current form, the RCM model discourages collaboration between RCs.

Currently, when there are collaborations between RCs, there is no established process to determine the distribution of indirect cost returns (ICRs) and the assignment of RCM taxes. *Ad hoc* solutions are negotiated for each instance.

Recommended solution or improvement: We recommend that a formal process be established to smooth out the administrative coordination of collaborations between RCs. This would simplify and incentivize collaboration between RCs.

2. In its current form, the RCM model discourages RCs from pursuing training grants, equipment grants, and grants from funding agencies with low ICRs.

Currently, uniform RCM taxes are applied to grants with 0 vs. 55% F&As, de-incentivizing Deans from supporting applications for grants with low F&As, especially if they require a cost share. For instance, standard RCM taxes are applied to equipment grants with low ICRs even though they often do not require services and enhance Rutgers' research capacity. Strangely, while training grants >\$250K are exempt from RCM taxes, smaller ones are not. Yet, training grants of all sizes often promote diversity in the sciences.

Recommended solution or improvement: We recommend that RCM taxes be proportional to the ICRs associated with a given grant. A Responsibility Center should not face a financial crisis because one of its faculty members was lucky enough to be awarded a multimillion grant with zero ICRs. Training grants of all sizes should also be exempt of RCM taxes. Last, we recommend that RCM taxes not be applied to equipment grants unless Rutgers truly incurs costs when the equipment is acquired. Equipment grants that support the replacement of an obsolete piece of equipment should not cause additional taxation. This reform will align the RCM model with institutional priorities and enhance Rutgers' research capacity.

3. Although the general formulas used to assign RCM taxes to RCs are simple, there are additional ad hoc taxes and exceptions such as grants exempt from RCM taxes.

The rationale for these exceptions is not clear.

Recommended solution or improvement: The subcommittee recommends that the rationale for these deviations be examined closely to ensure that these practices are fair and that they reflect Rutgers' strategic priorities.

4. Under the current RCM model, there is little or no user input in cost pools, what services they offer, whether we can afford them, and whether they meet the changing needs of a sizable proportion of users.

Cost pools function as independent entities. From the user's perspective, they function with no oversight. The committee notes that many of the services provided internally are more costly than in the private sector or at other institutions.

Recommended solution or improvement: The research subcommittee feels that now would be a good time to reconsider how we approach cost pools. The current approach whereby if grant revenues go down, the taxation rate of grants is increased to make up for the difference strikes us as illogical. The subcommittee recommends that we reverse this logic: set the budget of (and services offered by) cost pools based on revenues and with user input. In addition, the subcommittee recommends that existing advisory committees on cost pools incorporate new approaches such as benchmarking Rutgers processes against those of other institutions or the private sector, ranking services by importance and number of "clients", clearly defining how specific services benefit users/students. Services that do not benefit a sufficient number of clients or are much more costly than in the private sector should no longer be offered. RCM taxes are so high, they thwart the development of the research enterprise and

the pursuit of Rutgers' institutional priorities. Reducing cost pools will allow greater investments for developing research as well as graduate and post-doctoral training.

5. Core facilities are treated differently under the current RCM model depending on whether they are part of ORED or not. There is little transparency in the decisions about which cores are incorporated into and subsidized by ORED.

Core facilities that are part of ORED are exempt from some RCM charges. Core facilities that are not part of ORED are charged RCM costs on space, personnel, and research expenditures.

Recommended solution or improvement: The research subcommittee feels that decisions about which core facilities are part of ORED and the level of subsidy provided should be more transparent. These decisions should consider factors such as the number of users served by the core, the importance of the core to a competitive research enterprise, the cost/benefit ratio of the core, and input from the RCs that support ORED. Furthermore, all cores meeting an established set of criteria (e.g., number of users, service to users across multiple departments/schools/units) should be offered an opportunity to be part of ORED. If this cannot be accommodated by ORED, then such cores should at least be exempted from RCM costs. Since core facilities are essential for competitive research, they should be configured to support the entire research community, avoiding emphasis on cores that support a small number of users at a high cost for all. Cores should be treated equitably; elimination of RCM costs for all cores would avoid double RCM taxation of both non-ORED cores (who raise user fees to cover RCM costs on space, personnel, and research expenditures) and users (who pay RCM costs on research expenditures for core facility fees).

6. Investing in the development and maintenance of our research infrastructure to increase the competitiveness of Rutgers' research enterprise.

Currently, there is no strategy for the development and maintenance of research infrastructure. No funds have been invested to maintain or upgrade existing facilities leading to infrastructure woes that have severely hampered research. In many cases, the existing infrastructure is not meeting the needs of the research community. No equipment replacement plan exists to our knowledge leading to breakdowns and long downtimes. Within Rutgers, infrastructure improvement projects are very expensive (\geq twice the cost for similar projects at other Institutions). Timelines for infrastructure project approvals are extremely long, in many cases adding months and costs to the projects. Investments in infrastructure maintenance and upgrades will facilitate the recruitment of the most talented researchers and reduce the risk that current faculty will leave for greener pastures. Having a planned equipment replacement plan will allow us to leverage the latest technologies and avoid the costly maintenance of obsolete equipment that no longer meets the needs of the research community.

Recommended solution or improvement:

- (1) The university should have a replacement plan for critical research equipment.
- (2) Funds should be set aside to improve and maintain research infrastructure through appropriation of a percentage of F&A dollars per year.

- (3) Mechanism to provide matching funds for equipment grants, especially large cutting-edge equipment that will require infrastructure upgrades.
- (4) IP&O should review the reason for high cost of infrastructure projects within Rutgers and come up with a solution that meets the needs of the stakeholders.
- (5) Project approval team should be involved at the project planning stages to avoid protracted back and forth dialogues that result in long lead times for the approval of infrastructure projects. If changes in the approval process have been made, then the project management team should be informed in advance so the changes can be incorporated at the design stage with the architect.

7. To most administrators and researchers, the RCM model is opaque. Moreover, if they face problems, they do not know where to report them.

Many researchers and administrators do not understand the RCM model. Even fewer understand how RCM taxes are calculated for each unit. Moreover, RC directors are informed of applicable taxes to their unit until just before fiscal year budgets are due, giving them little time to analyze the data or react. Improving this would improve “user” satisfaction and provide financial officers with feedback.

Recommended solution or improvement: The subcommittee recommends that RCM training be offered to new faculty members and Deans. Also, perhaps a central hotline could be created so that users can report emerging problems. Last, RC leaders should be provided with timely briefings on RCM allocations and projections.

Undergraduate Education

A subcommittee tasked with considering the impact of the current budget model on undergraduate education.

Members: Monica Adya, Adam Day, Ernesto DiSandro, Peter March, Jacqueline Mattis, Amber Randolph, Dipak Sarkar, Henry Velez

Summary of Work & Key Findings

1. Existing distribution or “tuition-sharing” mechanism of for tuition & fees revenue is perceived as dis-incentivizing or discouraging interdisciplinary, cross-campus and cross-chancellor unit collaborations.

Undergraduate revenue from tuition and fees, is the largest source of revenue for the University and the resource that powers the RCM model. However, the existing distribution or “tuition-sharing” mechanism of this revenue is perceived as dis-incentivizing or discouraging interdisciplinary, cross-campus and cross-chancellor unit collaborations, something that President Holloway deliberately seeks to foster. The current distribution model creates a competitive atmosphere and “poaching” of other school students and duplication in course offerings. Units that engage in collaborative partnerships are left to negotiate fair tuition modeling on their own and routinely make side deals resulting in inequitable undergraduate student experience or an inefficient way to deliver undergraduate programs. Tuition-split favors the course not the faculty unless they can make a deal thereby making faculty/departments less encouraged to create courses for students not enrolled at their home school/department.

Recommended solutions or improvements:

- (1) Adjust the RCM allocation to a department based on the number of students taking a particular course from a department rather than the number of students declaring a major/minor curriculum run by the department and revisit RCM cost allocations so that they foster more collaborative interaction between our schools.
- (2) For classes run by faculty members from multiple departments, RCM distributions should be divided and distributed by the percentage of each lecturer’s effort and given to the faculty member's participating departments in order to prioritize the development of more multidisciplinary courses.
- (3) Create and establish mechanisms to support cross-listing and co-teaching across departments and eliminate duplication of courses. Encourage more collaboration between Departments/Schools, Collaborations between individual Faculty and provide better support faculty teaching in other schools and departments
- (4) Reduce the RCM Cost Pool charges or provide a discount to schools that do collaborate. RCM allocation should not be based on the head counts of the students in a program but based on the cost of running the program (examples, cost and space for running a biology class involving lab should be more than running a biology class without a lab).

- (5) Examine how scholarship strategies and expenses vary from campus to campus and what the impacts of these variations are for each unit and for the University as a whole. Revisit Merit Aid for students; award merit aid centrally, have the total cost of merit paid added to the RCM Costs (i.e., Presidential, Henry Rutgers, RAG, Promise Grant, etc.). An admitted student can apply to three different schools which may offer the same student the same or different scholarship in various amounts which puts the schools in competition also makes it difficult to deal with a student who changes schools.
- (6) RCM allocation should promote undergraduate research. Presently, many juniors and seniors find it difficult to find a lab for research training because many faculty members do not open their research labs to undergraduates because the cost of the research training is not covered by the department or the school.
- (7) Demand for many of our courses (e.g., STEM courses) has outpaced our space and the size of our STEM faculty. The consequence is that many of our students have to take courses at NJIT. Since they do not have priority at NJIT many students find that their time to graduation is delayed. Current model of RCM addresses raw headcounts and movement across Rutgers campuses. It is not clear how the movement of undergraduate students outside of the Rutgers system (e.g., to NJIT) are accounted for.
- (8) Ensure that schools of instruction retain enough revenue to provide the high quality and high integrity education on which Rutgers mission and reputation depend.

2. Service to the mission is very challenging to sustain using RCM methodology that heavily focuses on headcount.

The RCM methodology is founded (at least in significant part) on sheer headcount of students but is problematic. At the heart, different Chancellor units/campuses have different funding strategies necessary to recruit and retain students in large part to aim for an equitable and diverse student body, something the President describes as a beloved community. This approach also builds on the notion and commitment of the University as an anchor institution that reflects on student diversity as a value add. For example, in Camden and Newark, tuition discounting--scholarship allocation--is especially heavy to support programs like RUN to the TOP and Bridging the Gap, and results in a lower overall tuition revenue stream. And, at the heart of this dynamic, lies the somewhat distinct particular missions of the campuses: for Camden and Newark a college-access commitment all but requires an aggressive tuition discounting plan. If this results in lower revenue and if central cost pools are assessed at the same rate across the campuses, then the deleterious impact of this funding scheme become obvious. Responsibility Center cost pools are calculated on the same metric (headcount) as opposed to revenue (which accounts for scholarships). This makes service to the mission very challenging to sustain.

Furthermore, engaging local community stakeholders and community members as part of the anchor mission sometimes means that responsibility centers pay for spaces in local cost pools (e.g., Express Newark in Newark) that are made available for free to community. Our students often benefit from the mentorship and skill building they get from relationships with community partners in these spaces. Ostensibly, that means that the wear and tear and operating costs are high, and the population using the space is greater than is legible. It is not clear how anchor work is incentivized in an RCM model.

DEIJ is a main mission for the university. Recruiting and retaining diverse undergraduate student bodies (particularly economically diverse pools of students) means there is more outlay in terms of scholarships, academic supports to help students who have gaps in previous education, providing for tech service needs, student service needs including counseling, career service needs etc.

Recommended solutions or improvements:

- (1) Revisit the headcount metric and the way schools contribute to the cost pool. Examine how RCM’s headcount model can account for and incentivize Diversity, Equity, Inclusion, and Justice (DEIJ) and examine how important and diverse pools of high school, local community college students, and community members fit into undergraduate headcounts in an RCM model.
- (2) For programs that engage diverse pools of HS and local community college students, adult learners who cannot be registered full-time and community members investments are needed. How can these investments be made and how do the PT adult learners that in many ways reflect the future of higher ed get reflected in the allocation of costs in the RCM model?
- (3) Reassess the cost pool expense calculus to ensure a more subtle mechanism that takes into account local circumstances.
- (4) Allow for cost pool customization; modify the headcount methodology with a weighted-headcount, one that factors in various local conditions, such as scholarship cost variation.

3. RCM model does not account for quality of space or usability of space.

University infrastructure across chancellor-units and especially in academic buildings and academic spaces are old and some spaces are unusable requiring spaces to be rented off campus. Space is used as an important index in RCM, but we do not have enough labs to meet the needs of students seeking to take lab courses. The RCM model does not account for the extent to which our spaces meet our needs, or the proportion of students whose curricular needs are unmet.

Financial responsibility of classroom, building, and office maintenance is delegated to schools:

- Schools are responsible for updating and installing classroom technology
- Schools are responsible for providing technical support to faculty and staff
- Uncertainty of areas of responsibility for updates associated with general-purpose classrooms vs. school designated classrooms

Schools have become property asset managers:

- Many costs for O&M have now shifted to schools to cover, such as building HVAC systems (DMCS we had to cover the cost by paying the debt on this cost), lab vac pumps systems in buildings, DI water systems in buildings that support our teaching labs, and overall maintenance and operational state of buildings.
- Schools manage security of our buildings and students through paying for swipe card access to our buildings, maintenance, and upkeep
- Schools and units are responsible for signage, including upkeep and replacement of signs.

Campus and wireless connectivity is also not covered in our cost pools.

Recommended solutions or improvements:

- (1) A universitywide study is needed to review space needs, current utilization of space and densify newer buildings. This will allow to take off-line buildings past their useful life, lower footprint, generate operating costs savings, lower our deferred maintenance profile, etc. Consider creating a space marketplace.
- (2) Pay greater attention to deferred maintenance and identify ways to set aside funds for investments in buildings, infrastructure, etc., even for areas that are in deficit. Add some amount per sq ft to cover maintenance costs on orphaned spaces or to help address deferred maintenance around the system.
- (3) Introduce better communication related to who makes decisions re: OIT and IP&O major projects. Clarify the relationship between facilities and IPO and decision-making authority.
- (4) Evaluate the Debt Service Cost Pool because many are not sure what it is for, who are they paying for and why.

4. There are many cost pool related concerns that require review.

- (1) Creation and maintenance of information infrastructure. We need adequate infrastructure to teach and advise students effectively; to track them over time from enrollment to graduation; to track them as the change schools/majors; and to model the effects of enrollment changes and RCM formula changes on responsibility center budgets.
- (2) Lack of Accountability in Service Provisions – We seem to have the greatest accountability from OIT because Michelle Norin meets with the deans to describe the work her teams are doing. Each cost pool center should be accountable to the chancellor and the chancellor's units to the service levels they agree to provide, how their cost pools are being made more efficient, and what coordination efforts are being made with other Cost units. Cost pool centers must shift their mindset to be service providers to the RCM units who are their clients. And service providers should customize their services to client needs. Otherwise, it leads to duplication of costs e.g., marketing, academic service, software solution choice etc.
- (3) Our ability to serve undergraduate students depends on having web sites and web-based resources that are accurate, accessible, searchable, and efficient. While we pay into central cost-pools for access to IT services, we have had to create local centers to provide the same services because we are not getting good service or service at all.
- (4) Since we are not often consulted on systems and resources before they are purchased, we end up with systems that are expensive and that seem interesting and useful to cost-pools but that cost us in terms of time for personnel to adapt and in terms of the need to create local work-arounds that better meet our needs. Ensuring that cost-pools consult with responsibility centers BEFORE systems are purchased/engaged will likely save us a substantial amount of money.

- (5) Many of our Academic Information Systems are antiquated or don't speak to each other, so we often are having to create expensive and inefficient patches locally. If every campus is doing these kinds of things, it seems more viable to pay into RCM for systems and resources that actually meet the needs of our various campuses.

Appendix C: Survey Results from the 5-Year RCM Review

C.1. Preliminary Survey of the Administrative Council

C.2. Preliminary Survey of Faculty and Staff

C.1. Preliminary Survey of the Administrative Council

Introduction

- The RCM Review Committee administered an anonymous survey to members of the Rutgers Administrative Council as part of the committee's five-year review of the responsibility centered management budget model.
- The goal of the survey was to begin to understand and assess user experiences with the RCM model. User feedback collected from the survey will be used to help determine how effectively the current RCM model is being used to support institutional priorities and to identify areas for improvement.
- The results in this report, summarized by question below, represent the responses of 77 members of the Administrative Council who submitted a completed survey through Dec. 3, 2020.

Level of understanding of the RCM budgeting process

- Slightly over 80% of respondents indicated that they had some understanding of the RCM budgeting process, but less than half of these respondents (31% overall) stated they had a full understanding of RCM.
- Minor differences in level of understanding of the RCM process exist among those with different roles or responsibilities, except for those respondents with a budgetary function. Eight out of ten respondents working as a Chief Budget Officer indicated a full understanding of the RCM budgeting process, but many of those in other budgetary roles did not express a full understanding of the process (only 14%).

Understanding of how RCM model impacts your unit's finances

- Almost half of all respondents stated that they fully understand how RCM impacts their unit's finances, while another 29% indicated some understanding of RCM's impact.
- Except for those with a budgeting or other finance-related role, upwards of twenty to thirty percent of those in Central Administration, Chancellor-Unit Administration, and Dean roles at the university stated little or no understanding of RCM's impact.
- More individuals with responsibilities in the area of Undergraduate Education indicated a full understanding of RCM's impact on finances (68%) compared to those working in other areas.

The RCM model helps me meet the financial goals of my unit

- Less than one in three respondents agreed to some extent with the statement that the RCM model helps meet the financial goals of their respective unit, with only 4% of all respondents totally agreeing with that statement.
- Respondents from the area of Graduate Education (25%) and those that perform in the role of Chief Budgetary Officer (20%) or in a position described as "Other" (14%) indicated the smallest percentage of full or partial agreement with the assertion that RCM positively affects their unit's ability to reach financial goals.

Strengths and Weaknesses of the RCM model

- Improves accountability and budget transparency was the most prominent strength of the RCM model identified by respondents.
- Identified weaknesses about RCM included comments about a budgeting system that is complex or obscure and inhibiting collaboration between units/schools.

There is an adequate level of transparency in the current RCM model.

- Most respondents do not feel the present RCM model is transparent, with just 21% of all respondents agreeing to some degree with that statement.
- Budget Directors and Associate Deans of Finance have the highest levels of disagreement with the claim of RCM transparency among all the individuals responding to the survey.

The RCM model helps achieve the institutional priorities of Rutgers.

- Only 17% of respondents feel that the RCM model helps the university achieve its institutional priorities.
- Deans hold the deepest antipathy toward RCM as an agent for achieving institutional priorities, with one in four strongly disagreeing that RCM helps in achieving institutional priorities.

The RCM model supports Rutgers in becoming a beloved community (e.g., collaborative, valuing diversity, encouraging public engagement).

- Respondents resoundingly reject the notion that RCM supports the effort for Rutgers to become a beloved community. This result cuts across all administrative roles and functions.

The RCM model supports Rutgers in delivering academic excellence through our teaching and research.

- Only 16% of respondents agree that the RCM model supports the delivery of academic excellence through teaching and research.
- Eighteen percent disagree strongly with that notion, with Deans and those in Chancellor-Unit Administration (27% and 26%, respectively) and those working in Undergraduate and Graduate Education (28% and 25%, respectively) having the highest percentages of strong disagreement.

The RCM model provides strategic clarity by developing a coherent and collaborative Rutgers.

- Only 16% of all respondents agree to some degree that the "RCM model provides strategic clarity by developing a coherent and collaborative Rutgers."
- Those working in the Healthcare and Research areas (64% and 44%, respectively) and those who are Chief Budget Officers and Deans (60% and 40%, respectively) expressed the strongest disagreement about the role of RCM in engendering such collaboration.

Suggested RCM improvements and additional comments

- Most comments on how to improve the RCM model expressed the need for more transparency.
- Common themes expressed in additional comments about the RCM model included improving communication and transparency about RCM and improving RCM design to encourage more cross-unit collaboration.

Demographics of survey respondents

Current role at Rutgers:	N	%
Central Administration	17	22.1%
Chancellor-Unit Administration	19	24.7%
Dean (Academic)	15	19.5%
Chief Budget Officer of Unit	5	6.5%
Budget Director / Associate Dean (Finance)	7	9.1%
Center Director	2	2.6%
Other	7	9.1%
Did not respond	5	6.5%

Your responsibility for the financial outcomes of your unit is best described as:	N	%
Driving revenues	2	2.6%
Containing costs	10	13.0%
Both driving revenues and containing costs	58	75.3%
Neither driving revenues nor containing costs	5	6.5%
Did not respond	2	2.6%

Financial perspective that best describes your unit:	N	%
Responsibility Center	30	39.0%
Cost Center	31	40.3%
Neither	4	5.2%
Other	10	13.0%
Did not respond	2	2.6%

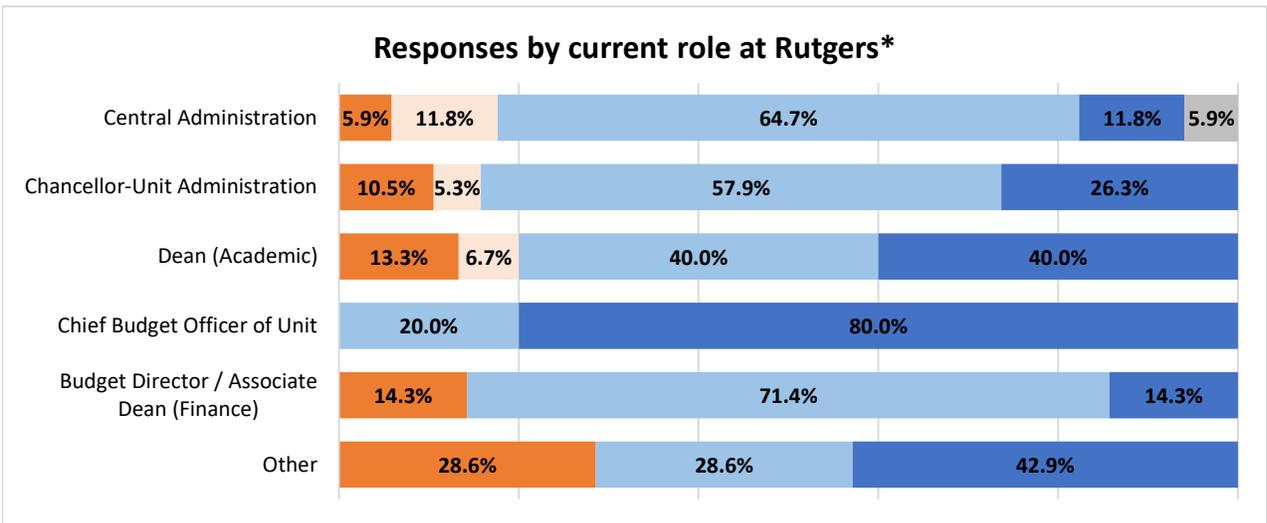
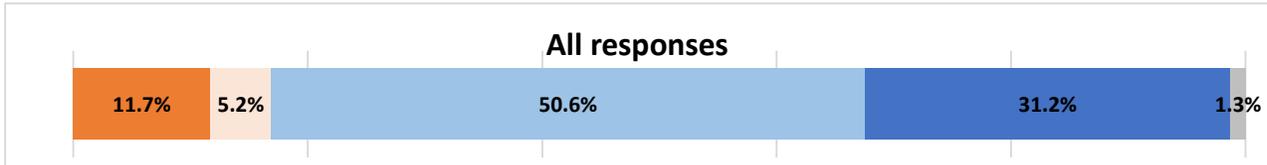
Area(s) most closely aligns with your responsibilities at Rutgers*:	N	%
Graduate Education	28	36.4%
Undergraduate Education	25	32.5%
Research	25	32.5%
Healthcare	11	14.3%
General Administration	41	53.2%
Did not respond	2	2.6%

*Select all that apply item. Percentages will not sum to 100%.

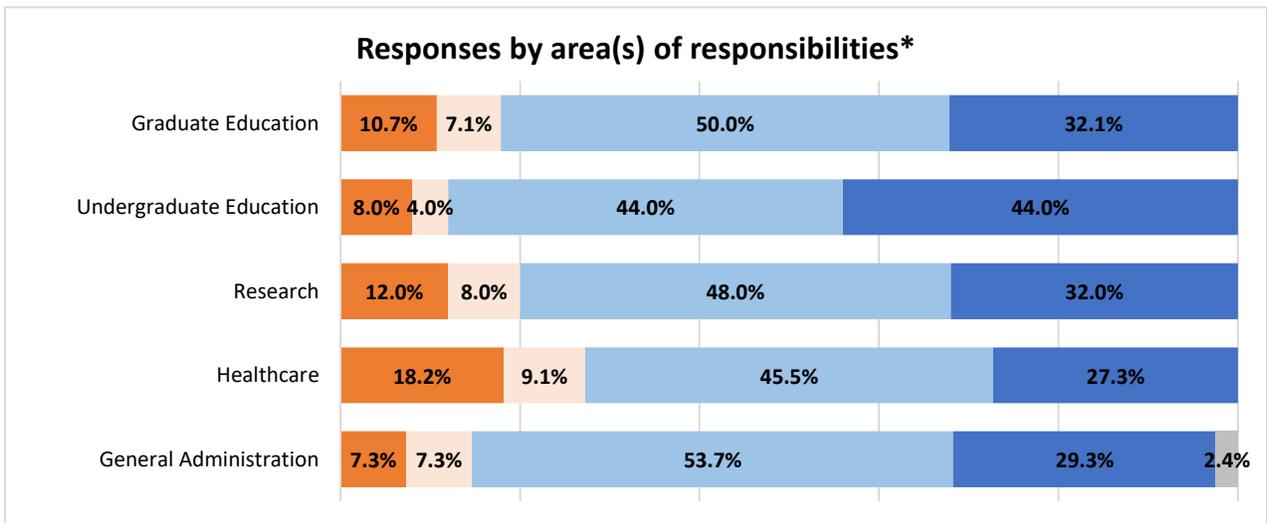
Number of years worked at Rutgers:	N	%
0-5 years	22	28.6%
6-10 years	13	16.9%
11-15 years	8	10.4%
16-20 years	4	5.2%
Over 20 years	25	32.5%
Did not respond	5	6.5%

Level of understanding of the RCM budgeting process

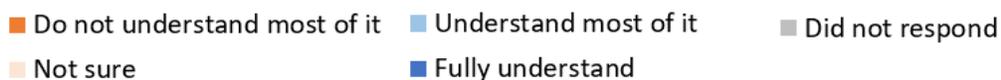
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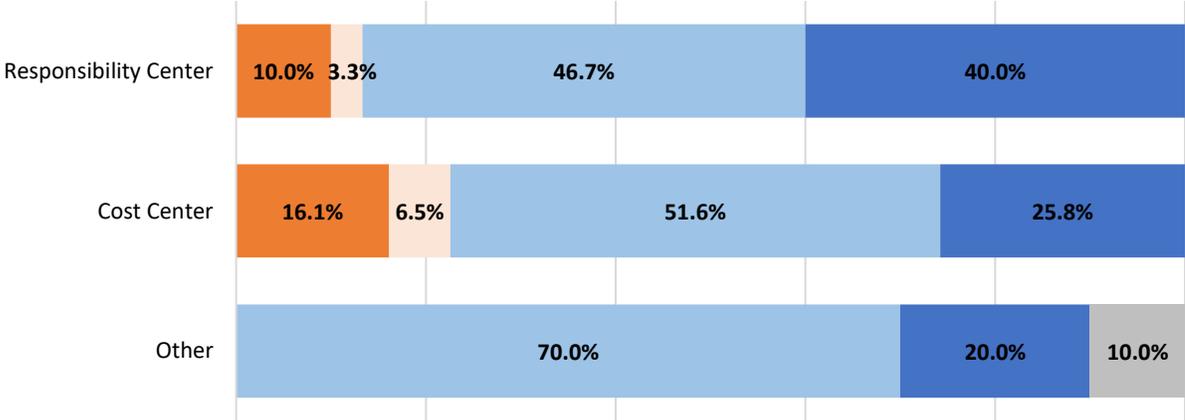
*Center Director not shown due to small sample size (n<5).



*Respondents may have selected more than one area (check all that apply item).



Responses by unit's financial perspective*

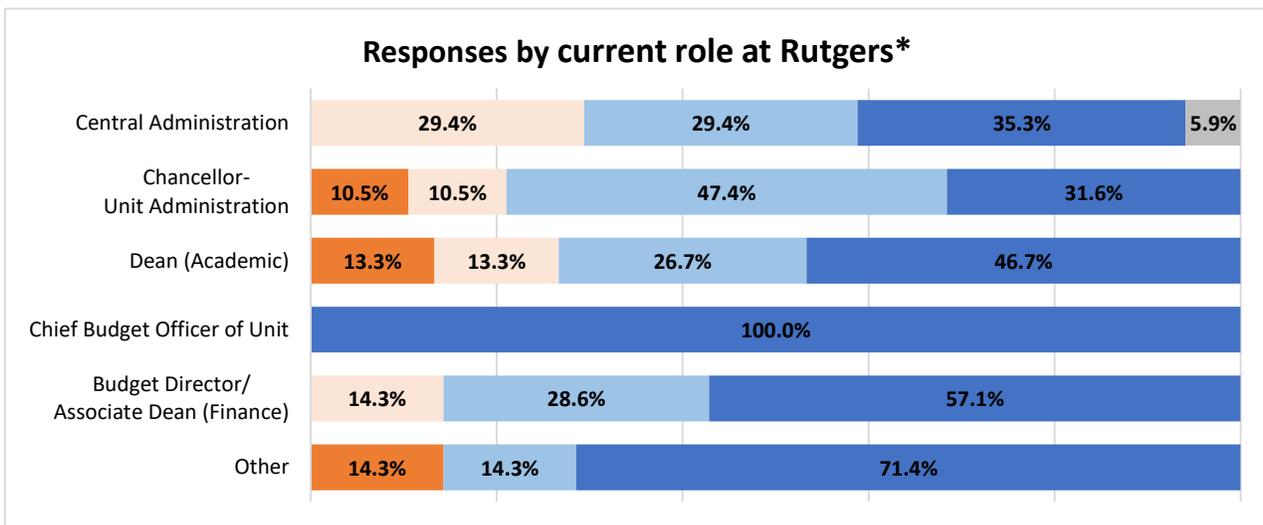
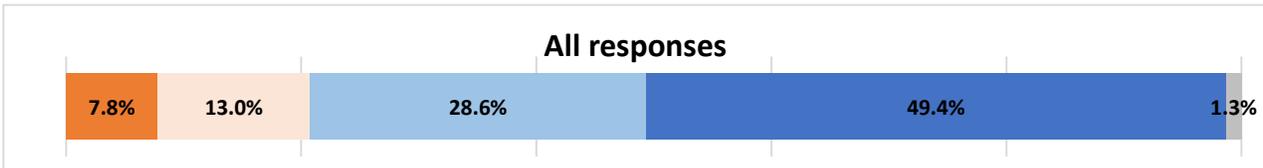


*Neither category not shown due to small sample size (n<5).

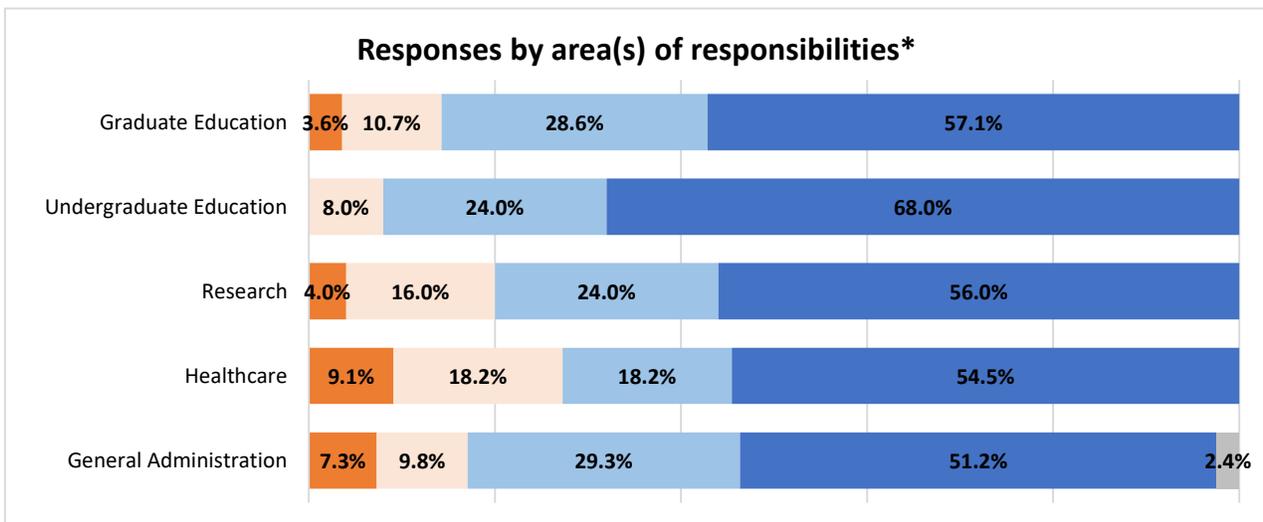
- Do not understand most of it
- Understand most of it
- Did not respond
- Not sure
- Fully understand

Understanding of how RCM model impacts your unit's finances

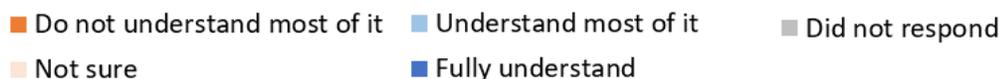
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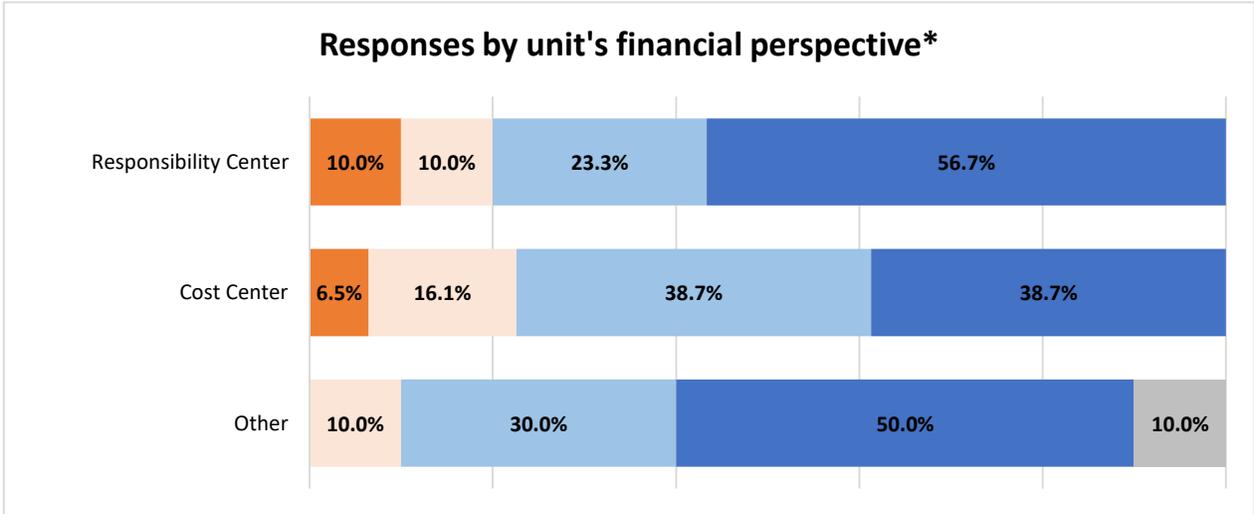


*Center Director not shown due to small sample size (n<5).



*Respondents may have selected more than one area (check all that apply item).



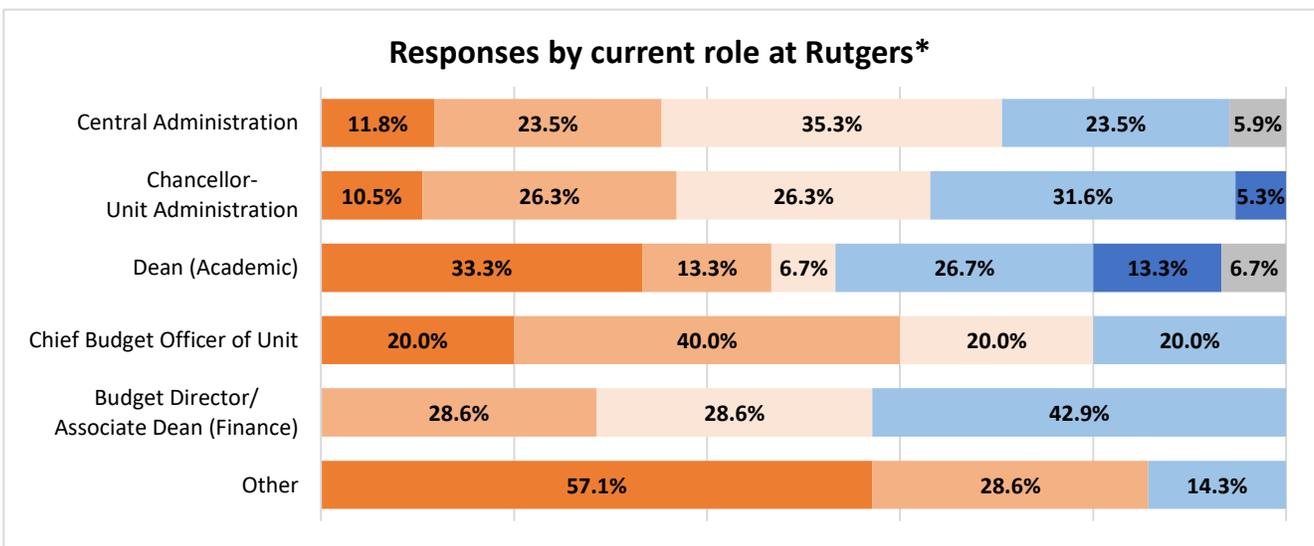
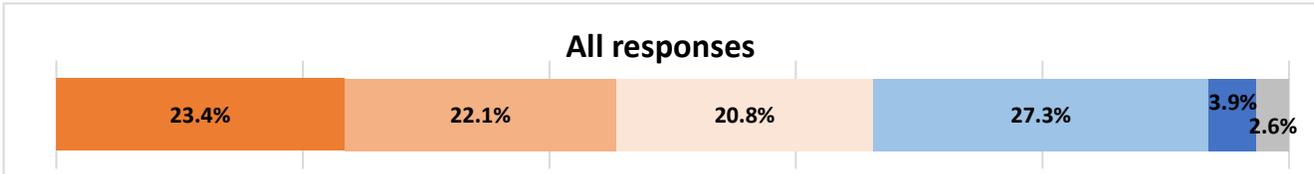


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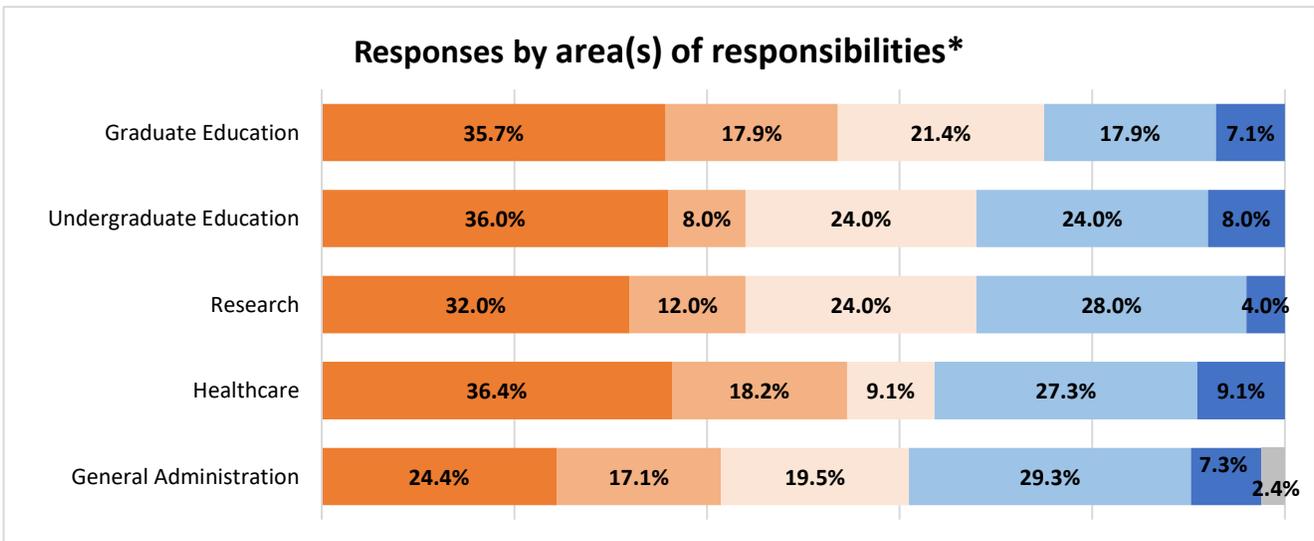
- Do not understand most of it
- Understand most of it
- Did not respond
- Not sure
- Fully understand

The RCM model helps me meet the financial goals of my unit

Less than one in three respondents agreed to some extent with the statement that the RCM model helps meet the financial goals of their respective unit, with only 4% of all respondents totally agreeing with that statement. Respondents from the area of Graduate Education (25%) and those that perform in the role of Chief Budgetary Officer (20%) or in a position described as “Other” (14%) indicated the smallest percentage of full or partial agreement with the assertion that RCM positively affects their unit's ability to reach financial goals.



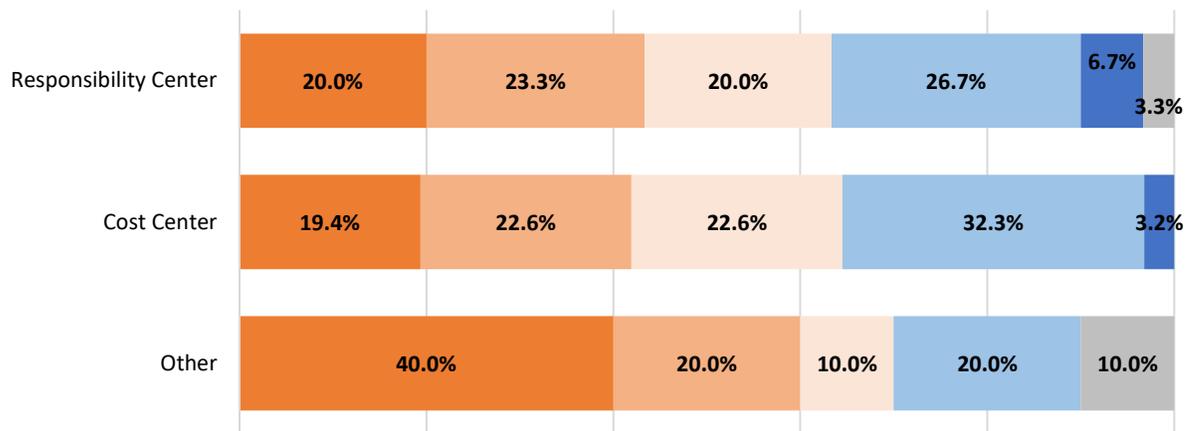
*Center Director not shown due to small sample size (n<5).



*Respondents may have selected more than one area (check all that apply item).

■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

Responses by unit's financial perspective*



*Neither category not shown due to small sample size (n<5).

■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

Strengths and Weaknesses of the RCM model

Common themes found in responses to Q5 and Q6 are shown below. These themes are offered as a means of categorization and are not exact representations of the comments provided by survey participants. Note that individual responses to a given question may be accounted for in more than one of the listed themes. A comprehensive list of all responses to the open-ended questions, organized by theme, can be found in the appendix to this report.

Q5. In what ways does the RCM model enable your unit to deliver on the priorities of Rutgers University?

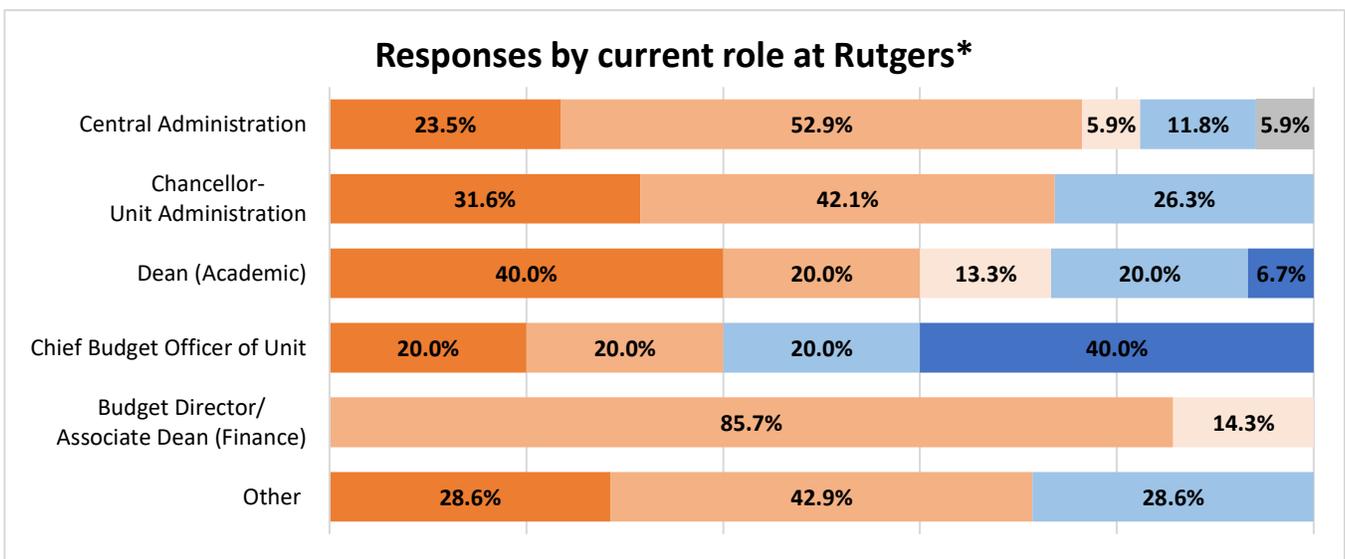
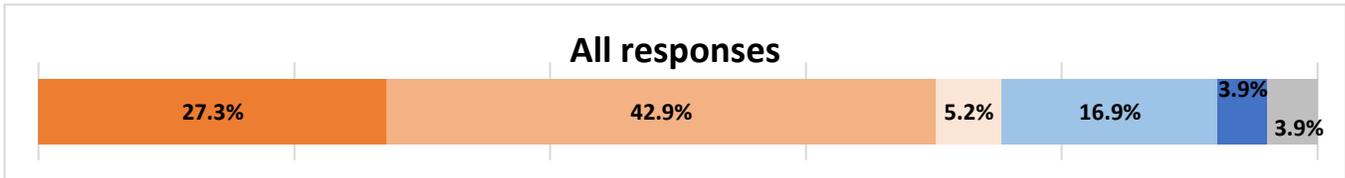
Theme	N
Improves accountability & budget transparency	28
No strengths identified or RCM considered negative	16
Allows for strategic planning	8
Units are more aware of resource utilization	6
Makes central functions/resources more available	4
Aids budget planning	3
Dedicated strategic funding	2
Motivates entrepreneurial behaviors	2
Makes units aware of space use and costs	2
Standardized metrics constrain political influences	2

Q6. In what ways does the RCM model present a roadblock for your unit to deliver on the priorities of Rutgers University?

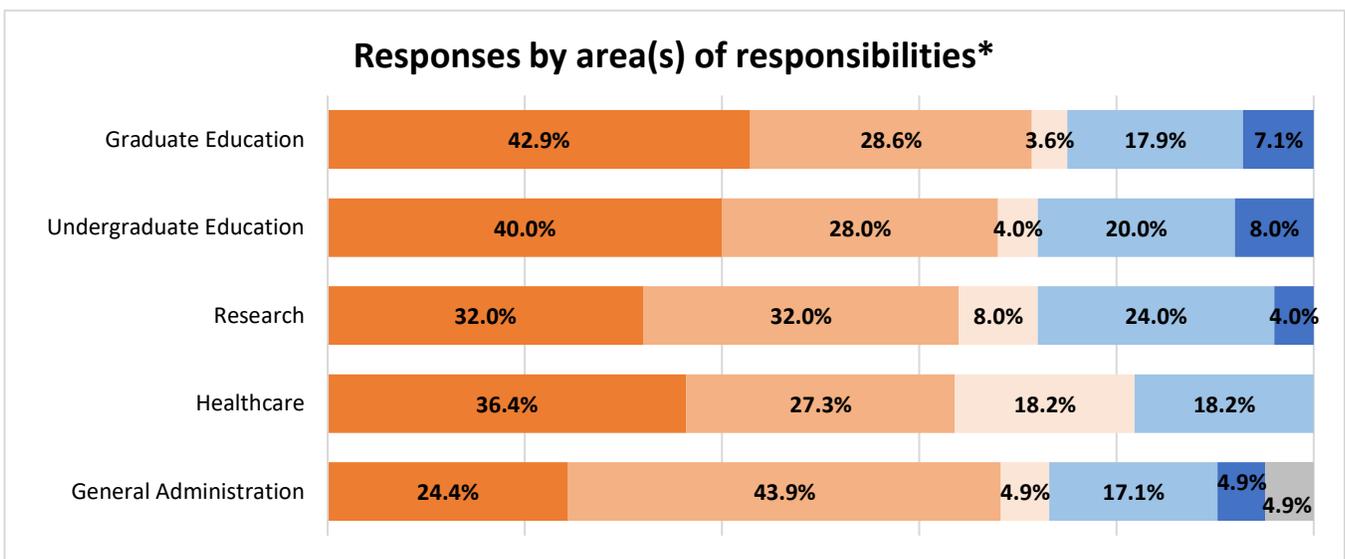
Theme	N
Budgeting system is complex or obscure	19
Inhibits collaboration between units/schools	16
Creates operational inefficiencies	14
RCM inhibits or disincentivizes program growth	12
Central operations services aren't always satisfactory	9
RCM model doesn't provide needed resources	5
Model creates year-to-year budgeting uncertainty	5
No weaknesses communicated	4
Payments into cost pools are not capped	2
Central unit has difficulty with dealing with funding approval from academic units	2

There is an adequate level of transparency in the current RCM model.

Most respondents do not feel the present RCM model is transparent, with just 21% of all respondents agreeing to some degree with that statement. Budget Directors and Associate Deans of Finance have the highest levels of disagreement with the claim of RCM transparency among all the individuals responding to the survey.



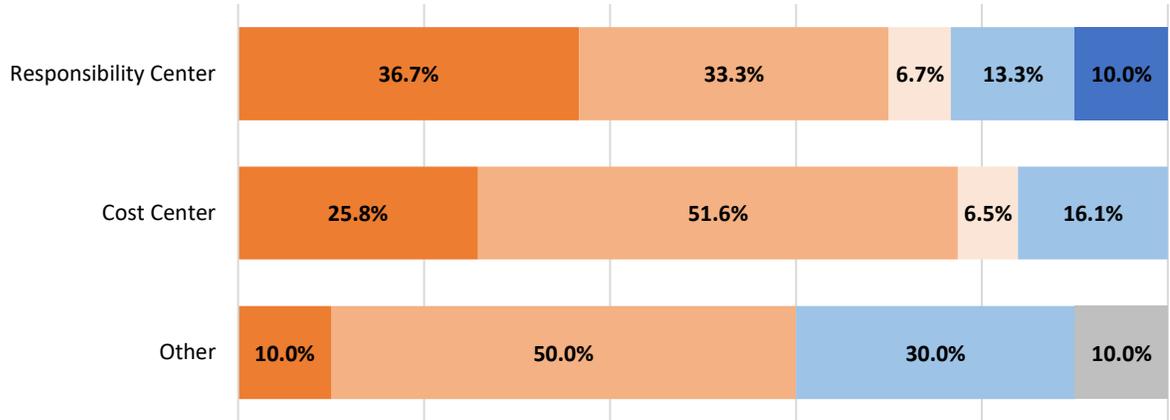
*Center Director not shown due to small sample size (n<5).



*Respondents may have selected more than one area (check all that apply item).

■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

Responses by unit's financial perspective*

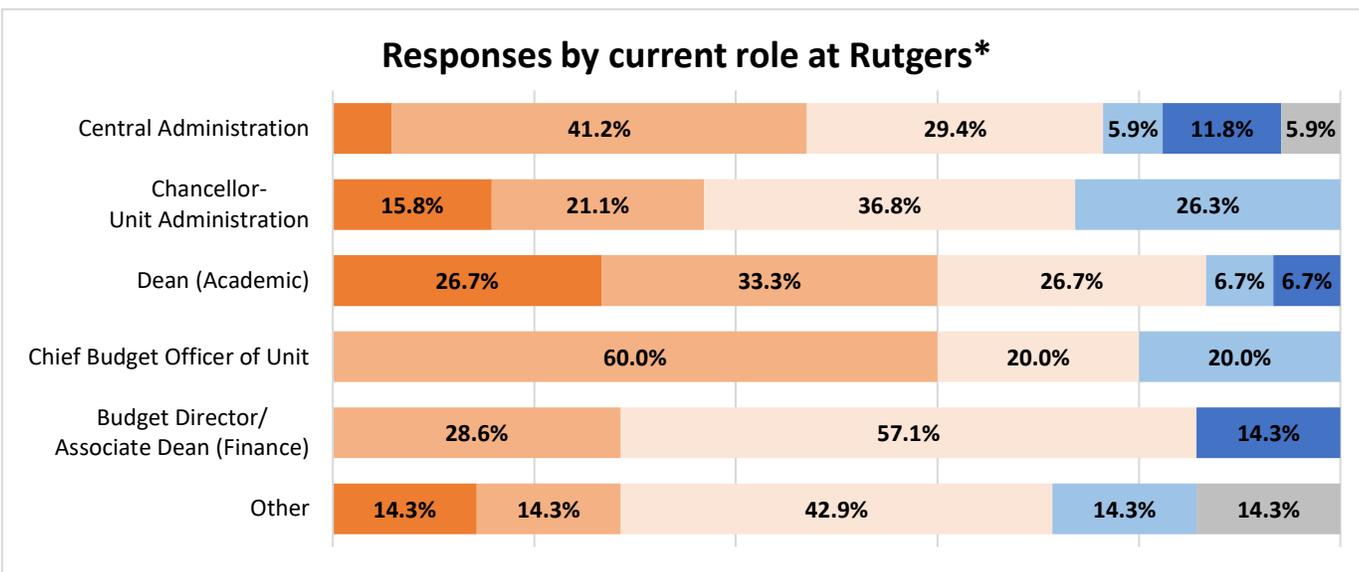
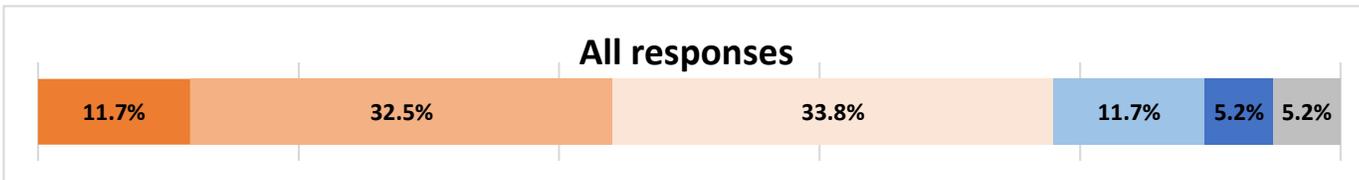


*Neither category not shown due to small sample size (n<5).

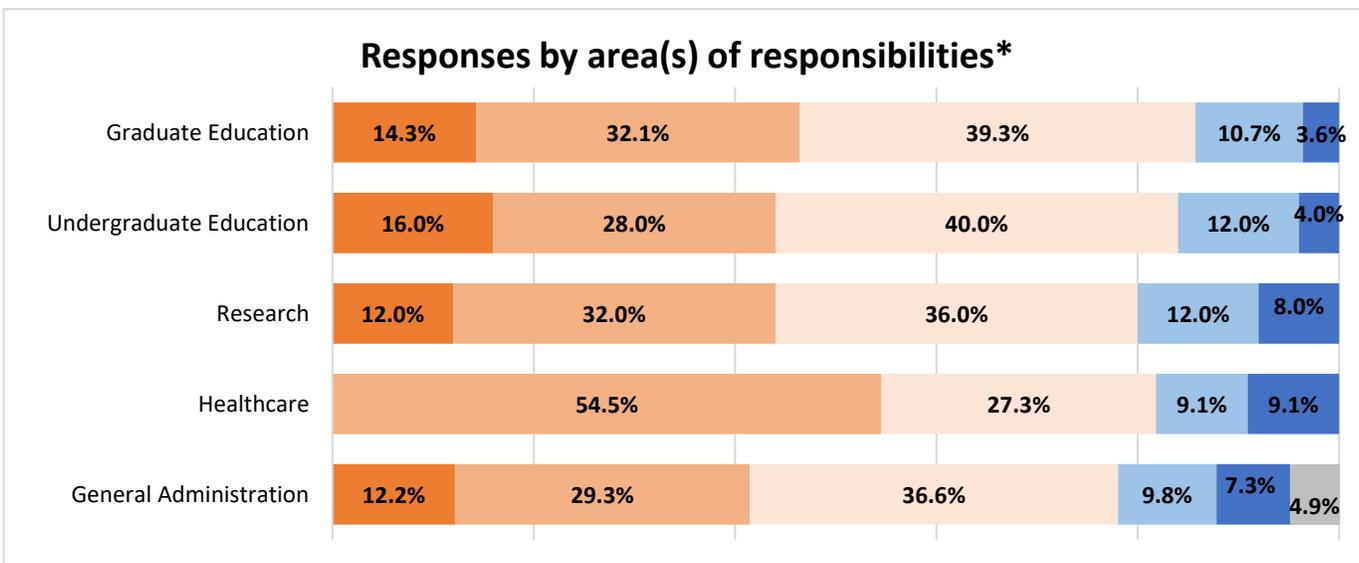
■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

The RCM model helps achieve the institutional priorities of Rutgers.

Only 17% of respondents feel that the RCM model helps the university achieve its institutional priorities. Deans hold the deepest antipathy toward RCM as an agent for achieving institutional priorities, with one in four strongly disagreeing that RCM helps in achieving institutional priorities.



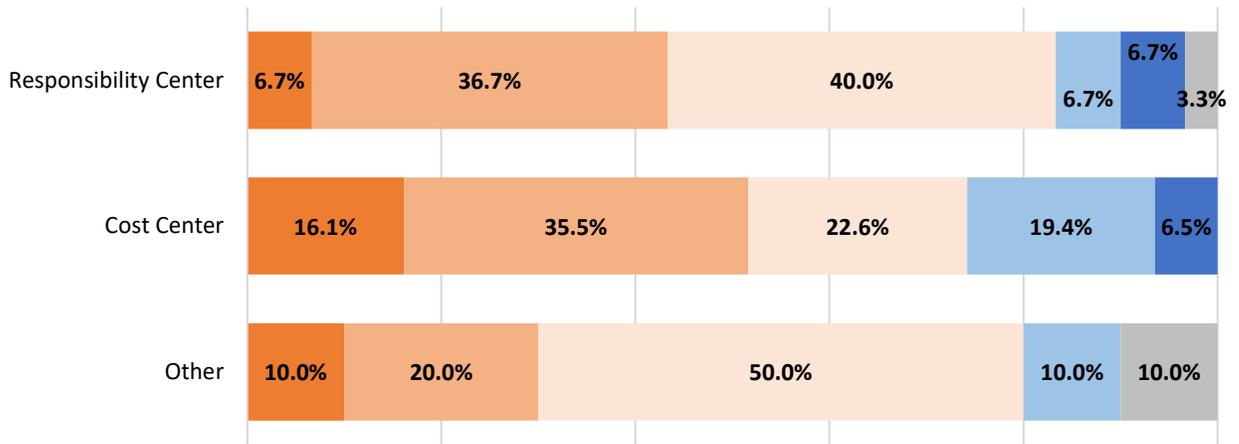
*Center Director and Other categories not shown due to small sample sizes (n<5).



*Respondents may have selected more than one area (check all that apply item).

Legend: ■ Totally disagree ■ Somewhat disagree ■ Not Sure ■ Somewhat agree ■ Totally agree ■ Did not respond

Responses by unit's financial perspective*

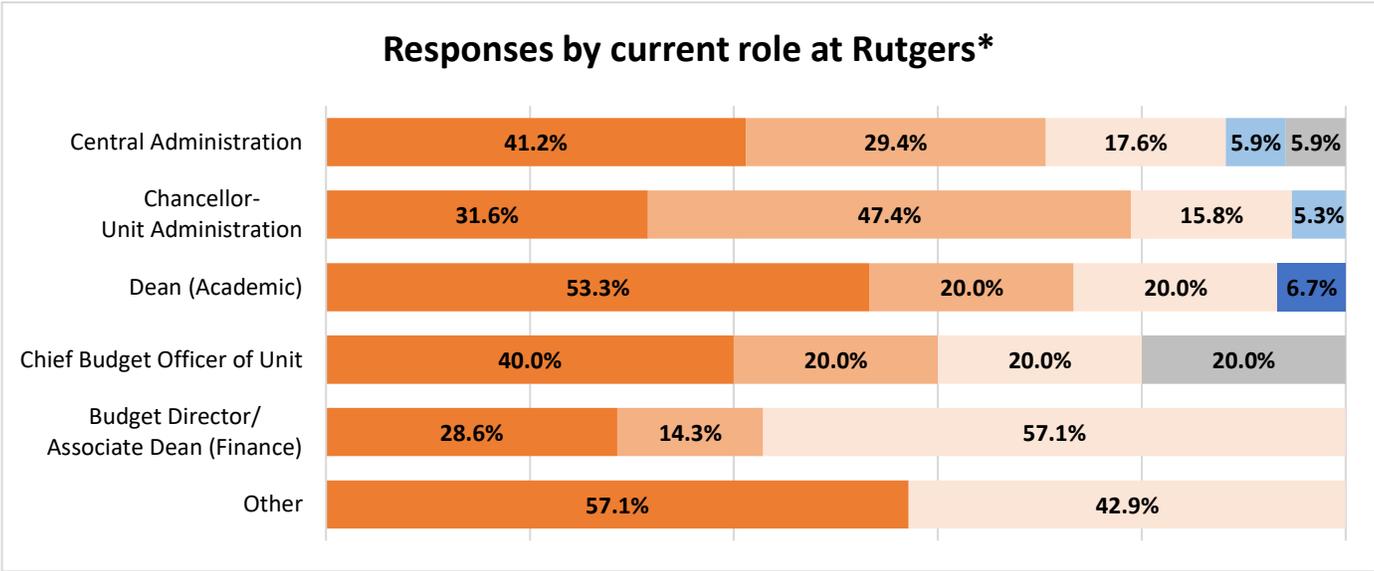
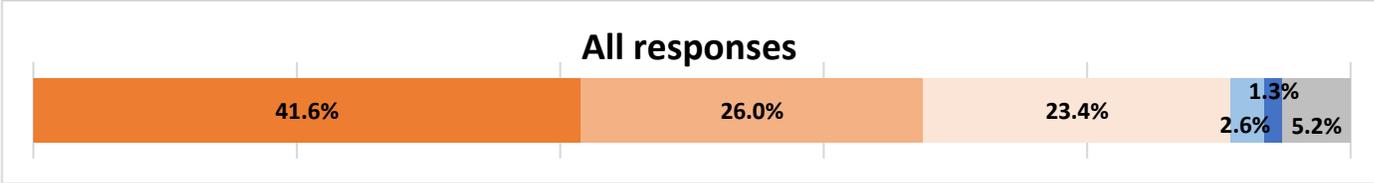


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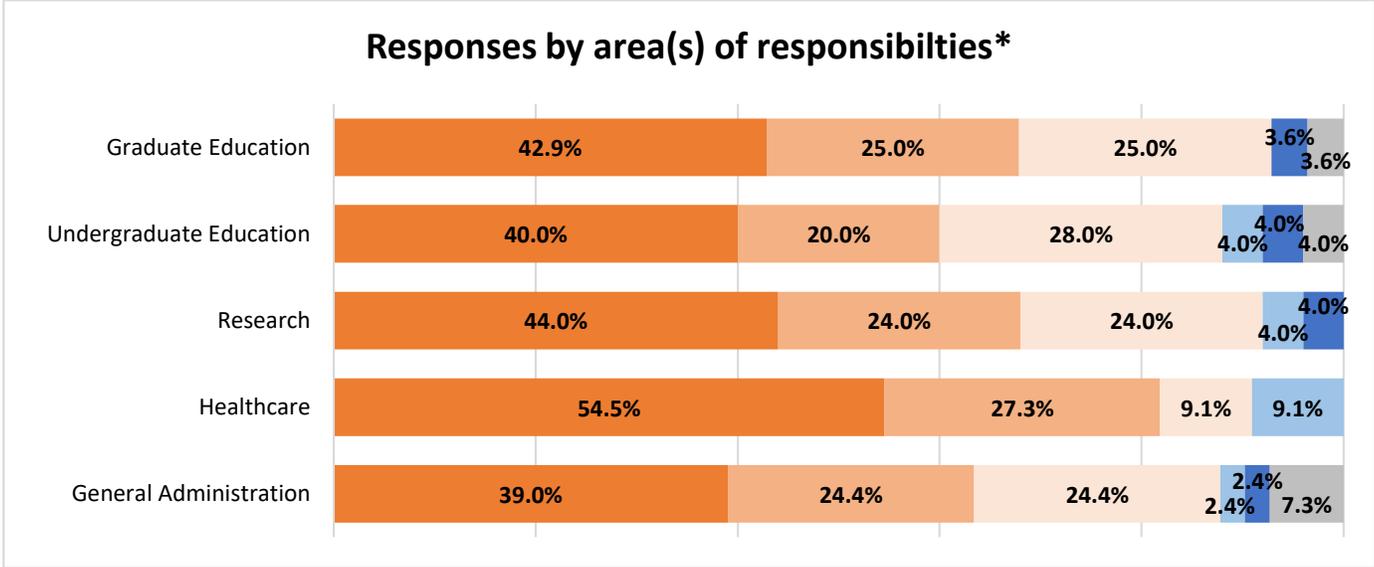
■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

The RCM model supports Rutgers in becoming a beloved community (e.g., collaborative, valuing diversity, encouraging public engagement).

Respondents resoundingly reject the notion that RCM supports the effort for Rutgers to become a beloved community. This result cuts across all administrative roles and functions.

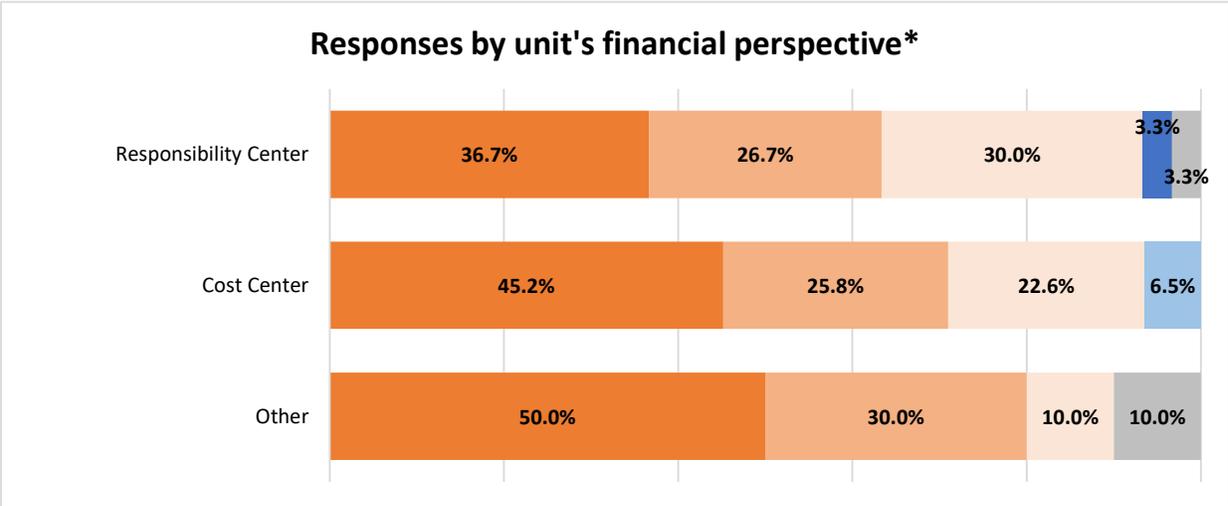


*Center Director and Other categories not shown due to small sample sizes (n<5).



*Respondents may have selected more than one area (check all that apply item).

Legend: ■ Totally disagree ■ Somewhat disagree ■ Not Sure ■ Somewhat agree ■ Totally agree ■ Did not respond

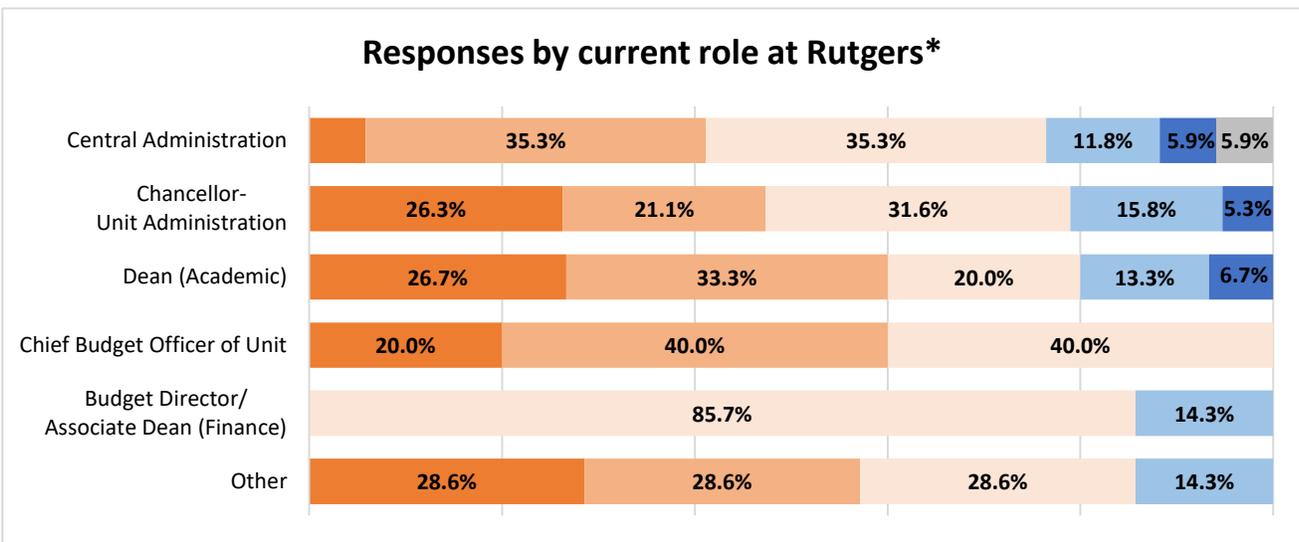
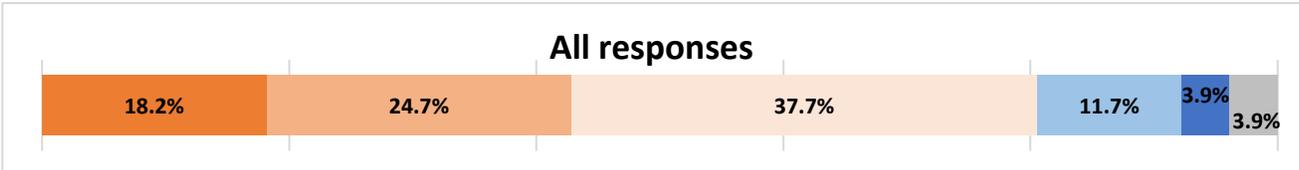


*Neither category not shown due to small sample size (n<5).

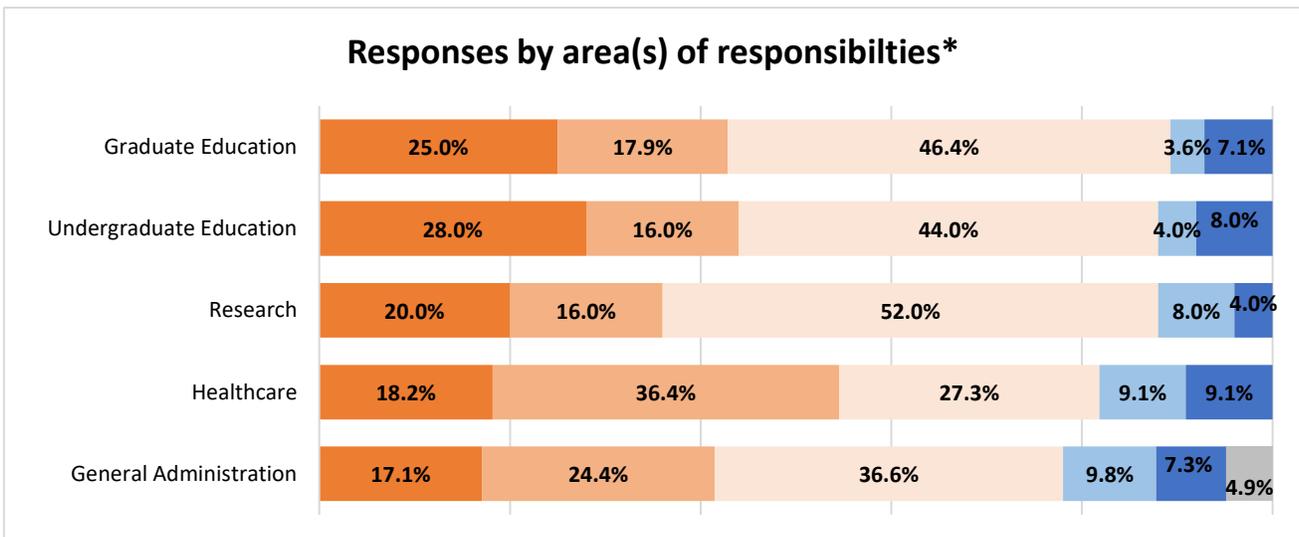
■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

The RCM model supports Rutgers in delivering academic excellence through our teaching and research.

Only 16% of respondents agree that the RCM model supports the delivery of academic excellence through teaching and research. Eighteen percent disagree strongly with that notion, with Deans and those in Chancellor-Unit Administration (27% and 26%, respectively) and those working in Undergraduate and Graduate Education (28% and 25%, respectively) having the highest percentages of strong disagreement.



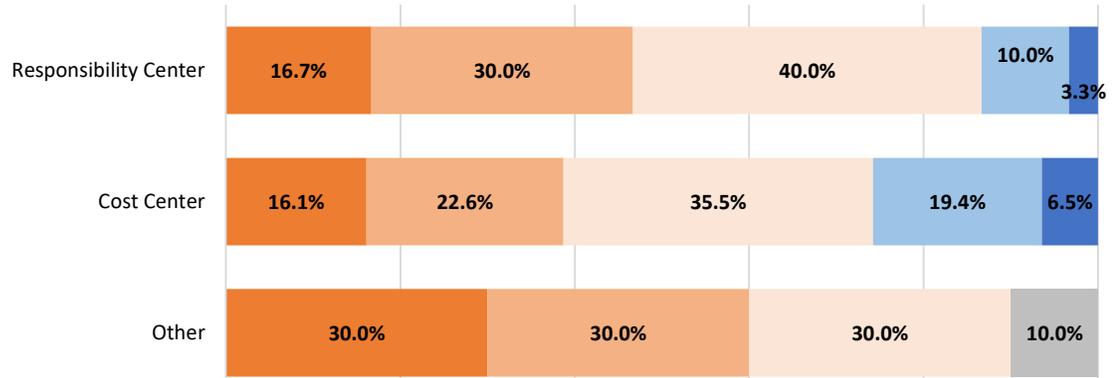
*Center Director and Other categories not shown due to small sample sizes (n<5).



*Respondents may have selected more than one area (check all that apply item).

■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

Responses by unit's financial perspective*

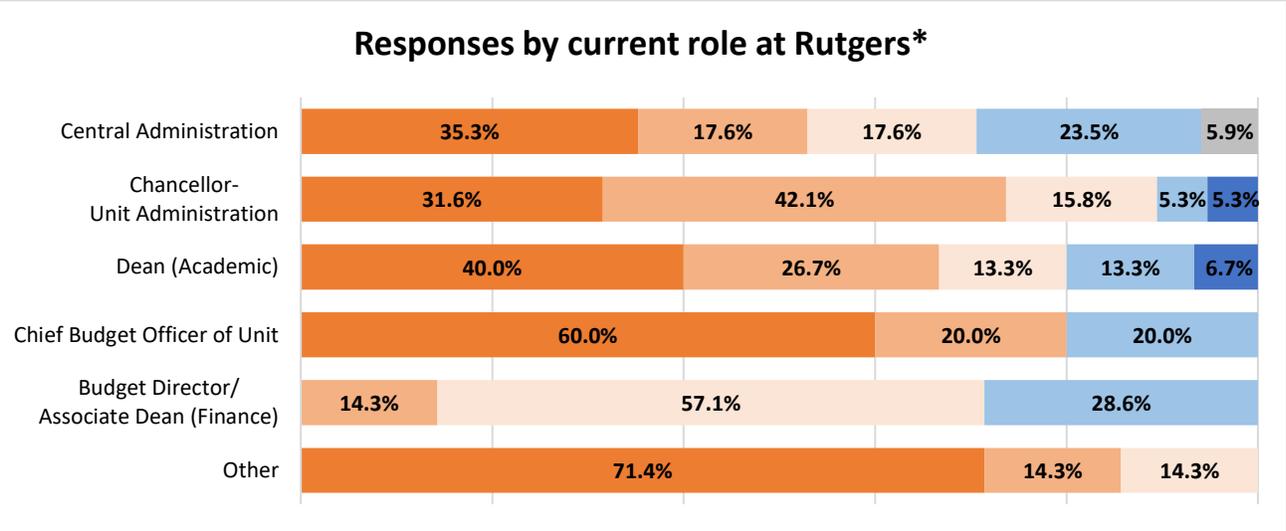
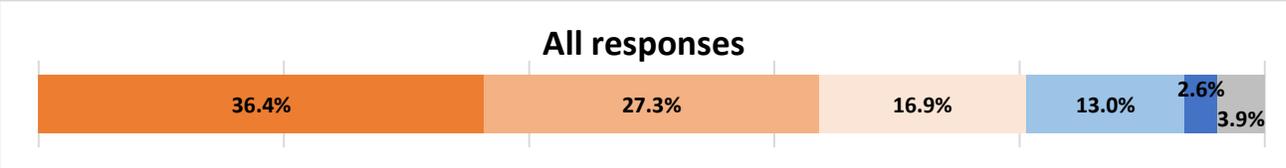


*Neither category not shown due to small sample size (n<5).

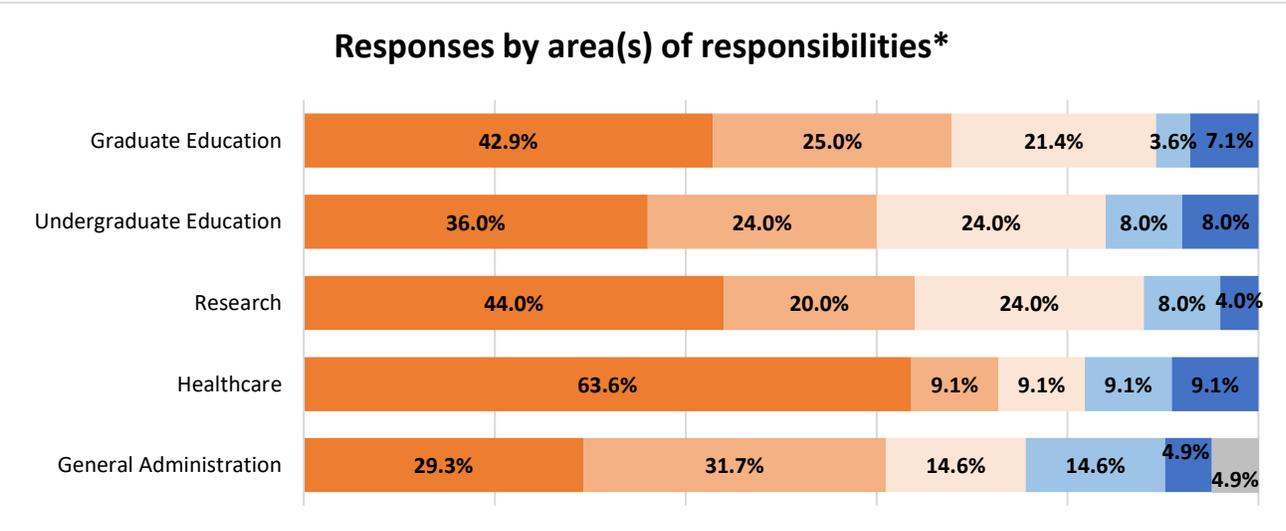
■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

The RCM model provides strategic clarity by developing a coherent and collaborative Rutgers.

Only 16% of all respondents agree to some degree that the "RCM model provides strategic clarity by developing a coherent and collaborative Rutgers." Those working in the Healthcare and Research areas (64% and 44%, respectively) and those who are Chief Budget Officers and Deans (60% and 40%, respectively) expressed the strongest disagreement about the role of RCM in engendering such collaboration.

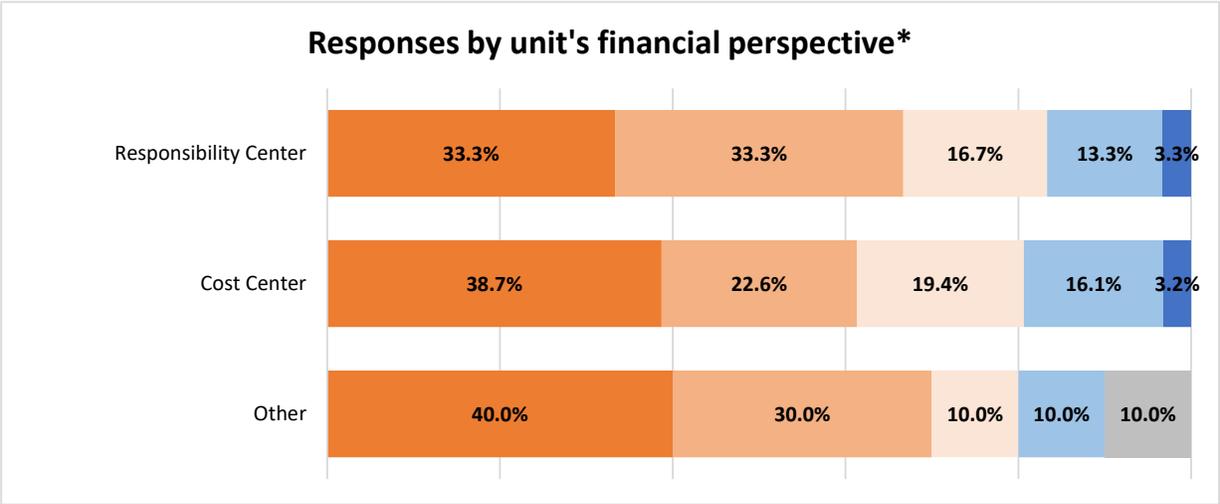


*Center Director and Other categories not shown due to small sample sizes (n<5).



*Respondents may have selected more than one area (check all that apply item).

Legend: ■ Totally disagree ■ Somewhat disagree ■ Not Sure ■ Somewhat agree ■ Totally agree ■ Did not respond



*Neither category not shown due to small sample size (n<5).

■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

C.2. Preliminary Survey of Faculty and Staff

Introduction

- The RCM Review Committee administered an anonymous survey to all Rutgers faculty and staff as part of the committee's five-year review of the responsibility centered management budget model. Members of the Rutgers Administrative Council who responded in the RCM Preliminary Survey did not participate in the larger community survey.
- The goal of the survey was to begin to understand perceptions of and experiences with the current RCM model. User feedback collected from the survey will be used to help identify areas for closer review and assessment.
- The results in this report are based on 1,574 faculty and staff who responded to the survey through Jan. 19, 2021. The report is presented in 3 sections: (1) respondents who are heavily involved with the budget process, (2) those with limited involvement, and (3) those who don't engage at all.

Section One: Heavily involved with budget process

Level of understanding of the RCM budgeting process

- Over 66% of respondents with a high level of participation in their unit's budgeting process claim to have a good understanding of the RCM budgeting process.
- Highly involved deans and financial/budget staff have the largest percentages of respondents stating they have a good understanding of the RCM budgeting process, while highly involved faculty have the smallest percentage of respondents indicating a good understanding of the process.
- All areas of the university have a majority of highly involved RCM staff indicating a good understanding of RCM, but no area has more than 22% of its highly involved respondents indicating that they fully understand the RCM process.

Understanding of how RCM model impacts your unit's finances

- Among highly involved RCM respondents, approximately two out of every three state they have a good understanding of how RCM impacts their unit's finances.
- Financial/budget staff have the largest percentage of respondents indicating they understand the impact of RCM on their unit's finances, while faculty and other staff have the smallest percentage of respondents stating such understanding.

There is an adequate level of transparency in the current RCM model

- Highly involved respondents disagree (61.9%) with the assertion that the RCM model provides an adequate level of transparency.
- Highly involved faculty and department chairs feel the strongest about this, with nearly half (47% and 45%, respectively) totally disagreeing that the RCM model is transparent.
- Eight out of ten highly involved respondents who work in the research area disagree with the statement that the RCM model is transparent.

The RCM model helps achieve the institutional priorities of Rutgers

- 15.4% of highly involved RCM users agree that the RCM model helps achieve institutional priorities, with only 1.9% totally agreeing with that statement.
- Financial/budget staff with a high level of involvement in the RCM process have the highest percentage of their respondents (24.7%) agreeing to some extent that the RCM model helps achieve institutional priorities.

The RCM model supports Rutgers in becoming a beloved community (e.g., collaborative, valuing diversity, encouraging public engagement)

- The notion that the RCM model supports Rutgers becoming a beloved community is repudiated by almost all of highly involved users of RCM: just under six percent of these respondents agree that is the case.
- Such repudiation cuts across all roles and areas of responsibility, with the possible exception of financial/budget staff.

The RCM model supports Rutgers in delivering academic excellence through our teaching and research

- The assertion that the RCM model supports Rutgers' efforts to deliver academic excellence through teaching and research does not fare much better among highly involved RCM users.
- Just under ninety percent of all those respondents either disagree or are not sure that this statement is accurate.
- Highly involved financial/budget staff disagree the least with this statement.

The RCM model provides strategic clarity by developing a coherent and collaborative Rutgers

- Forty-four percent (43.5%) of all respondents who are highly involved with the RCM process strongly disagree that RCM supports the development of a coherent and collaborative Rutgers.
- Highly involved faculty, deans, and department/vice chairs have the highest levels of total disagreement with this assertion, while financial and budget staff are much less likely to find fault with that claim.

Areas the RCM model could be improved

- Top three areas selected by respondents heavily involved with budget process:
 - Clarify services provided by central offices (51.1%)
 - Improve communication and education about how the model works (49.2%)
 - Clarify how the model aligns with institutional priorities and values (46.2%)

Section Two: Limited involvement with budget process

Level of understanding of the RCM budgeting process

- 52.9% of respondents with a little involvement in their unit's budgeting process claim to have a good understanding of the RCM budgeting process.
- Little involved department/vice chairs have the largest percentage of respondents stating they have a good understanding of the RCM budgeting process, while center/institute directors have the smallest percentage of respondents stating a good understanding of the process.
- Staff in the healthcare area with little involvement in the RCM process have the smallest percentage of respondents stating a good understanding of the RCM model.

Understanding of how RCM model impacts your unit's finances

- Among little involved RCM respondents, 57.5% have a good understanding of how RCM impacts their unit's finances.
- Deans with little involvement in RCM have the largest percentage of respondents indicating they understand the impact of RCM on their unit's finances, which is comparable to the percentage stated by highly involved deans.

There is an adequate level of transparency in the current RCM model

- About eleven percent (10.8%) of little involved respondents indicate that they agree with the statement that the current RCM model is transparent.
- Only financial/budget staff have more than one out of three respondents agreeing that there is adequate transparency in the RCM model.
- Respondents whose area of responsibilities are in healthcare or general administration show more indecision and less disagreement with these claims than those in graduate education, undergraduate education, and research.

The RCM model helps achieve the institutional priorities of Rutgers

- More than 58% of little involved RCM respondents disagreed that the RCM model helps achieve institutional priorities.
- Little involved faculty have the highest percentages of disagreement.
- Respondents whose area of responsibilities are in healthcare or general administration show more indecision and less disagreement with these claims than those in graduate education, undergraduate education, and research.

The RCM model supports Rutgers in becoming a beloved community (e.g., collaborative, valuing diversity, encouraging public engagement)

- Only 4.5% of respondents with little involvement with RCM agree that the present budgeting process supports Rutgers becoming a beloved community.
- The repudiation of this statement is consistent across all staff roles and areas of responsibility, with the possible exception of financial/budget staff.

The RCM model supports Rutgers in delivering academic excellence through our teaching and research

- While those respondents with little involvement soundly disagree with the statement that RCM supports the delivery of academic excellence through teaching and research, there is substantial variations of the extent of this disagreement across roles and areas of responsibility.

The RCM model provides strategic clarity by developing a coherent and collaborative Rutgers

- Those respondents with little involvement in the RCM process are also negative toward the assertion that RCM provides clarity by developing coherence and collaboration: over two-thirds of these respondents disagreed.
- Deans (60%) and faculty (69.3%) with little RCM involvement have the largest percentages of disagreement.

Areas the RCM model could be improved

- Top three areas selected by respondents with little involvement with budget process:
 - Improve communication and education about how the model works (44.8%)
 - Improve how the model facilitates collaboration across units (43.8%)
 - Clarify how the model aligns with institutional priorities and values (41.5%)

Section Three: No engagement with budget process

Level of understanding of the RCM budgeting process

- Perhaps surprisingly, among respondents who indicated no engagement with their unit's budgeting process, nearly 22 percent (21.7%) stated they had a good level of understanding of the RCM process.

Understanding of how RCM model impacts your unit's finances

- 25.6% of those respondents with no engagement with the RCM process indicate that they have a good level of understanding of how RCM impacts their unit's finances.

There is an adequate level of transparency in the current RCM model

- As with respondents who have some (little or high) involvement with the RCM process, respondents with no engagement with RCM share in the belief that RCM is not a transparent process, with only 8.5% agreeing that it is transparent.
- Respondents with no engagement with RCM, not surprisingly, have a large percentage who indicated uncertainty about the transparency of RCM.

The RCM model helps achieve the institutional priorities of Rutgers

- The majority of respondents who have no engagement in RCM state that they are uncertain whether RCM helps achieve institutional priorities (54.2%).
- General staff members and those who work in the healthcare area have the largest percentages of uncertain respondents.

The RCM model supports Rutgers in becoming a beloved community (e.g., collaborative, valuing diversity, encouraging public engagement)

- While there is a good deal of uncertainty among respondents who have no engagement with RCM, it is also clear that among those who hold an opinion, the notion that RCM helps Rutgers in becoming a beloved community is not supported.

The RCM model supports Rutgers in delivering academic excellence through our teaching and research

- Among respondents with no engagement with RCM, there is widespread lack of support that the RCM model supports Rutgers in delivering academic excellence through teaching and research.
- For those close to academic activities of the university (faculty, department/vice chairs, center/institute directors) but who are not engaged with RCM, there is widespread disagreement with the statement that the current budget process supports Rutgers in delivering academic excellence through teaching and research.

The RCM model provides strategic clarity by developing a coherent and collaborative Rutgers

- A similar pattern holds for the assertion that the RCM model supports the development of coherence and collaboration among respondents who have no engagement with RCM budgeting.

Areas the RCM model could be improved

- Top three areas selected by respondents with no engagement with budget process:
 - o Improve communication and education about how the model works (56.4%)
 - o Clarify how the model aligns with institutional priorities and values (46.7%)
 - o Clarify services provided by central offices (35.6%)

Section One:
Respondents who are heavily involved with budget process

Demographics of survey respondents

Rutgers affiliation	N	%
Camden	31	8.4%
Newark	40	10.8%
New Brunswick	193	52.2%
RBHS	68	18.4%
Central Administration	34	9.2%
Did not respond	4	1.1%

Current role at Rutgers:	N	%
Faculty member	36	9.7%
Department chair or vice chair	47	12.7%
Center or institute director	64	17.3%
Dean (including vice, associate, and assistant dean)	46	12.4%
Financial or budget staff member	73	19.7%
General staff member	62	16.8%
Other	38	10.3%
Did not respond	4	1.1%

Your responsibility for the financial outcomes of your unit is best described as:	N	%
Driving revenues	10	2.7%
Containing costs	122	33.0%
Both driving revenues and containing costs	208	56.2%
Neither driving revenues nor containing costs	28	7.6%
Did not respond	2	0.5%

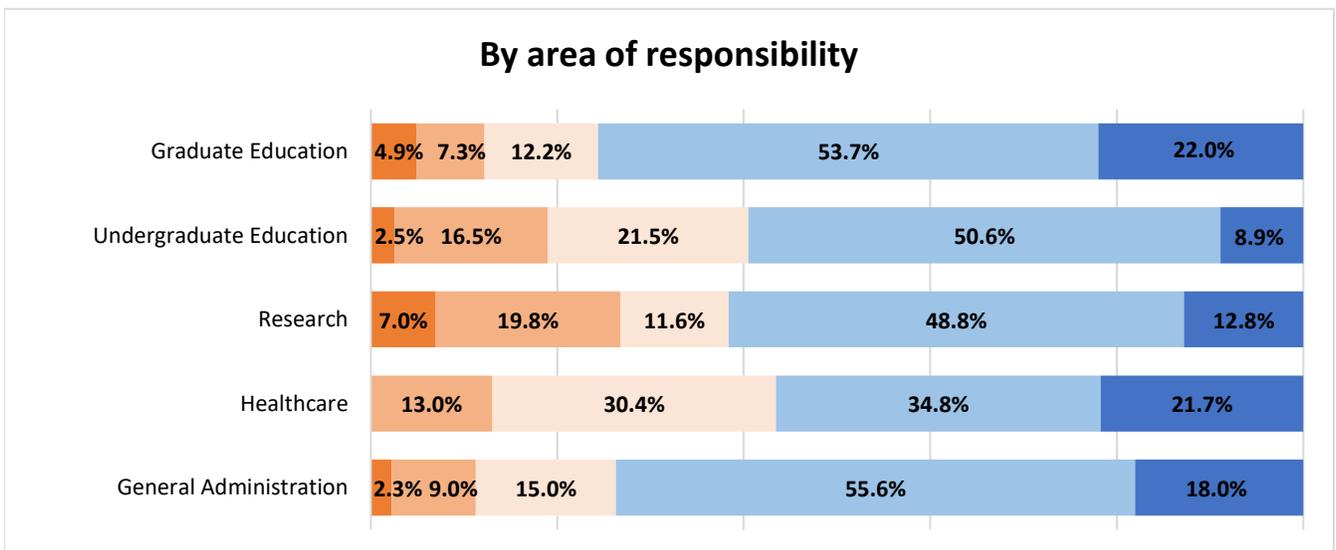
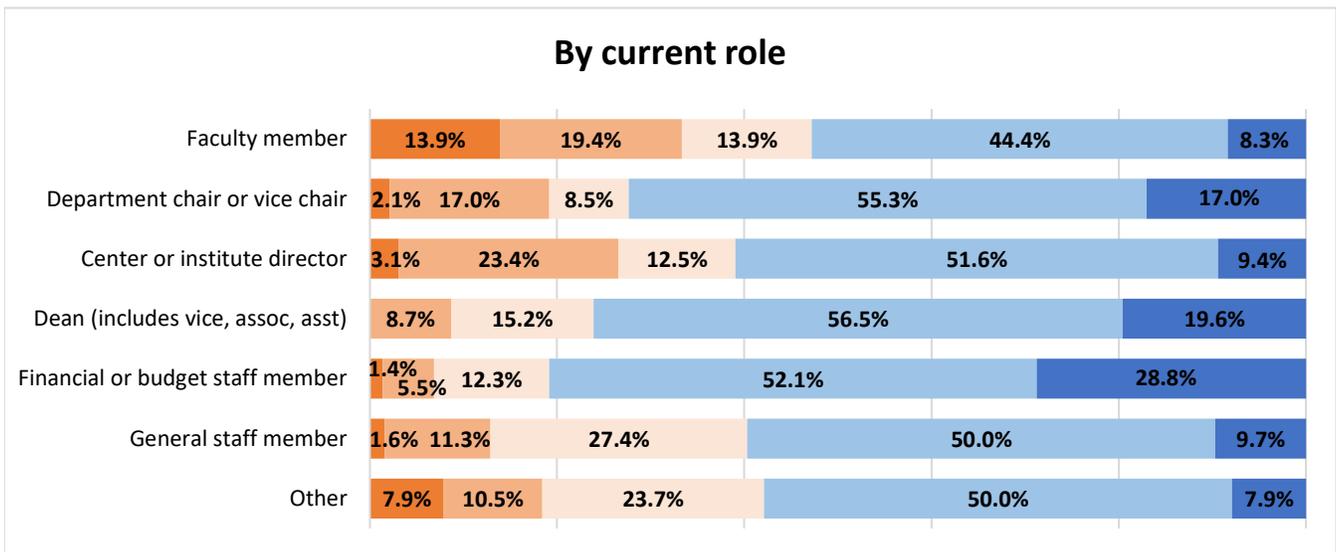
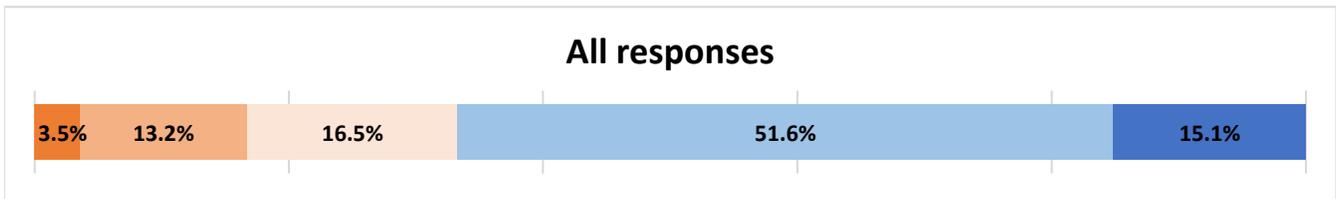
Financial perspective that best describes your unit:	N	%
Responsibility Center	93	25.1%
Cost Center	90	24.3%
Neither	28	7.6%
Both	61	16.5%
Not sure	96	25.9%
Did not respond	2	0.5%

Area most closely aligns with your responsibilities at Rutgers:	N	%
Graduate Education	41	11.1%
Undergraduate Education	79	21.4%
Research	86	23.2%
Healthcare	23	6.2%
General Administration	133	35.9%
Did not respond	8	2.2%

Number of years worked at Rutgers:	N	%
0-5 years	69	18.6%
6-10 years	69	18.6%
11-15 years	45	12.2%
16-20 years	48	13.0%
Over 20 years	133	35.9%
Did not respond	6	1.6%

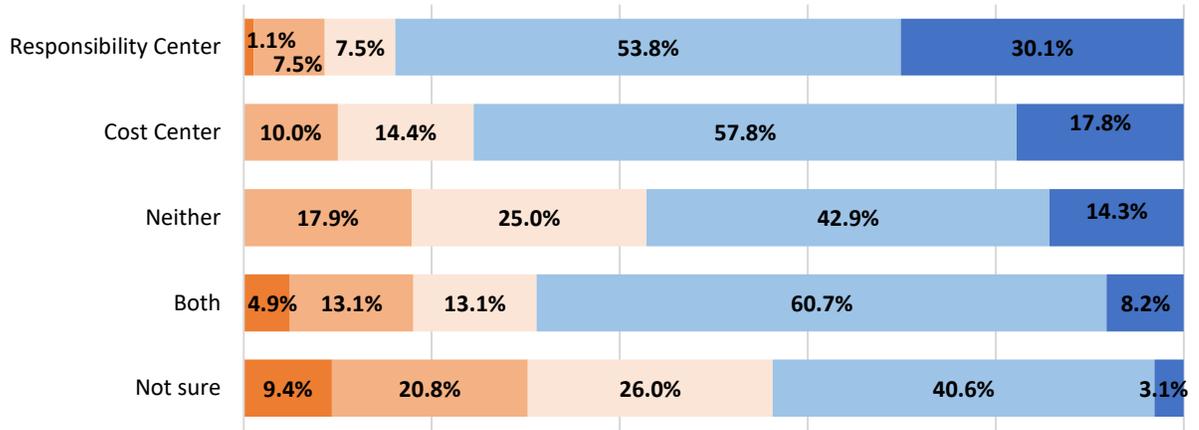
Level of understanding of the RCM budgeting process

Over 66% of respondents with a high level of participation in their unit's budgeting process claim to have a good understanding of the RCM budgeting process. Highly involved deans and financial/budget staff have the largest percentages of respondents stating they have a good understanding of the RCM budgeting process, while highly involved faculty have the smallest percentage of respondents indicating a good understanding of the process. All areas of the university have a majority of highly involved RCM staff indicating a good understanding of RCM, but no area has more than 22% of its highly involved respondents indicating that they fully understand the RCM process.



■ Do not understand at all
 ■ Do not understand most of it
 ■ Not Sure
■ Understand most of it
 ■ Fully understand
 ■ Did not respond

By unit's financial perspective



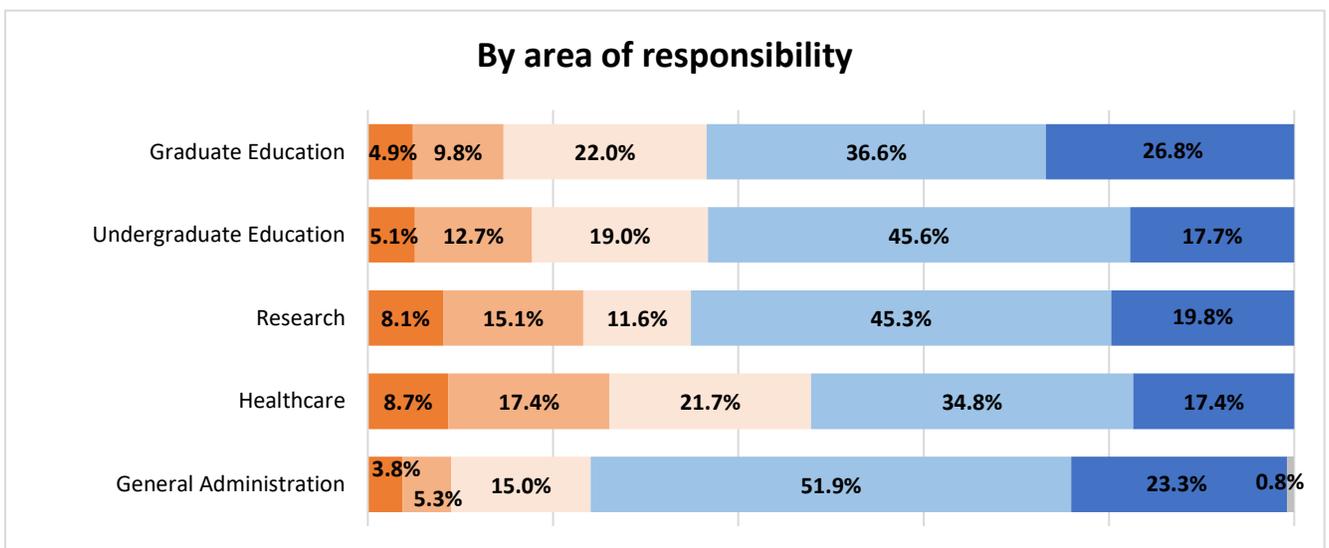
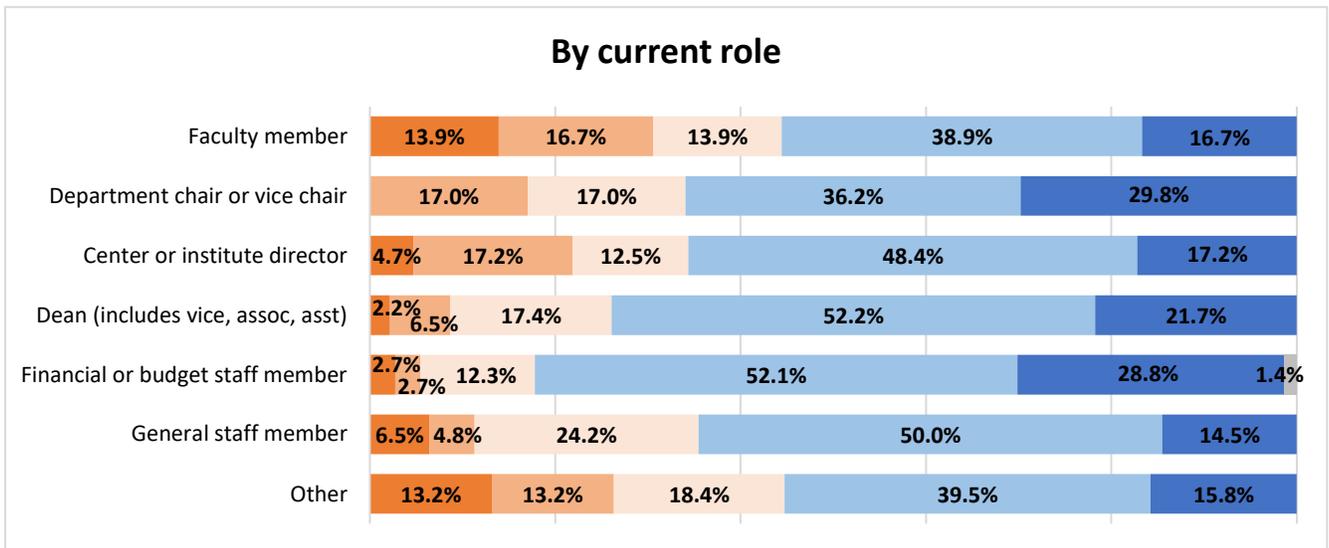
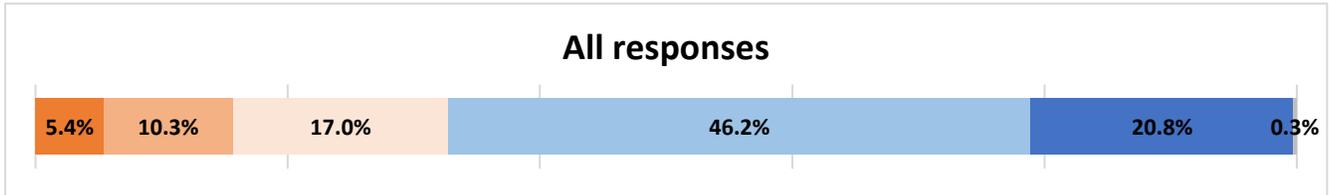
Do not understand at all
Understand most of it

Do not understand most of it
Fully understand

Not Sure
Did not respond

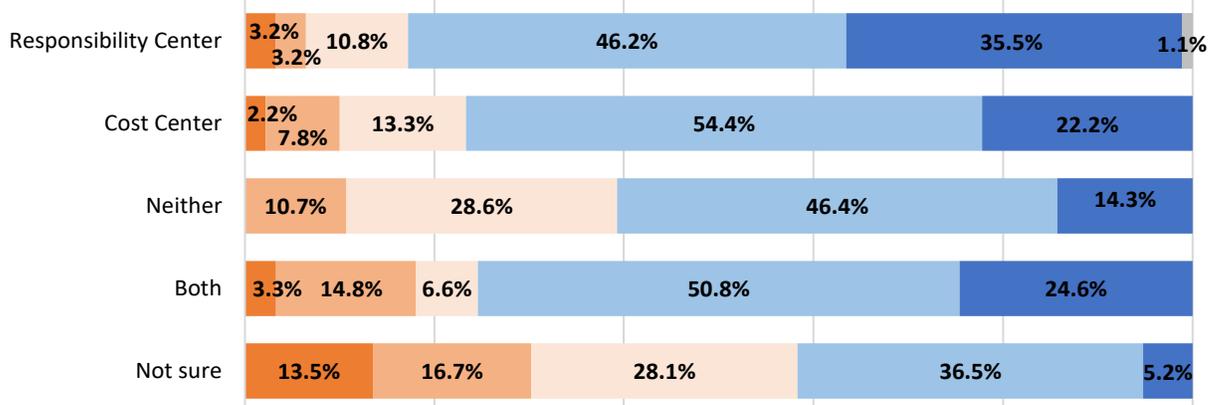
Understanding of how RCM model impacts your unit's finances

Among highly involved RCM respondents, approximately two out of every three state they have a good understanding of how RCM impacts their unit's finances. Financial/budget staff have the largest percentage of respondents indicating they understand the impact of RCM on their unit's finances, while faculty and other staff have the smallest percentage of respondents stating such understanding.



■ Do not understand at all
 ■ Do not understand most of it
 ■ Not Sure
■ Understand most of it
 ■ Fully understand
 ■ Did not respond

By unit's financial perspective



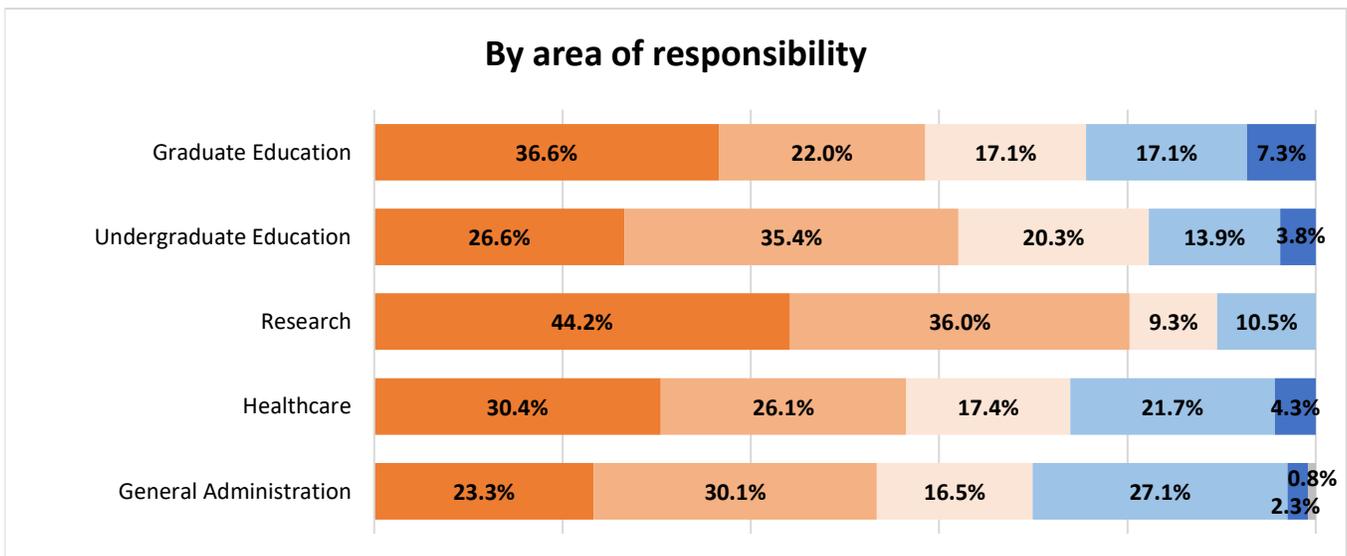
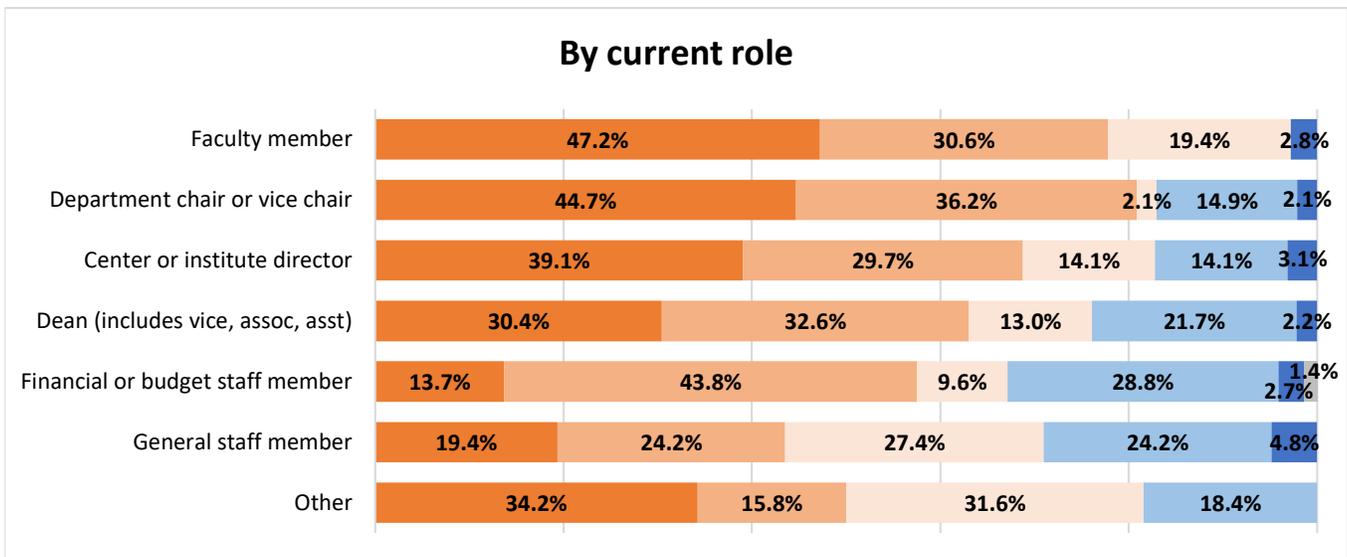
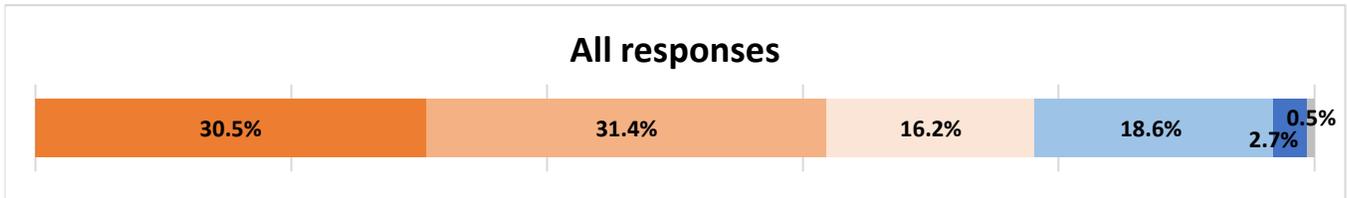
Do not understand at all
Understand most of it

Do not understand most of it
Fully understand

Not Sure
Did not respond

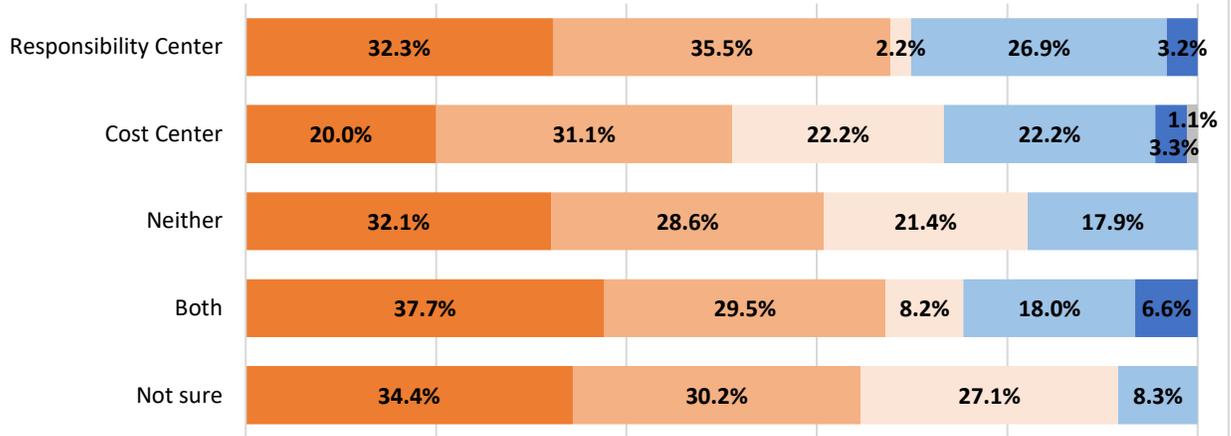
There is an adequate level of transparency in the current RCM model

Highly involved respondents disagree (61.9%) with the assertion that the RCM model provides an adequate level of transparency. Highly involved faculty and department chairs feel the strongest about this, with nearly half (47% and 45%, respectively) totally disagreeing that the RCM model is transparent. Eight out of ten highly involved respondents who work in the research area disagree with the statement that the RCM model is transparent.



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

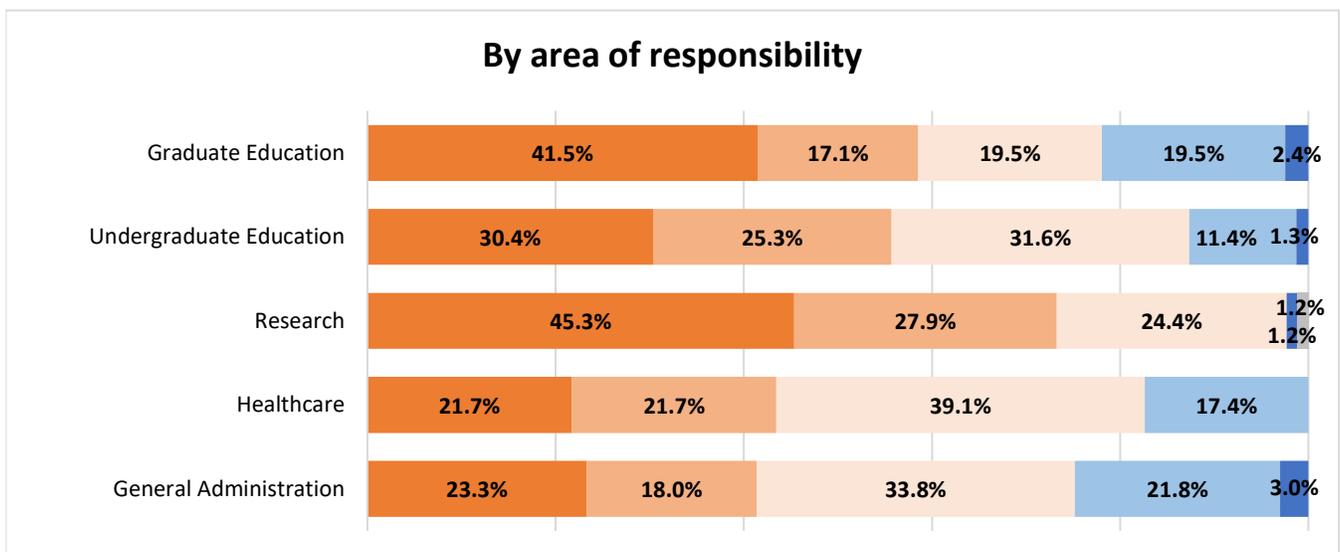
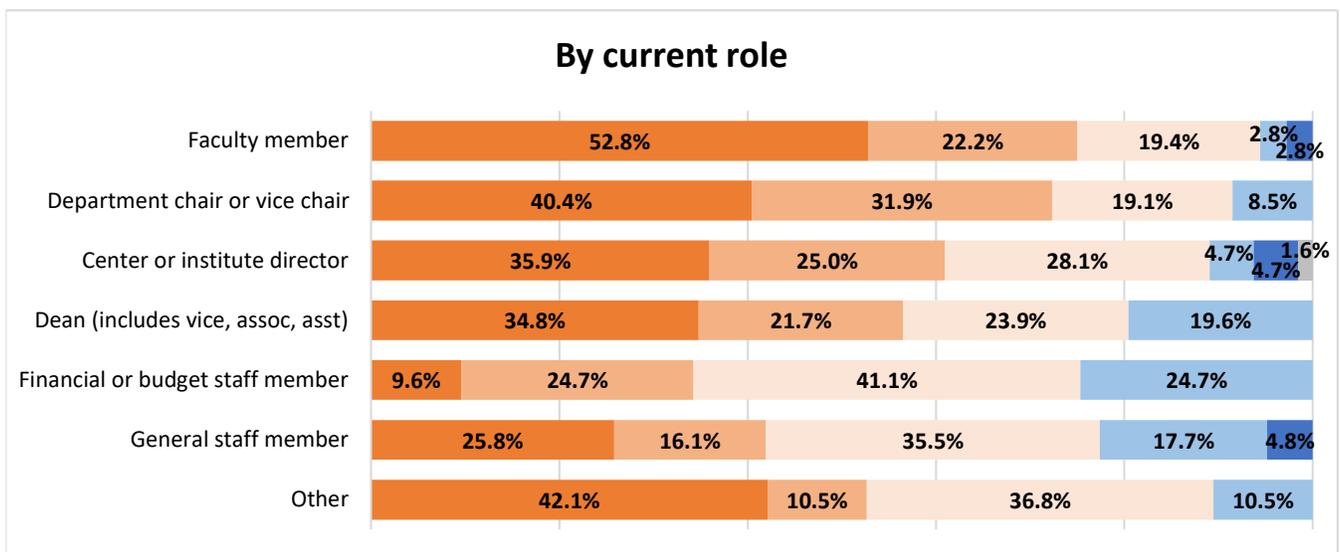
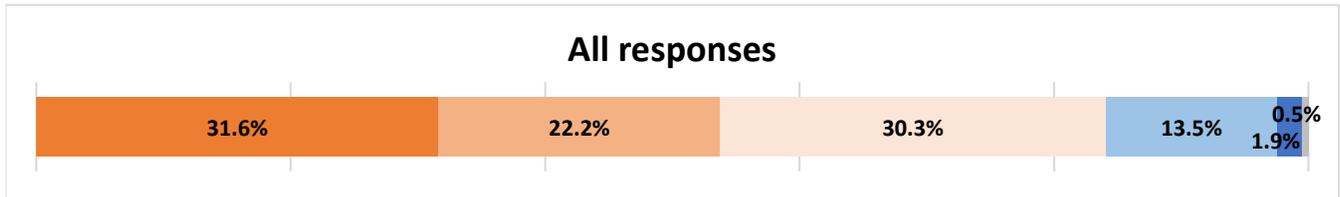
By unit's financial perspective



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

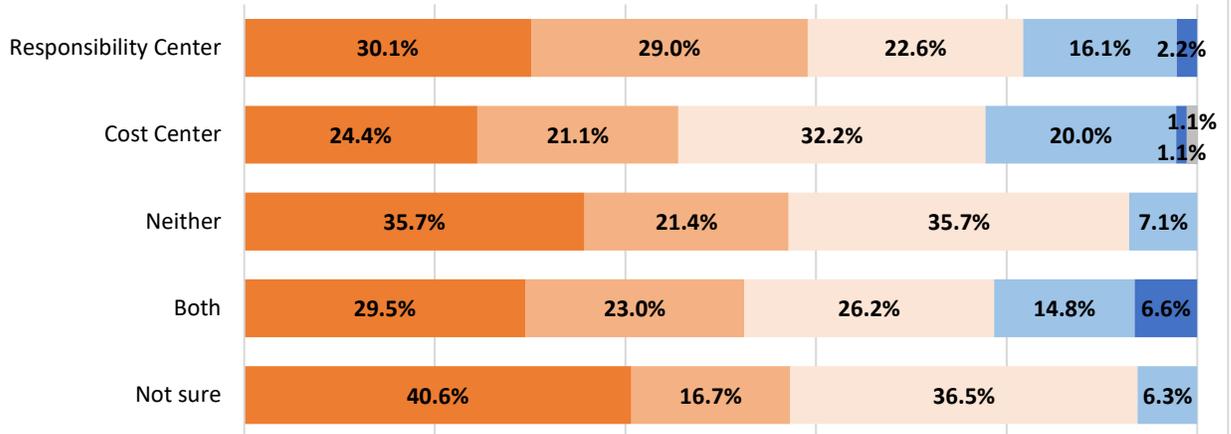
The RCM model helps achieve the institutional priorities of Rutgers

15.4% of highly involved RCM users agree that the RCM model helps achieve institutional priorities, with only 1.9% totally agreeing with that statement. Financial/budget staff with a high level of involvement in the RCM process have the highest percentage of their respondents (24.7%) agreeing to some extent that the RCM model helps achieve institutional priorities.



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

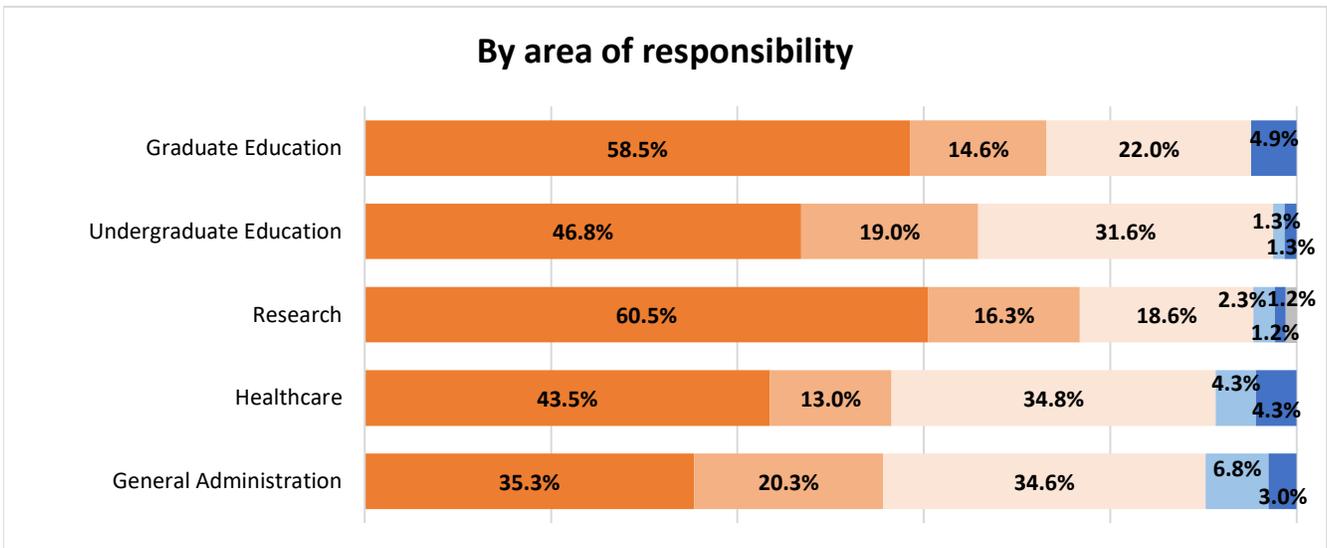
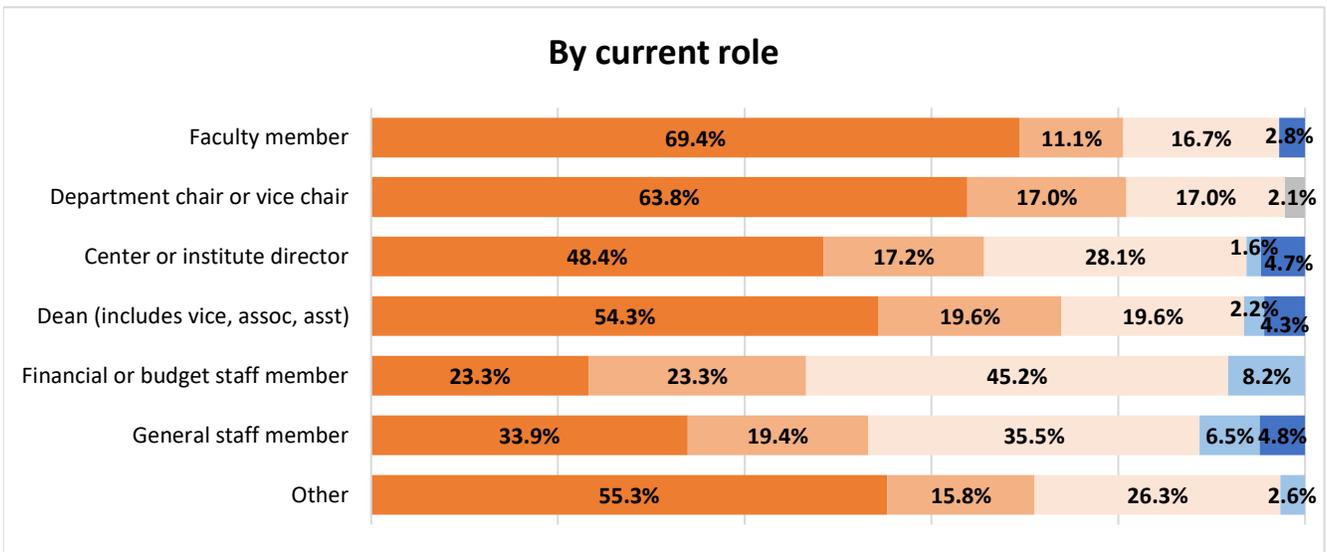
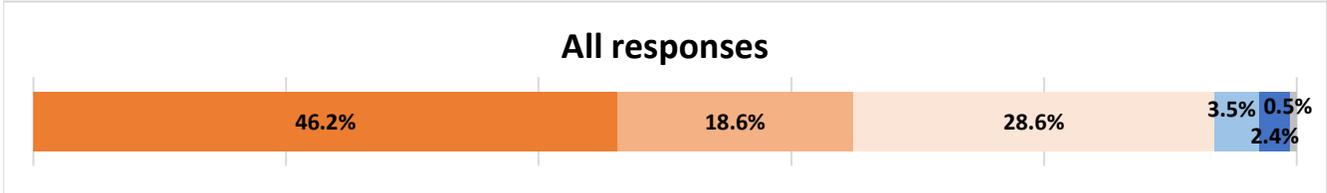
By unit's financial perspective



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

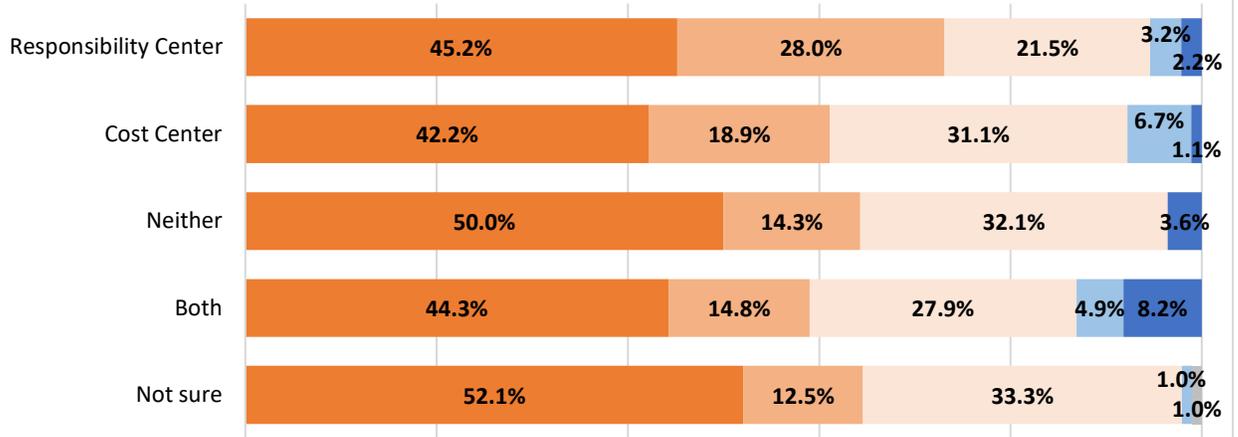
The RCM model supports Rutgers in becoming a beloved community

The notion that the RCM model supports Rutgers becoming a beloved community is repudiated by almost all of highly involved users of RCM: just under six percent of these respondents agree that is the case. Such repudiation cuts across all roles and areas of responsibility, with the possible exception of financial/budget staff.



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

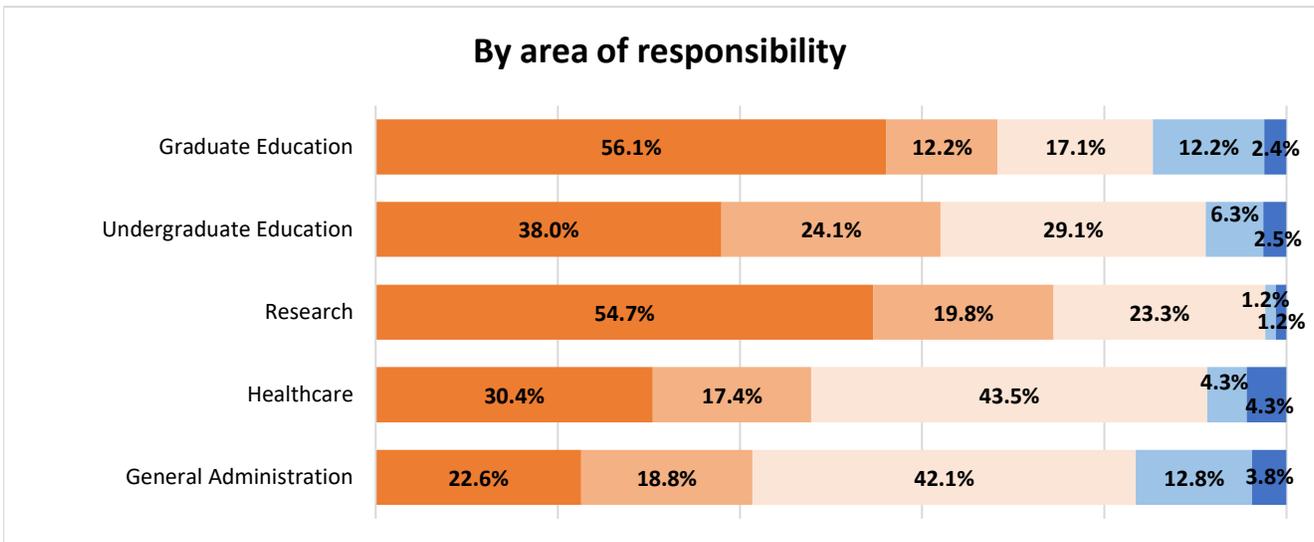
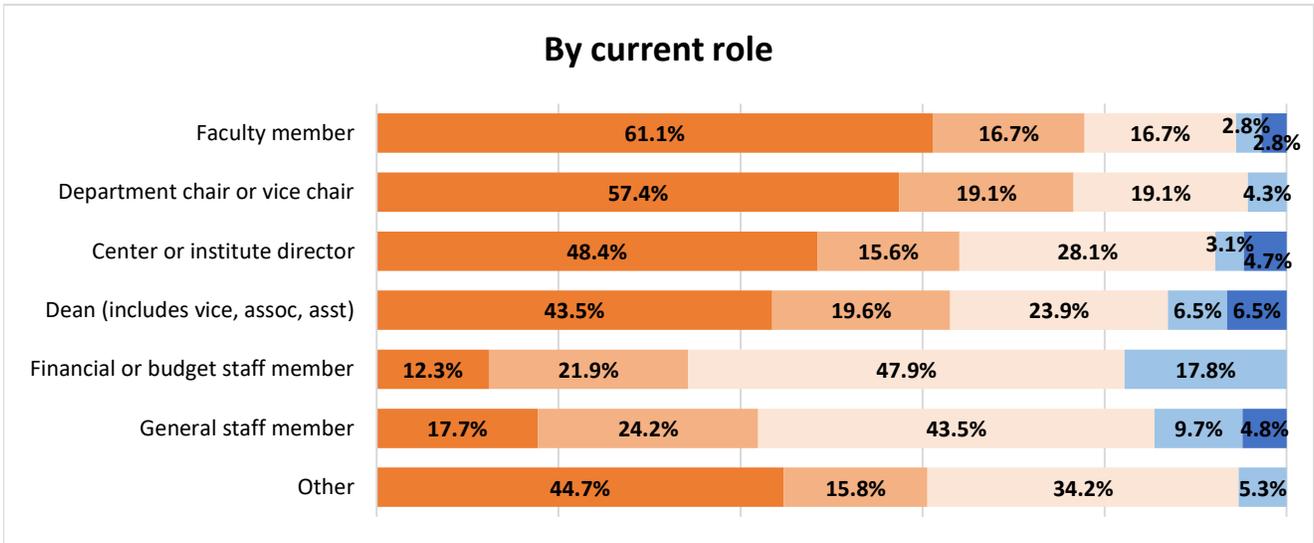
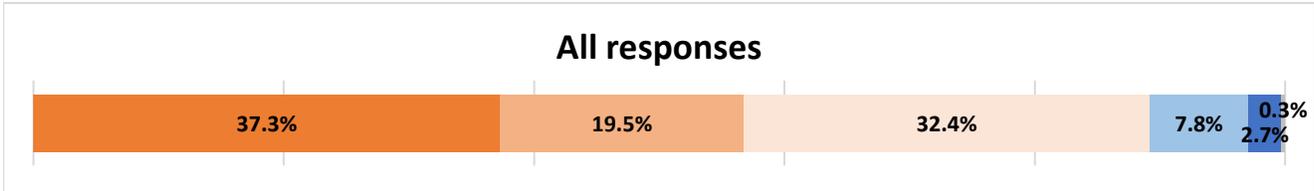
By unit's financial perspective



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

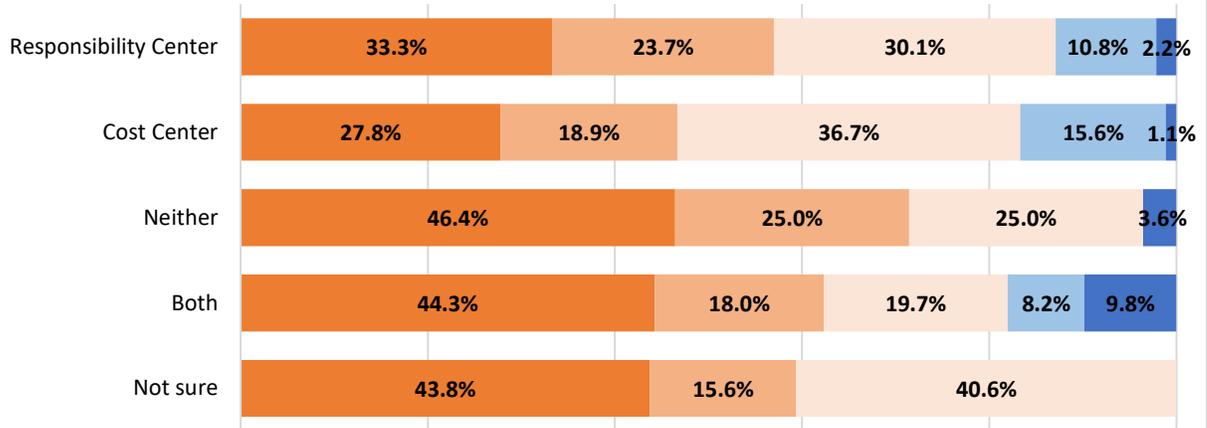
The RCM model supports Rutgers in delivering academic excellence through our teaching and research

The assertion that the RCM model supports Rutgers' efforts to deliver academic excellence through teaching and research does not fare much better among highly involved RCM users. Just under ninety percent of all those respondents either disagree or are not sure that this statement is accurate. Highly involved financial/budget staff disagree the least with this statement.



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

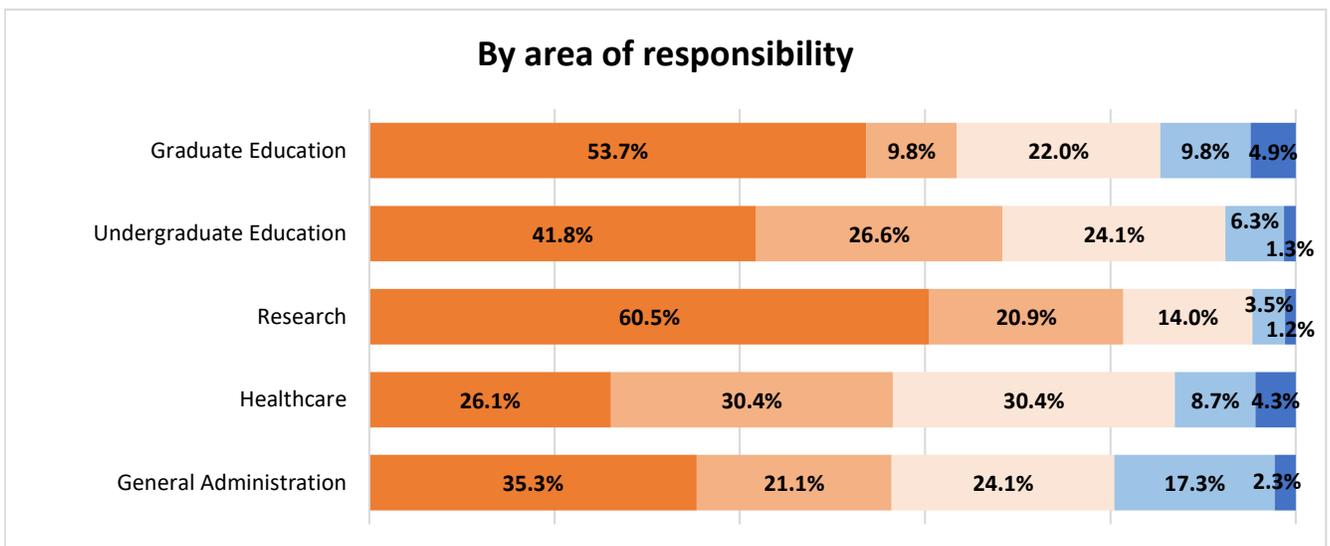
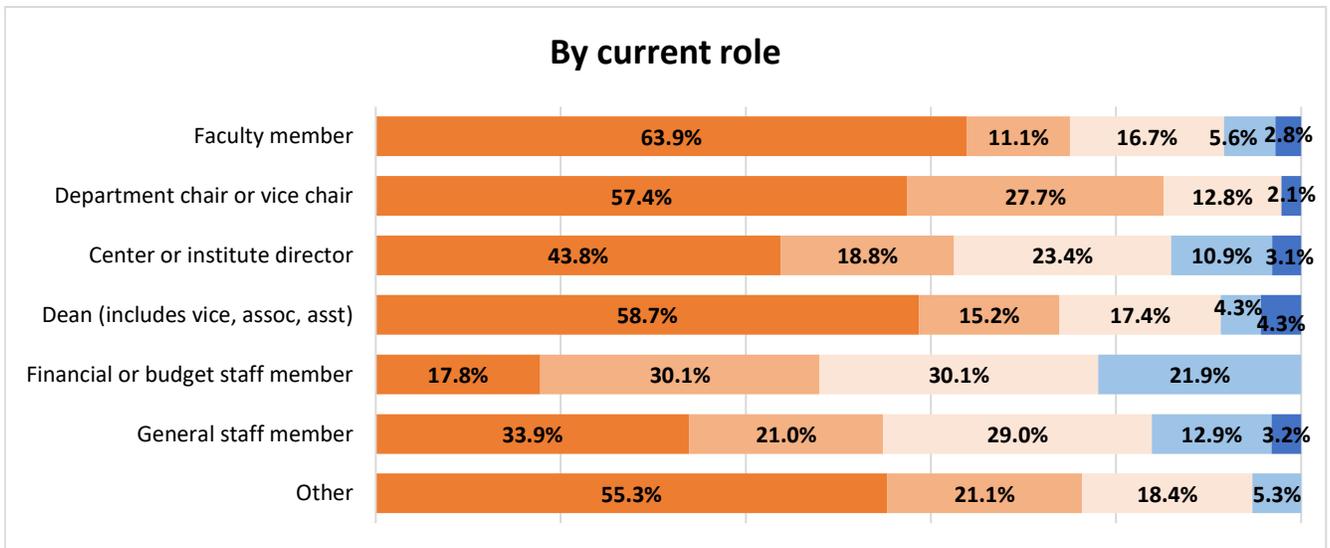
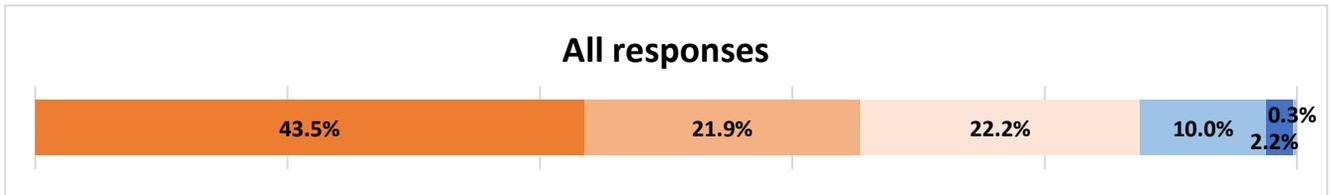
By unit's financial perspective



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

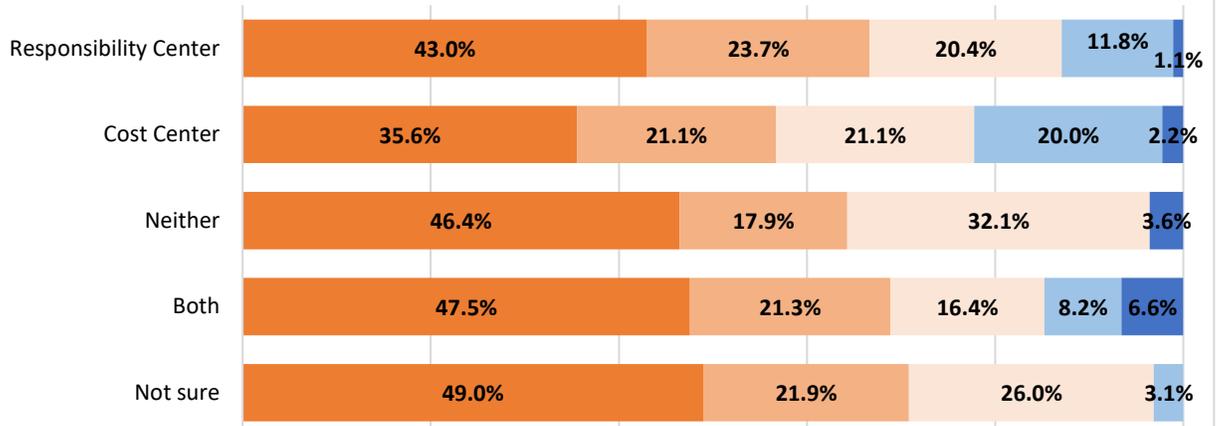
The RCM model provides strategic clarity by developing a coherent and collaborative Rutgers

Forty-four percent (43.5%) of all respondents who are highly involved with the RCM process strongly disagree that RCM supports the development of a coherent and collaborative Rutgers. Highly involved faculty, deans, and department/vice chairs have the highest levels of total disagreement with this assertion, while financial and budget staff are much less likely to find fault with that claim.



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

By unit's financial perspective



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

Areas the RCM model could be improved to help your unit deliver on the priorities of Rutgers University

Improvements	N	%
Reduce the model's overall complexity	153	41.4%
Improve communication and education about how the model works	182	49.2%
Clarify how the model aligns with institutional priorities and values	171	46.2%
Improve how the model facilitates collaboration across units	166	44.9%
Clarify services provided by central offices	189	51.1%
Improve how the model encourages program growth	118	31.9%
Other	83	22.4%

*Respondents could select multiple items. Percentages will not sum to 100%. Comments to "Other" category are provided in the Appendix.

Section Two:
Respondents with limited involvement with budget process

Demographics of survey respondents

Rutgers affiliation	N	%
Camden	38	7.9%
Newark	48	9.9%
New Brunswick	277	57.2%
RBHS	69	14.3%
Central Administration	49	10.1%
Did not respond	3	0.6%

Current role at Rutgers:	N	%
Faculty member	202	41.7%
Department chair or vice chair	29	6.0%
Center or institute director	14	2.9%
Dean (including vice, associate, and assistant dean)	25	5.2%
Financial or budget staff member	23	4.8%
General staff member	144	29.8%
Other	43	8.9%
Did not respond	4	0.8%

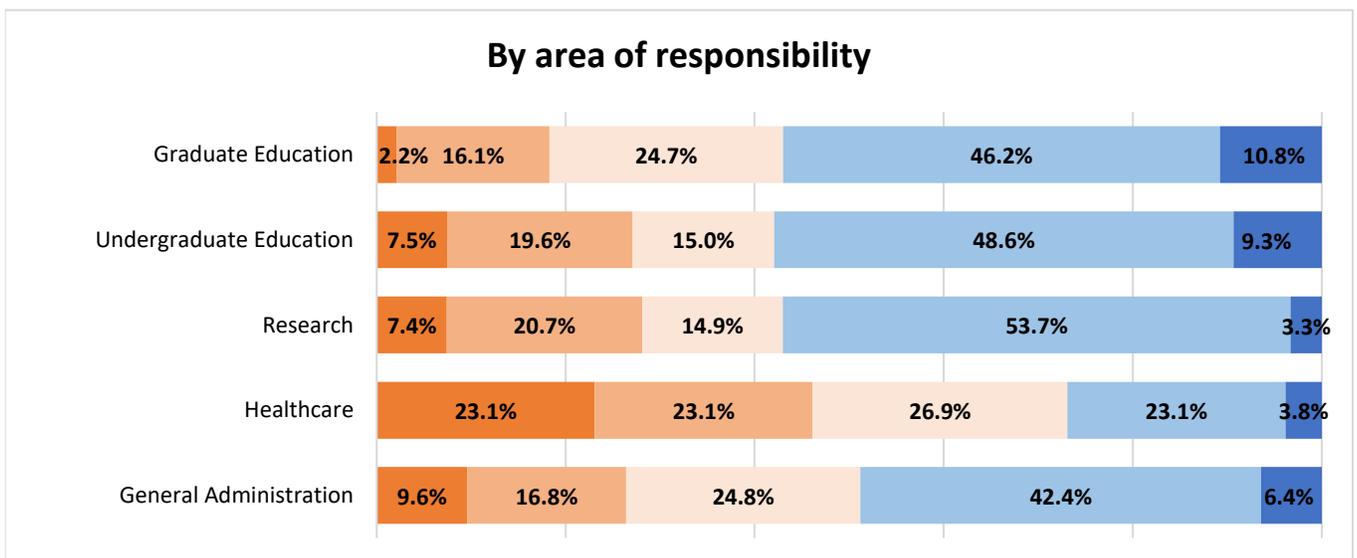
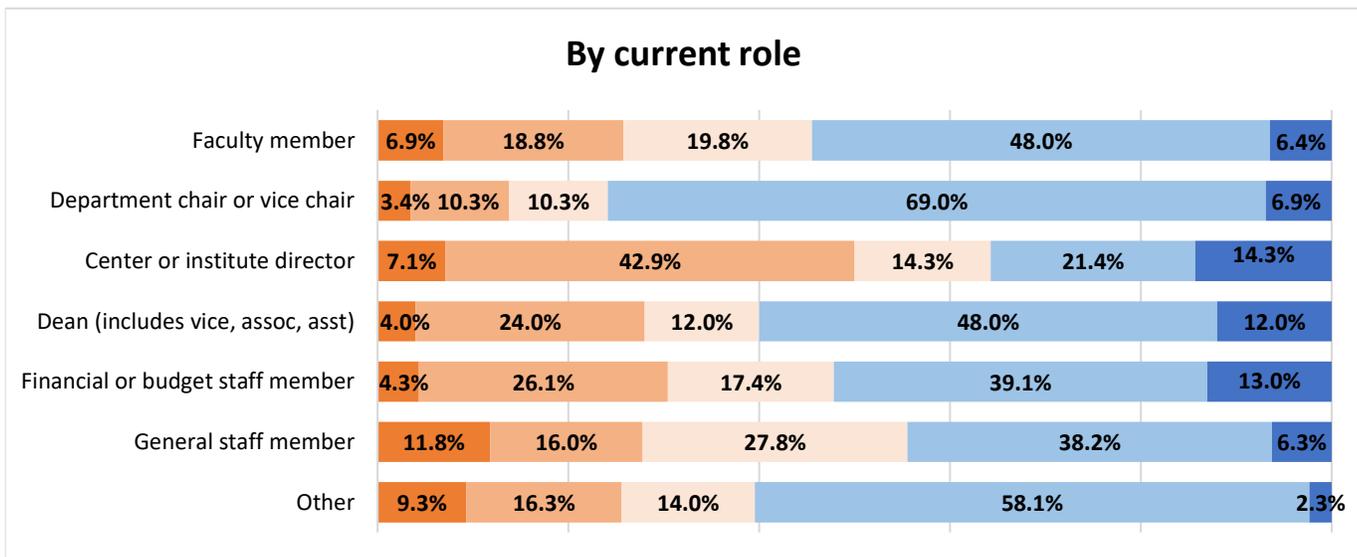
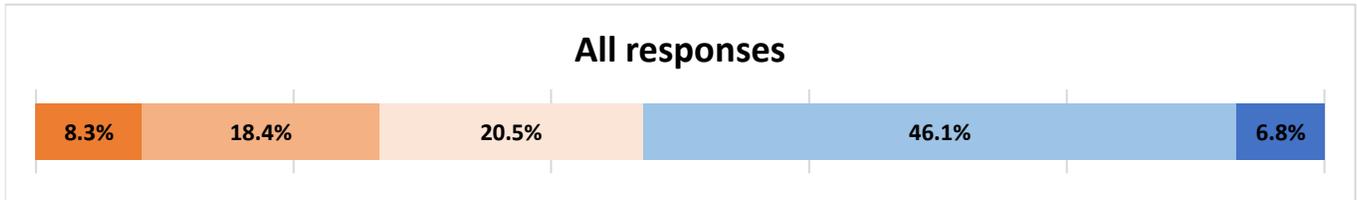
Your responsibility for the financial outcomes of your unit is best described as:	N	%
Driving revenues	45	9.3%
Containing costs	116	24.0%
Both driving revenues and containing costs	123	25.4%
Neither driving revenues nor containing costs	196	40.5%
Did not respond	4	0.8%

Financial perspective that best describes your unit:	N	%
Responsibility Center	98	20.2%
Cost Center	85	17.6%
Neither	42	8.7%
Both	76	15.7%
Not sure	178	36.8%
Did not respond	5	1.0%
Area most closely aligns with your responsibilities at Rutgers:	N	%
Graduate Education	93	19.2%
Undergraduate Education	107	22.1%
Research	121	25.0%
Healthcare	26	5.4%
General Administration	125	25.8%
Did not respond	12	2.5%

Number of years worked at Rutgers:	N	%
0-5 years	103	21.3%
6-10 years	105	21.7%
11-15 years	63	13.0%
16-20 years	56	11.6%
Over 20 years	154	31.8%
Did not respond	3	0.6%

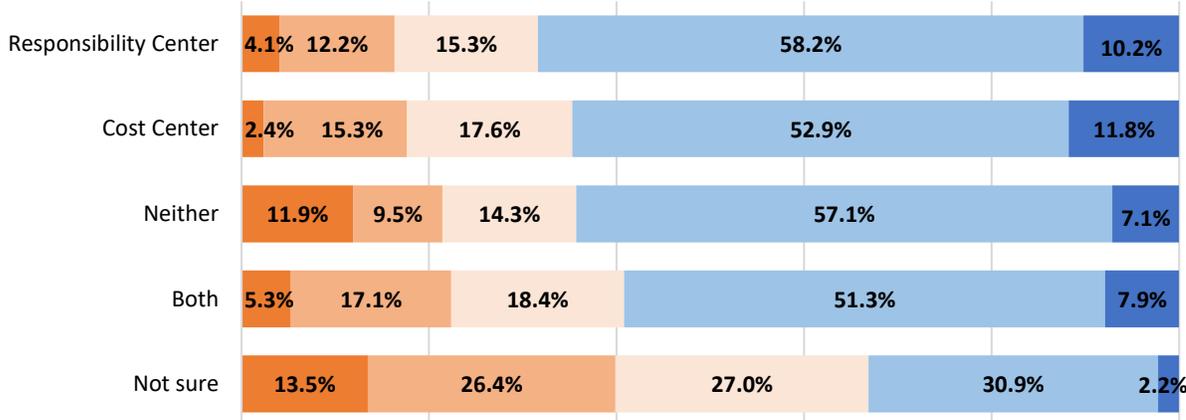
Level of understanding of the RCM budgeting process

52.9% of respondents with a little involvement in their unit's budgeting process claim to have a good understanding of the RCM budgeting process. Little involved department/vice chairs have the largest percentage of respondents stating they have a good understanding of the RCM budgeting process, while center/institute directors have the smallest percentage of respondents stating a good understanding of the process. Staff in the healthcare area with little involvement in the RCM process have the smallest percentage of respondents stating a good understanding of the RCM model.



■ Do not understand at all
 ■ Do not understand most of it
 ■ Not Sure
■ Understand most of it
 ■ Fully understand
 ■ Did not respond

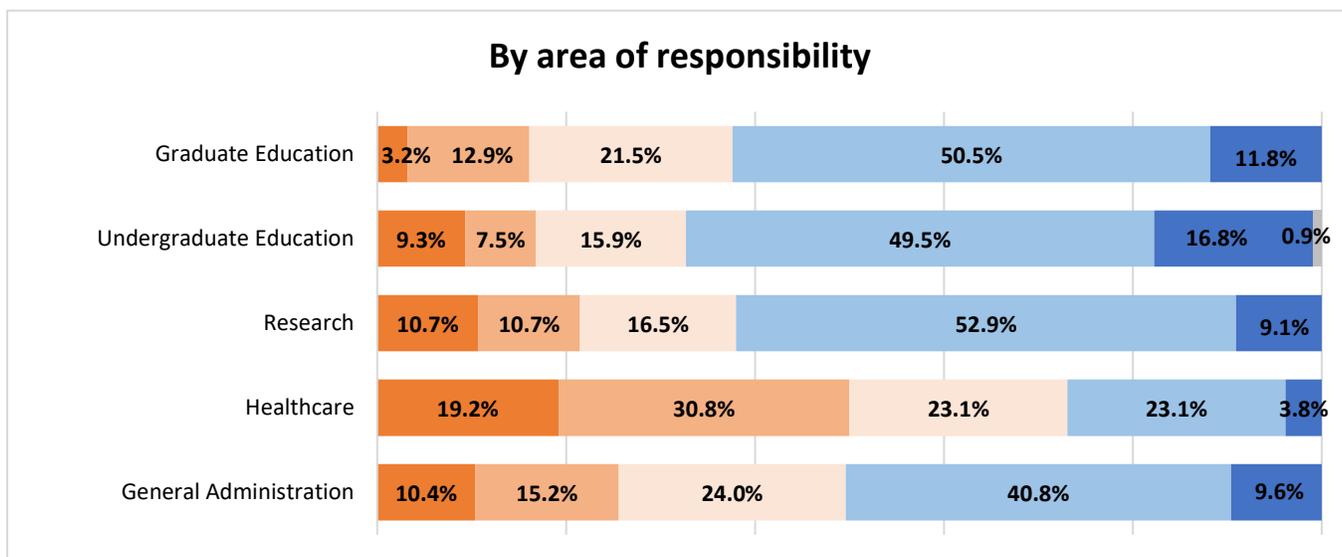
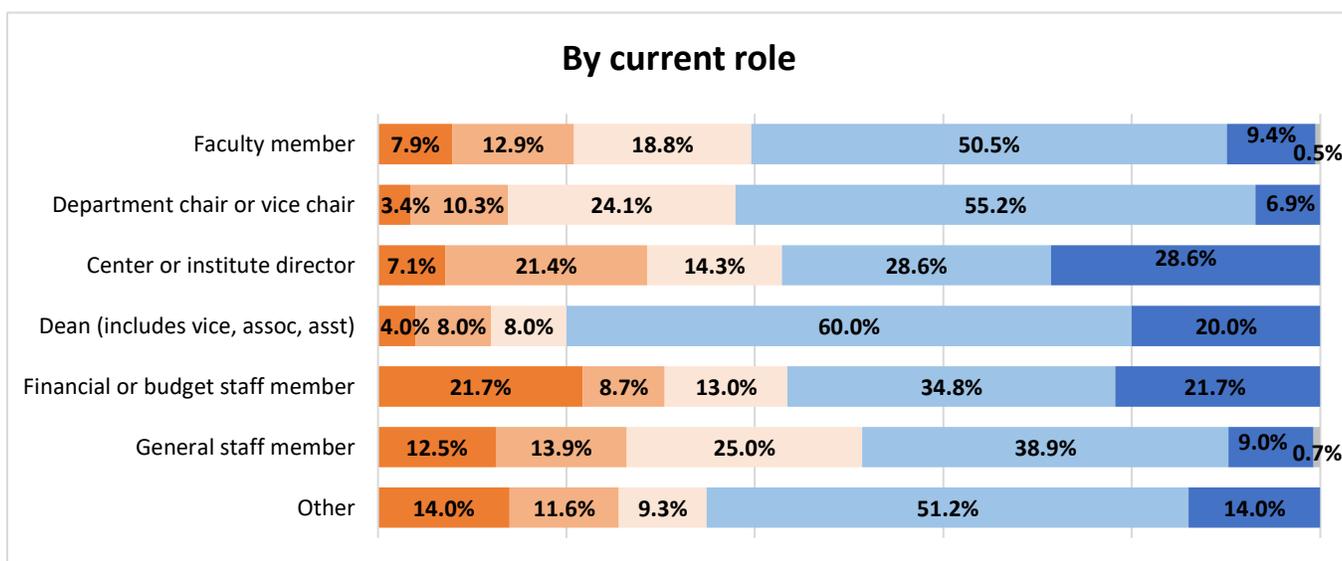
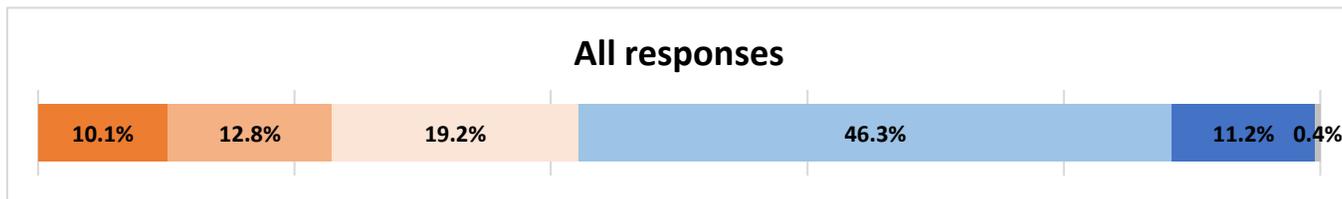
By unit's financial perspective



■ Do not understand at all
 ■ Do not understand most of it
 ■ Not Sure
■ Understand most of it
 ■ Fully understand
 ■ Did not respond

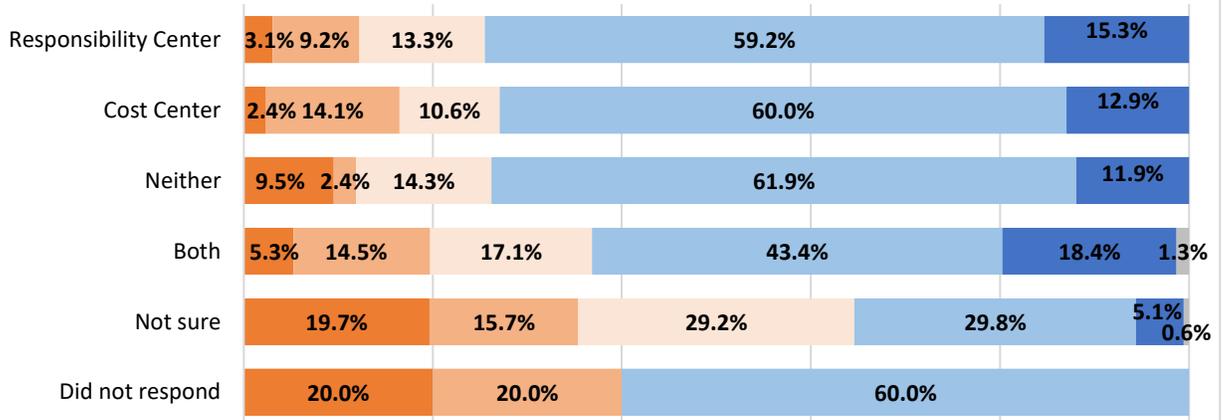
Understanding of how RCM model impacts your unit's finances

Among little involved RCM respondents, 57.5% have a good understanding of how RCM impacts their unit's finances. Deans with little involvement in RCM have the largest percentage of respondents indicating they understand the impact of RCM on their unit's finances, which is comparable to the percentage stated by highly involved deans.



■ Do not understand at all
 ■ Do not understand most of it
 ■ Not Sure
■ Understand most of it
 ■ Fully understand
 ■ Did not respond

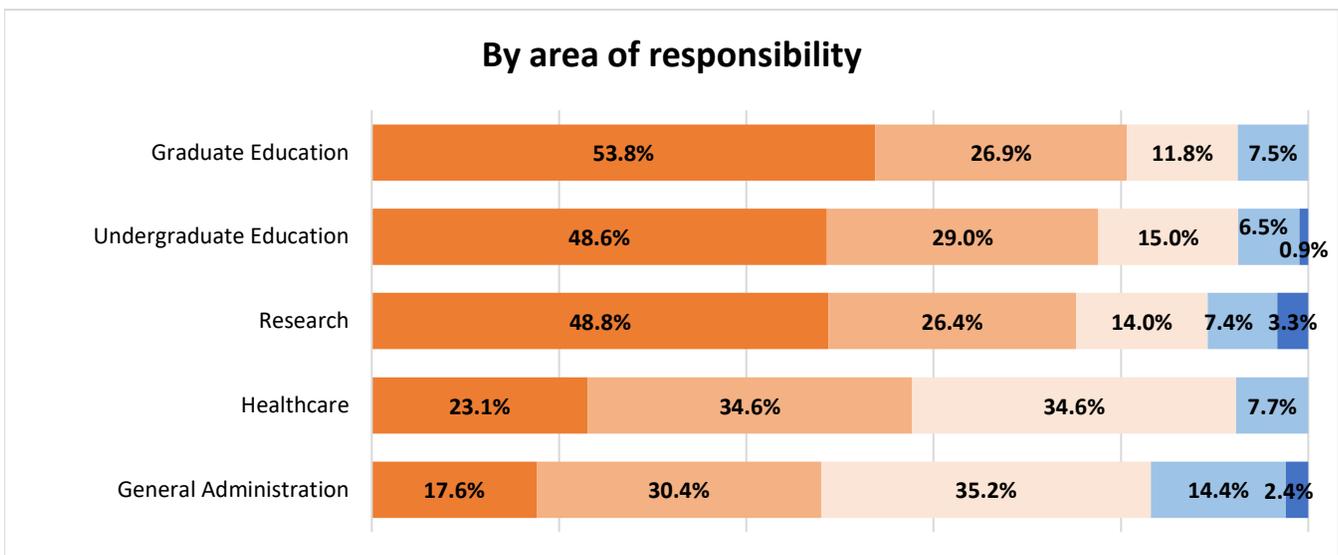
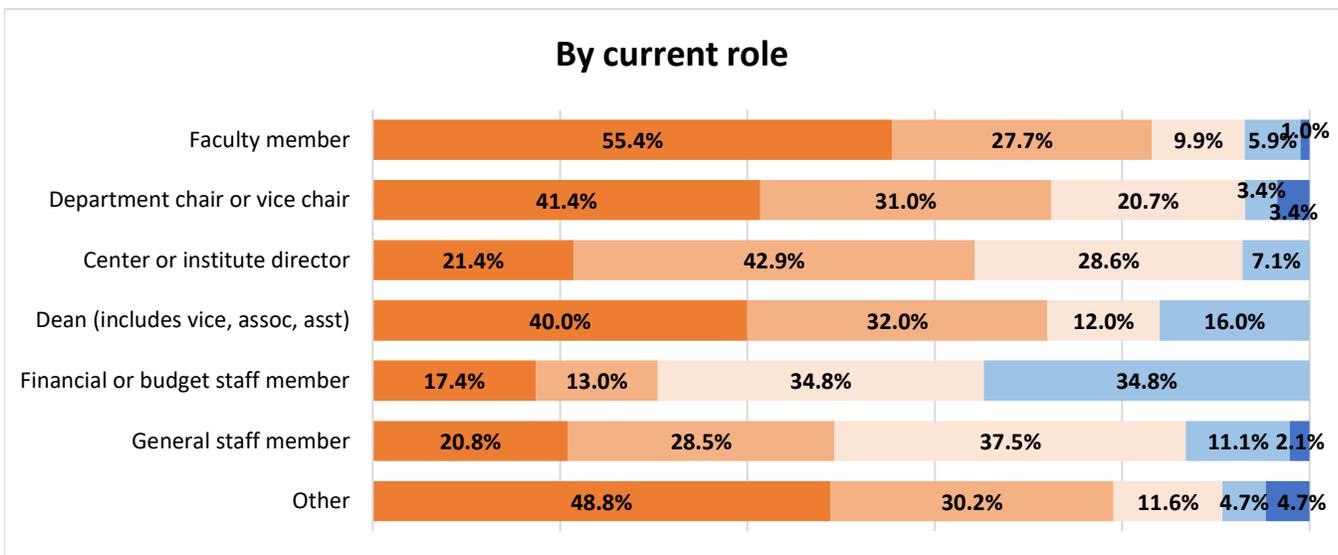
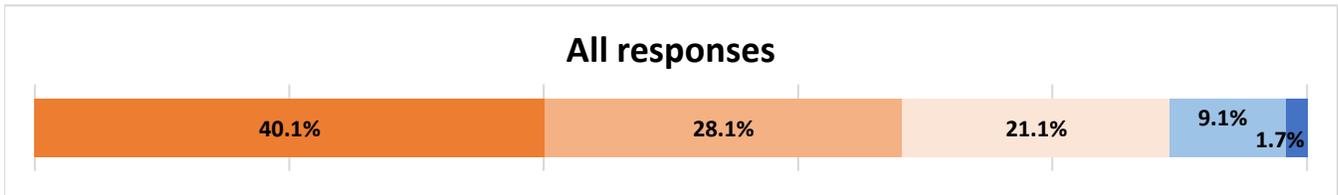
By unit's financial perspective



- Do not understand at all
- Do not understand most of it
- Not Sure
- Understand most of it
- Fully understand
- Did not respond

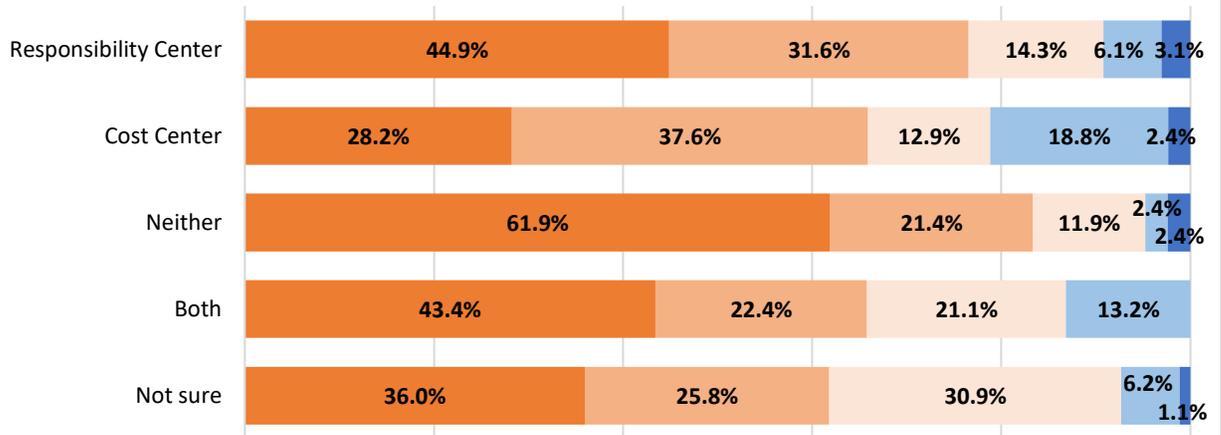
There is an adequate level of transparency in the current RCM model

About eleven percent (10.8%) of little involved respondents indicate that they agree with the statement that the current RCM model is transparent. Only financial/budget staff have more than one out of three respondents agreeing that there is adequate transparency in the RCM model. Respondents whose area of responsibilities are in healthcare or general administration show more indecision and less disagreement with these claims than those in graduate education, undergraduate education, and research.



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

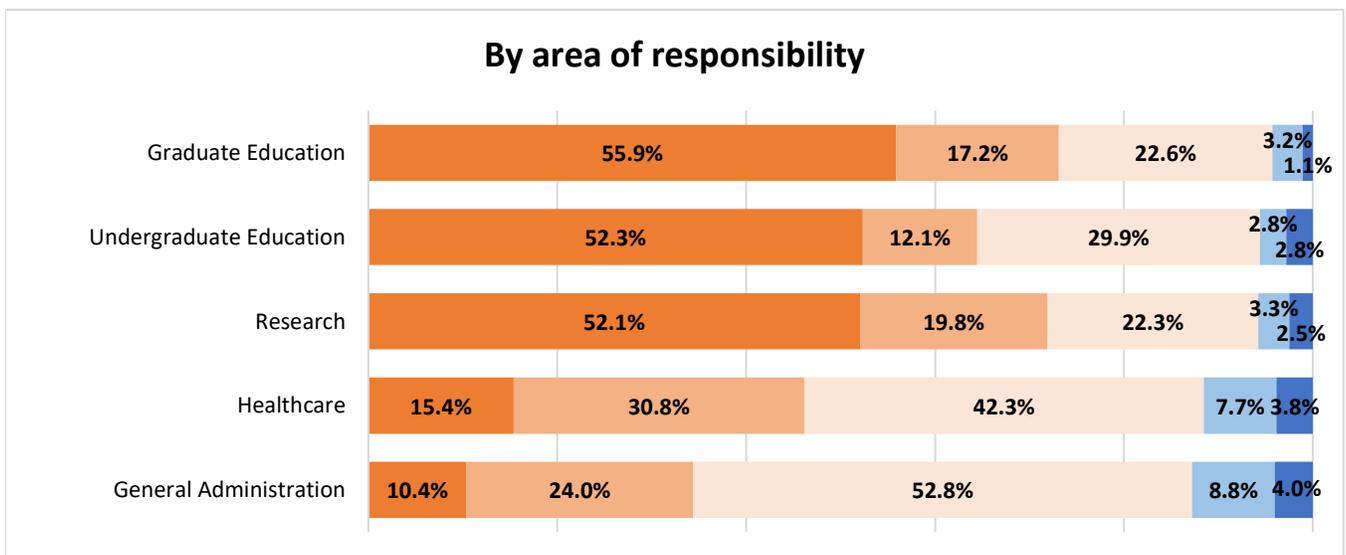
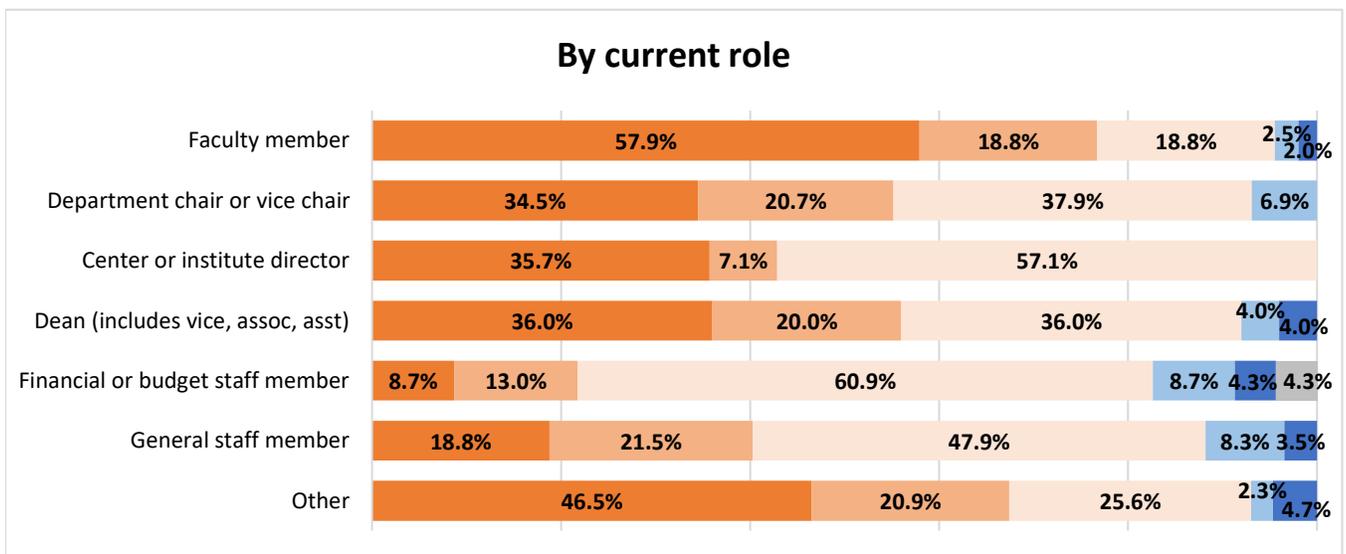
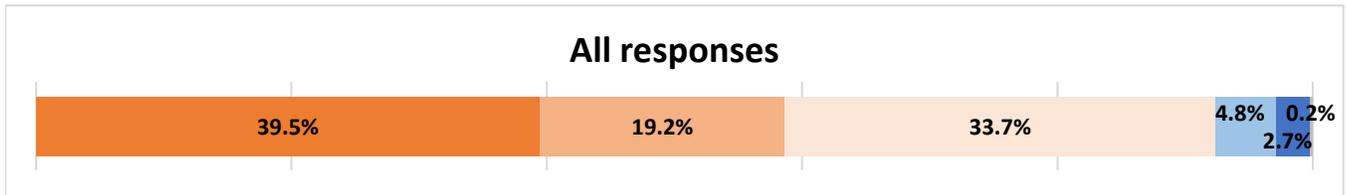
By unit's financial perspective



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

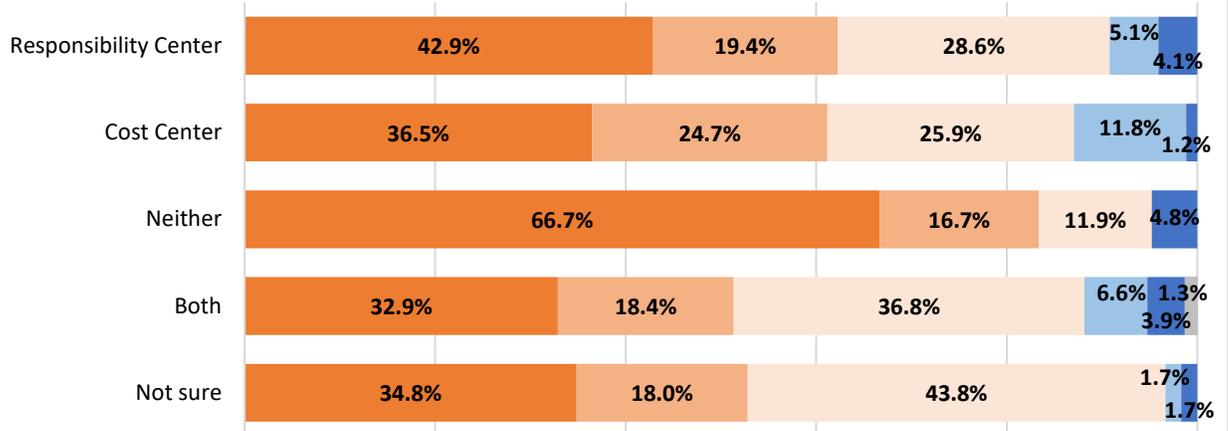
The RCM model helps achieve the institutional priorities of Rutgers

More than 58% of little involved RCM respondents disagreed that the RCM model helps achieve institutional priorities. Little involved faculty have the highest percentages of disagreement. Respondents whose area of responsibilities are in healthcare or general administration show more indecision and less disagreement with these claims than those in graduate education, undergraduate education, and research.



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

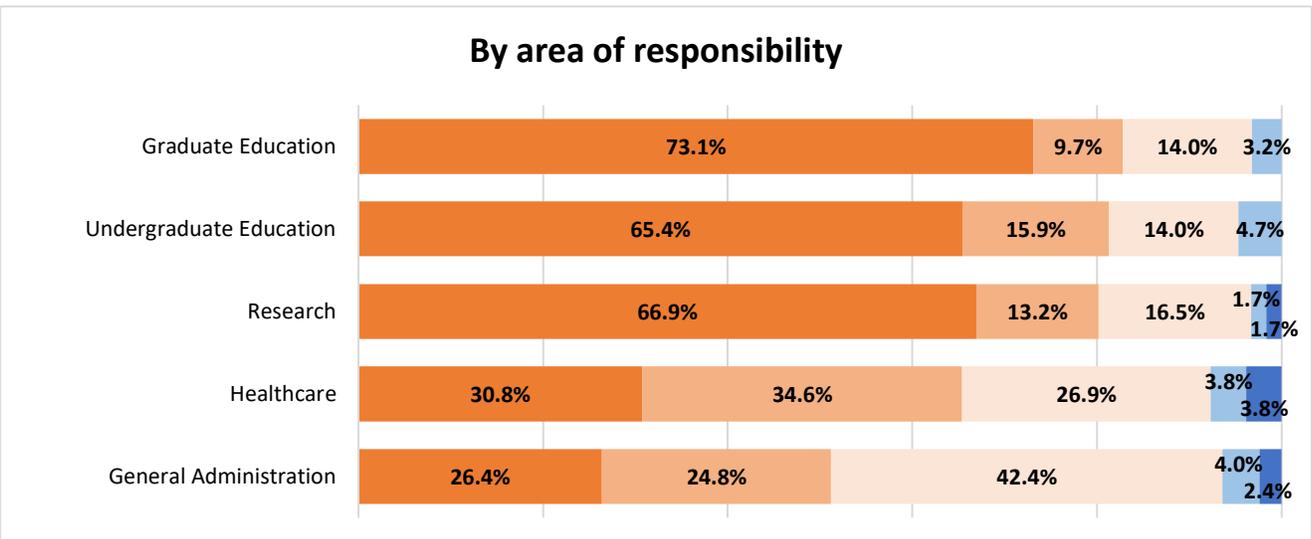
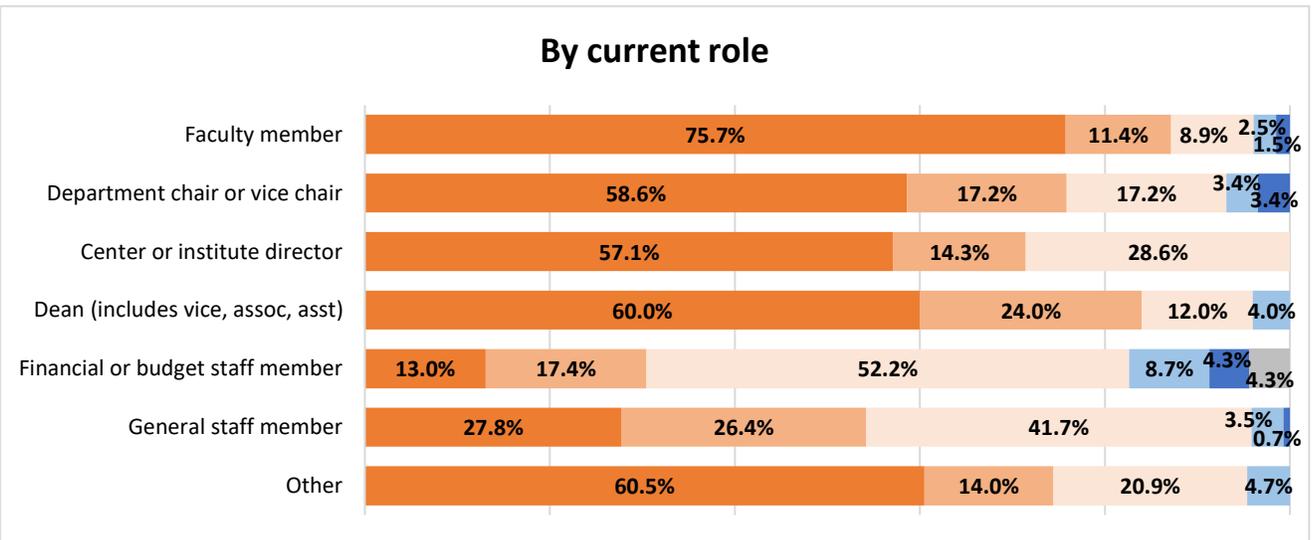
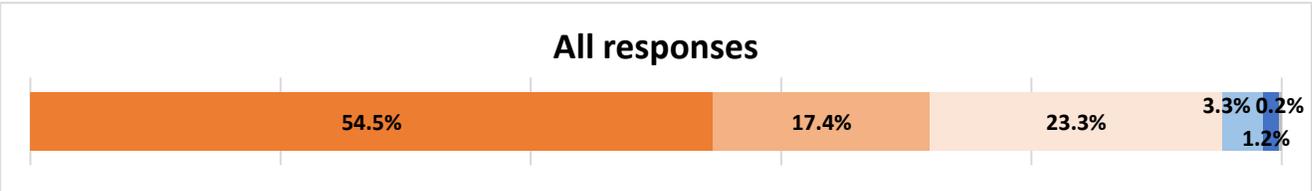
By unit's financial perspective



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

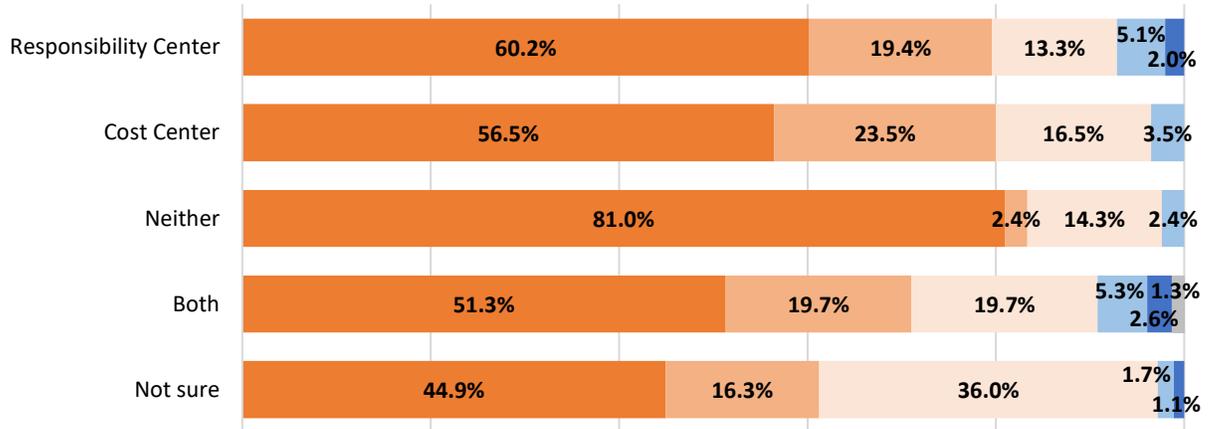
The RCM model supports Rutgers in becoming a beloved community

Only 4.5% of respondents with little involvement with RCM agree that the present budgeting process supports Rutgers becoming a beloved community. The repudiation of this statement is consistent across all staff roles and areas of responsibility, with the possible exception of financial/budget staff.



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

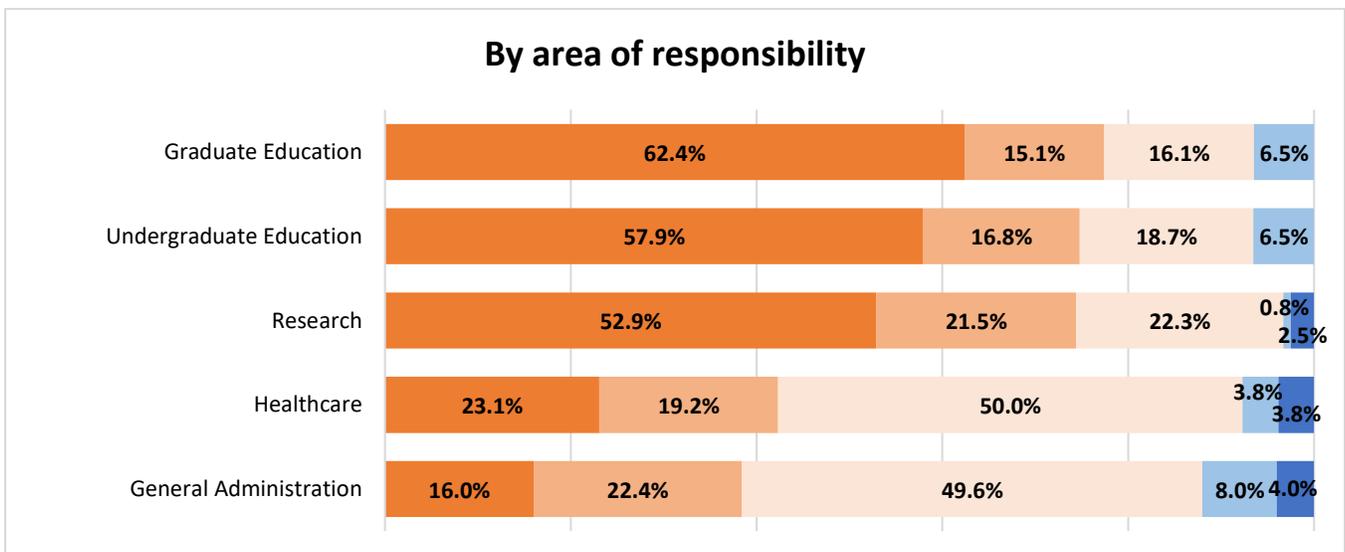
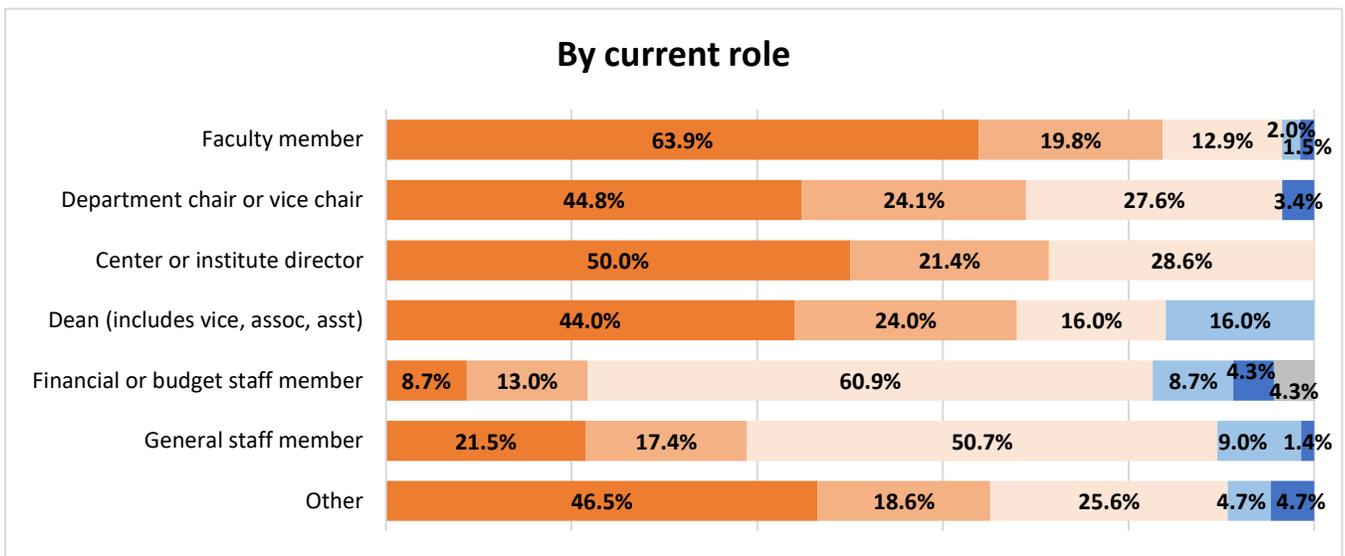
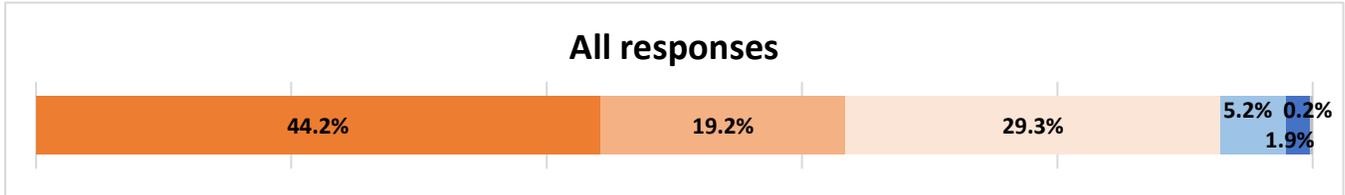
By unit's financial perspective



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

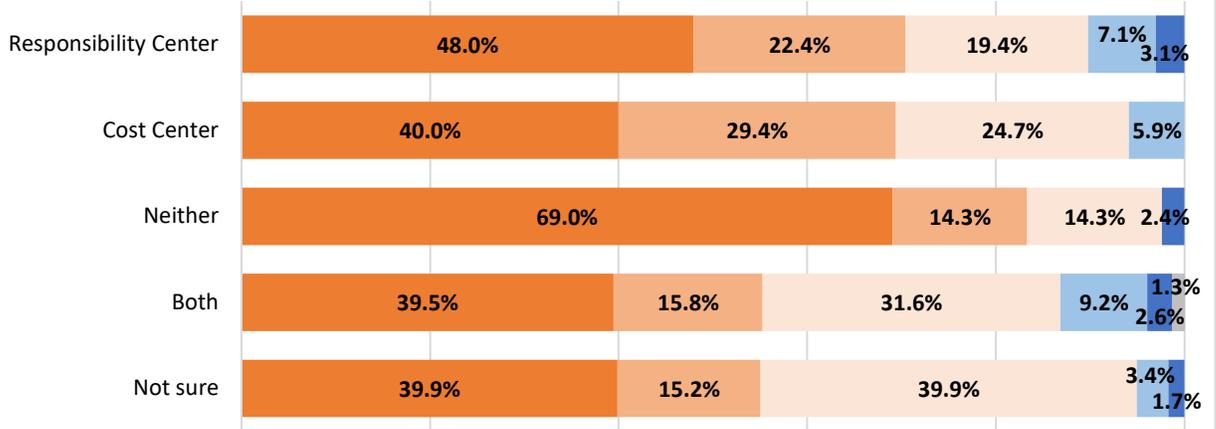
The RCM model supports Rutgers in delivering academic excellence through our teaching and research

While those respondents with little involvement soundly disagree with the statement that RCM supports the delivery of academic excellence through teaching and research, there is substantial variations of the extent of this disagreement across roles and areas of responsibility.



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

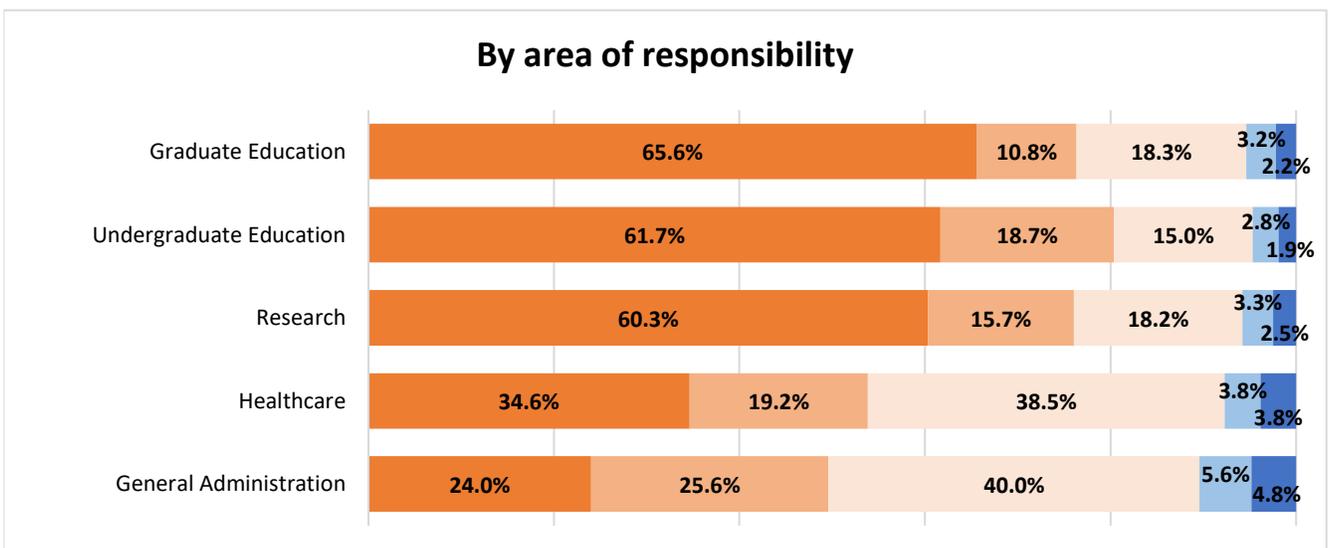
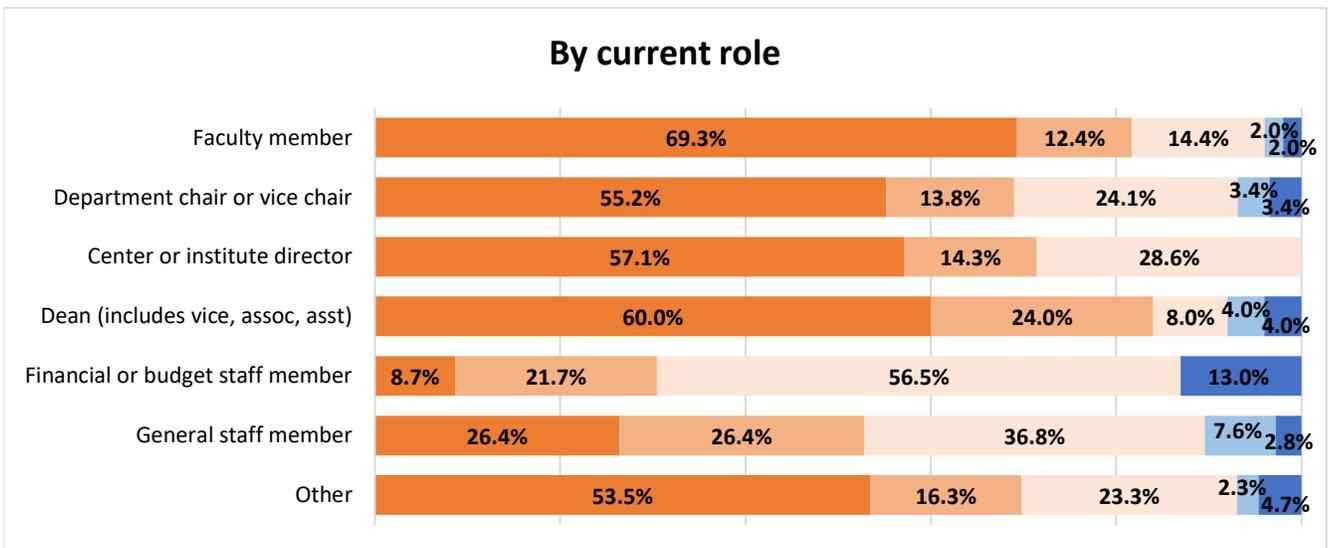
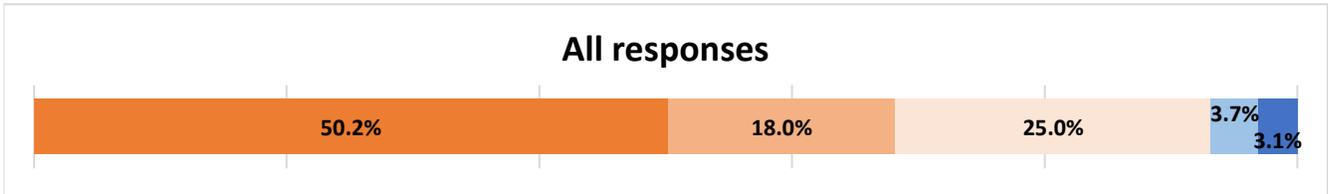
By unit's financial perspective



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

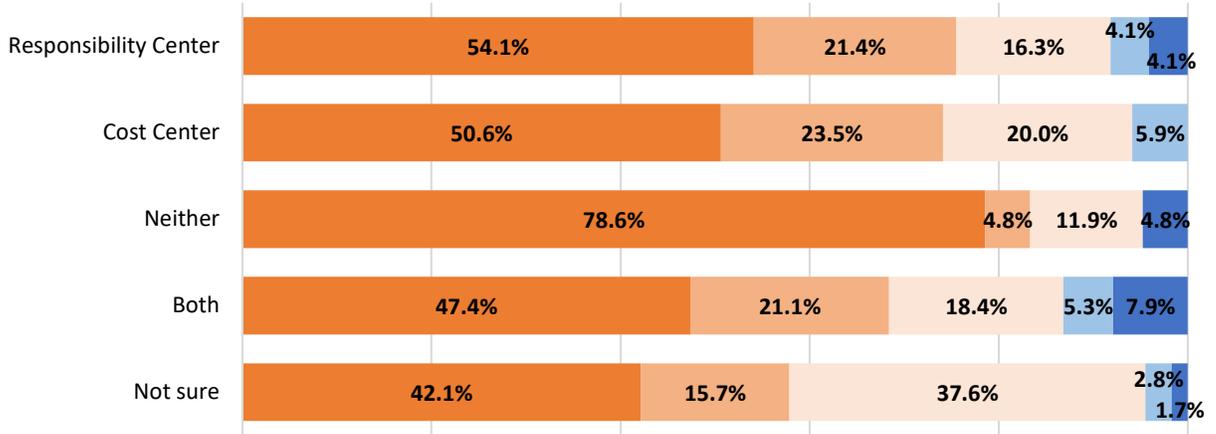
The RCM model provides strategic clarity by developing a coherent and collaborative Rutgers

Those respondents with little involvement in the RCM process are also negative toward the assertion that RCM provides clarity by developing coherence and collaboration: over two-thirds of these respondents disagreed. Deans (60%) and faculty (69.3%) with little RCM involvement have the largest percentages of disagreement.



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

By unit's financial perspective



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

Areas the RCM model could be improved to help your unit deliver on the priorities of Rutgers University

Improvements	N	%
Reduce the model's overall complexity	157	32.4%
Improve communication and education about how the model works	217	44.8%
Clarify how the model aligns with institutional priorities and values	201	41.5%
Improve how the model facilitates collaboration across units	212	43.8%
Clarify services provided by central offices	197	40.7%
Improve how the model encourages program growth	164	33.9%
Other	144	29.8%

*Respondents could select multiple items. Percentages will not sum to 100%. Comments to "Other" category are provided in the Appendix.

Section Three:
Respondents with no engagement with budget process

Demographics of survey respondents

Rutgers affiliation	N	%
Camden	50	6.9%
Newark	83	11.5%
New Brunswick	396	55.0%
RBHS	121	16.8%
Central Administration	57	7.9%
Did not respond	13	1.8%

Current role at Rutgers:	N	%
Faculty member	338	46.9%
Department chair or vice chair	6	0.8%
Center or institute director	7	1.0%
Dean (including vice, associate, and assistant dean)	4	0.6%
Financial or budget staff member	20	2.8%
General staff member	252	35.0%
Other	74	10.3%
Did not respond	19	2.6%

Your responsibility for the financial outcomes of your unit is best described as:	N	%
Driving revenues	54	7.5%
Containing costs	76	10.6%
Both driving revenues and containing costs	76	10.6%
Neither driving revenues nor containing costs	496	68.9%
Did not respond	18	2.5%

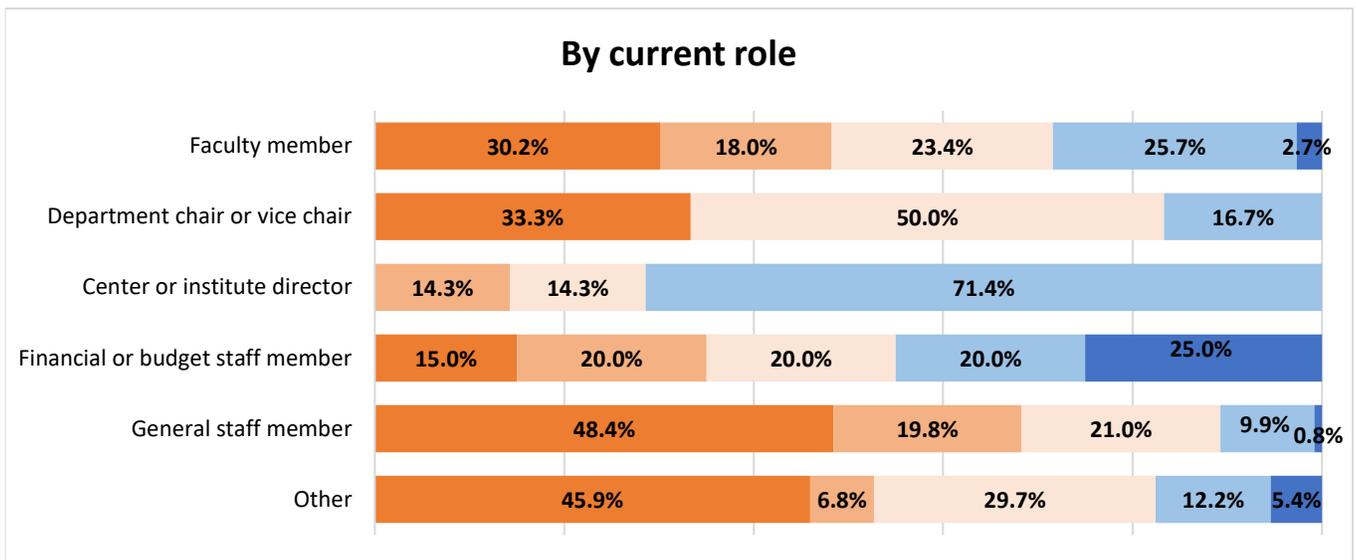
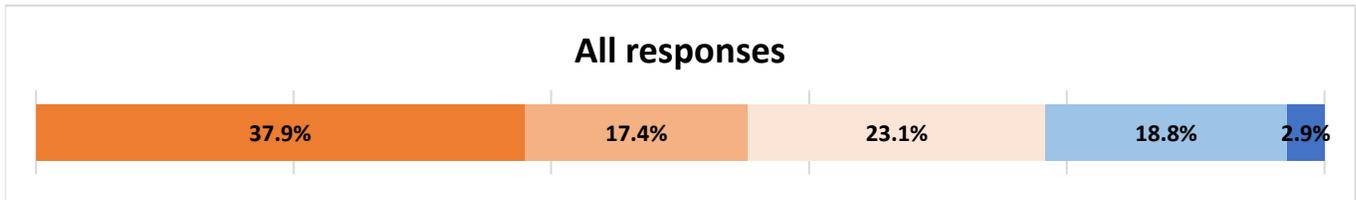
Financial perspective that best describes your unit:	N	%
Responsibility Center	72	10.0%
Cost Center	58	8.1%
Neither	69	9.6%
Both	63	8.8%
Not sure	445	61.8%
Did not respond	13	1.8%

Area most closely aligns with your responsibilities at Rutgers:	N	%
Graduate Education	121	16.8%
Undergraduate Education	173	24.0%
Research	168	23.3%
Healthcare	91	12.6%
General Administration	148	20.6%
Did not respond	19	2.6%

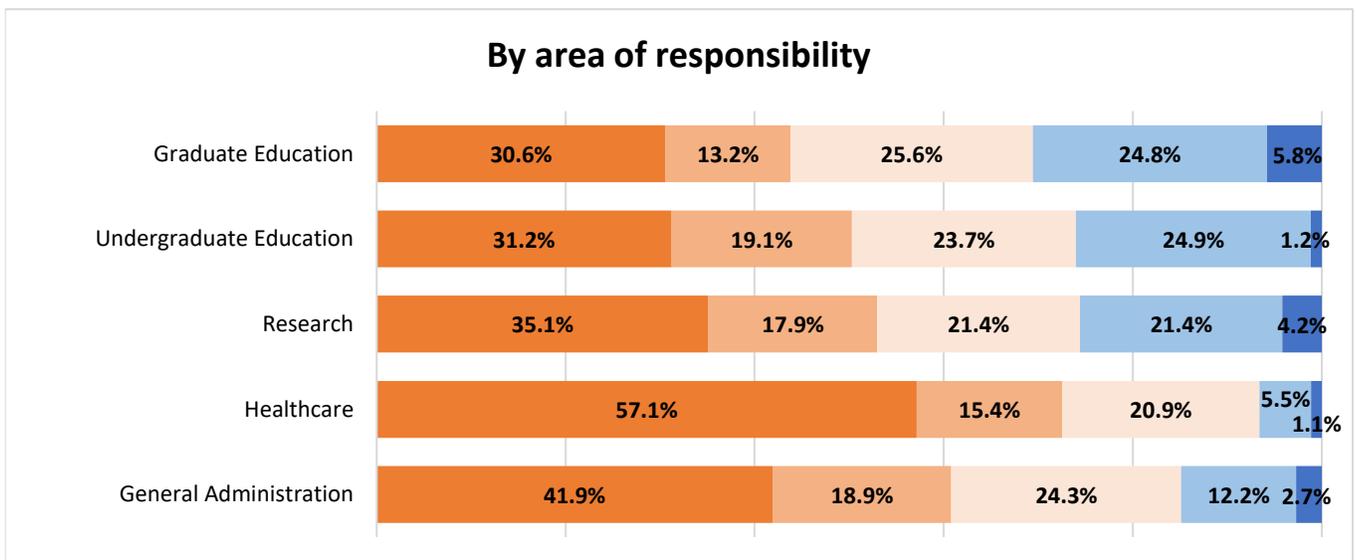
Number of years worked at Rutgers:	N	%
0-5 years	253	35.1%
6-10 years	134	18.6%
11-15 years	106	14.7%
16-20 years	59	8.2%
Over 20 years	156	21.7%
Did not respond	12	1.7%

Level of understanding of the RCM budgeting process

Perhaps surprisingly, among respondents who indicated no engagement with their unit's budgeting process, nearly 22 percent (21.7%) stated they had a good level of understanding of the RCM process.

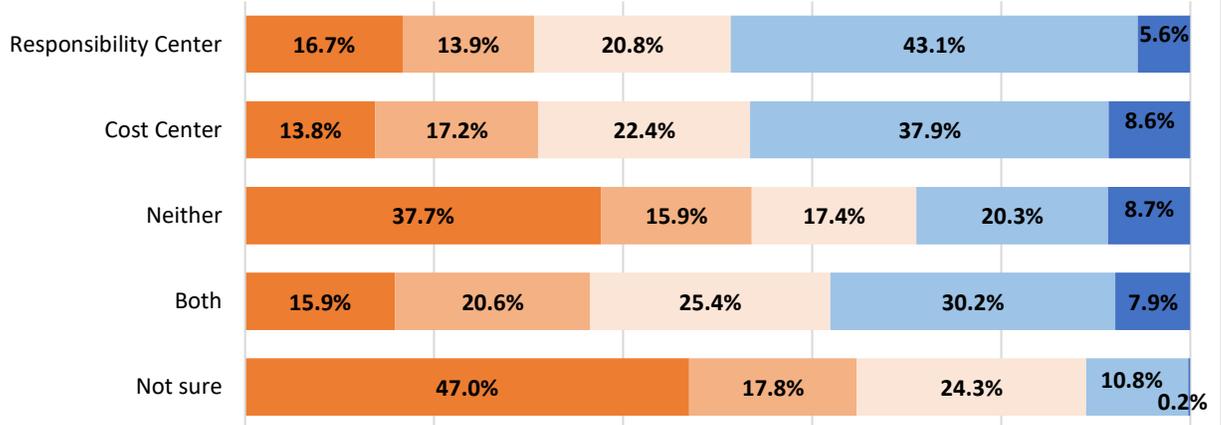


*Dean category not shown due to small sample size (n<5).



■ Do not understand at all
 ■ Do not understand most of it
 ■ Not Sure
■ Understand most of it
 ■ Fully understand
 ■ Did not respond

By unit's financial perspective



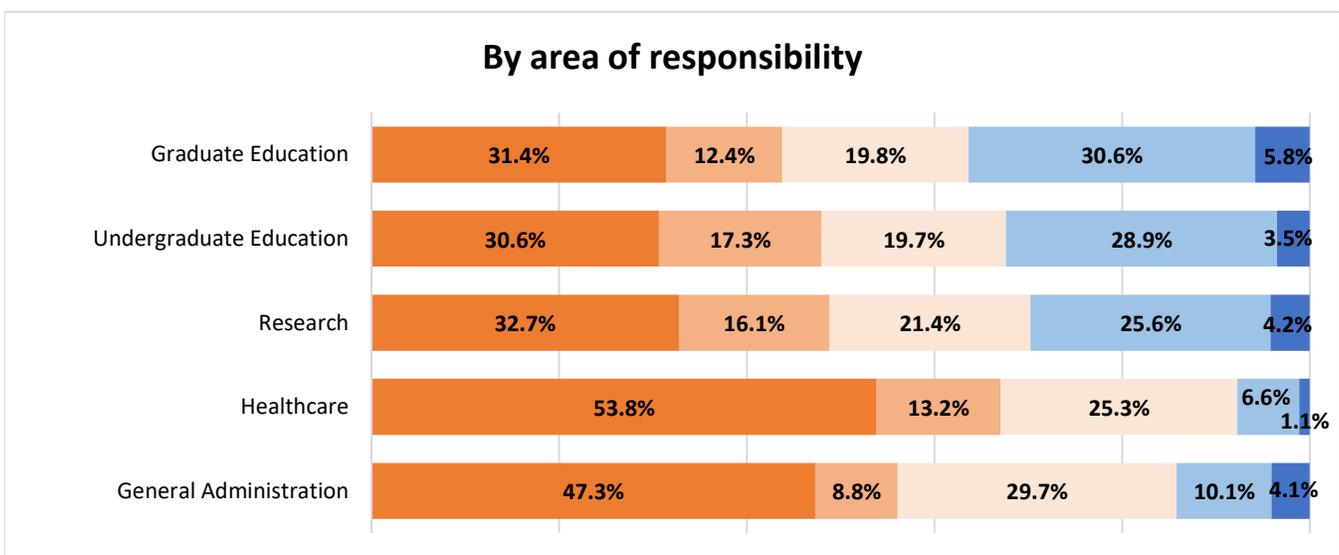
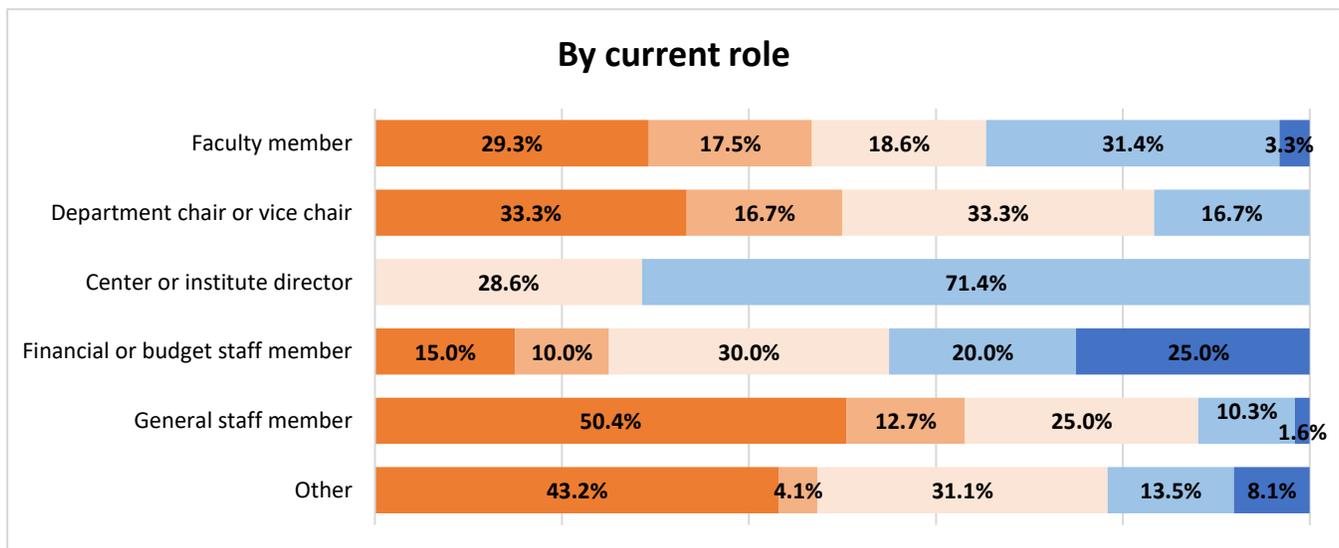
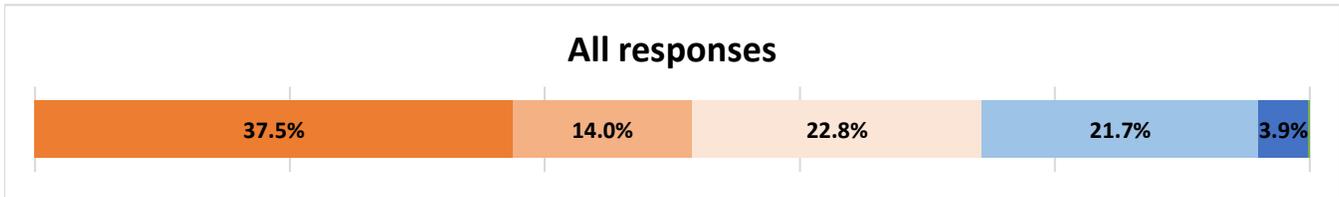
Do not understand at all
Understand most of it

Do not understand most of it
Fully understand

Not Sure
Did not respond

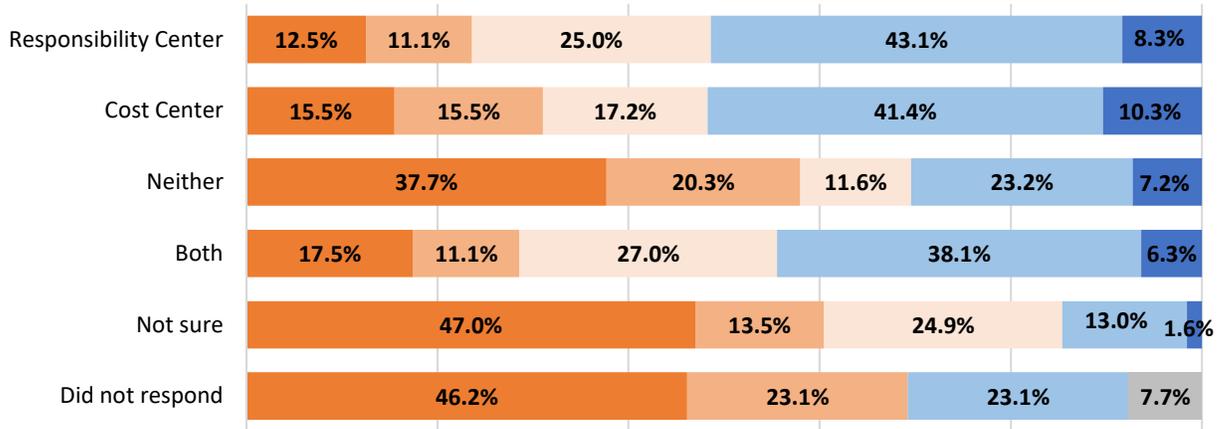
Understanding of how RCM model impacts your unit's finances

25.6% of those respondents with no engagement with the RCM process indicate that they have a good level of understanding of how RCM impacts their unit's finances.



■ Do not understand at all
 ■ Do not understand most of it
 ■ Not Sure
■ Understand most of it
 ■ Fully understand
 ■ Did not respond

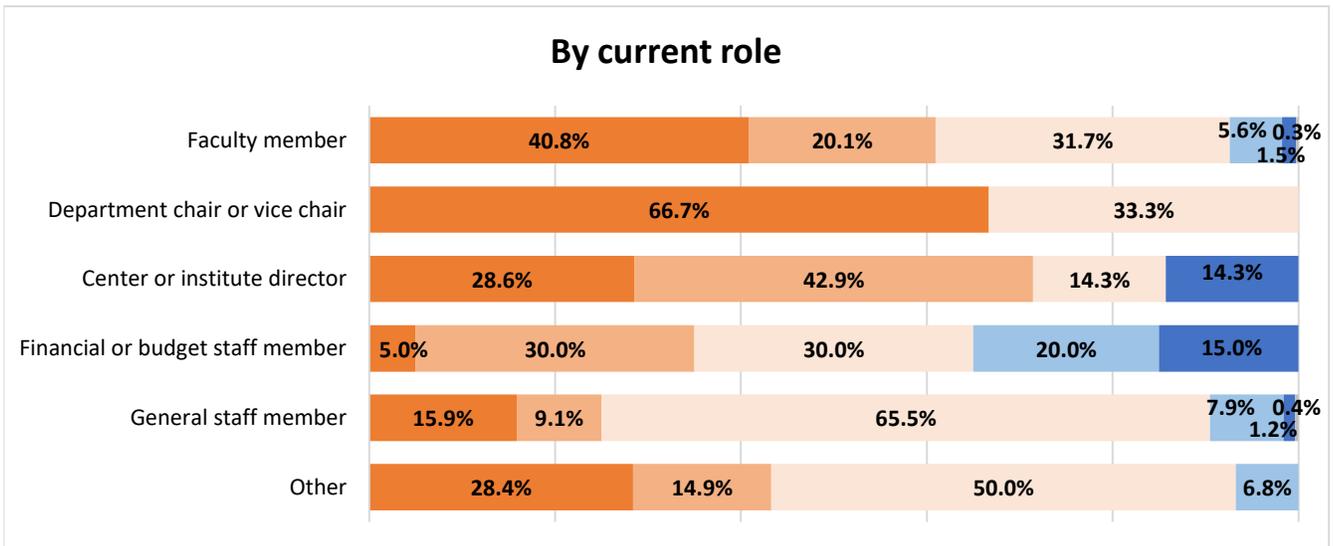
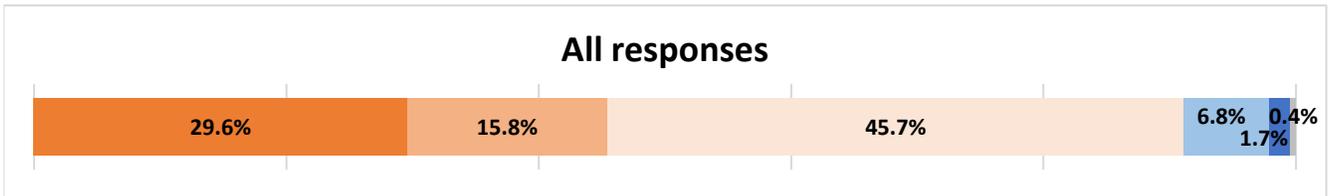
By unit's financial perspective



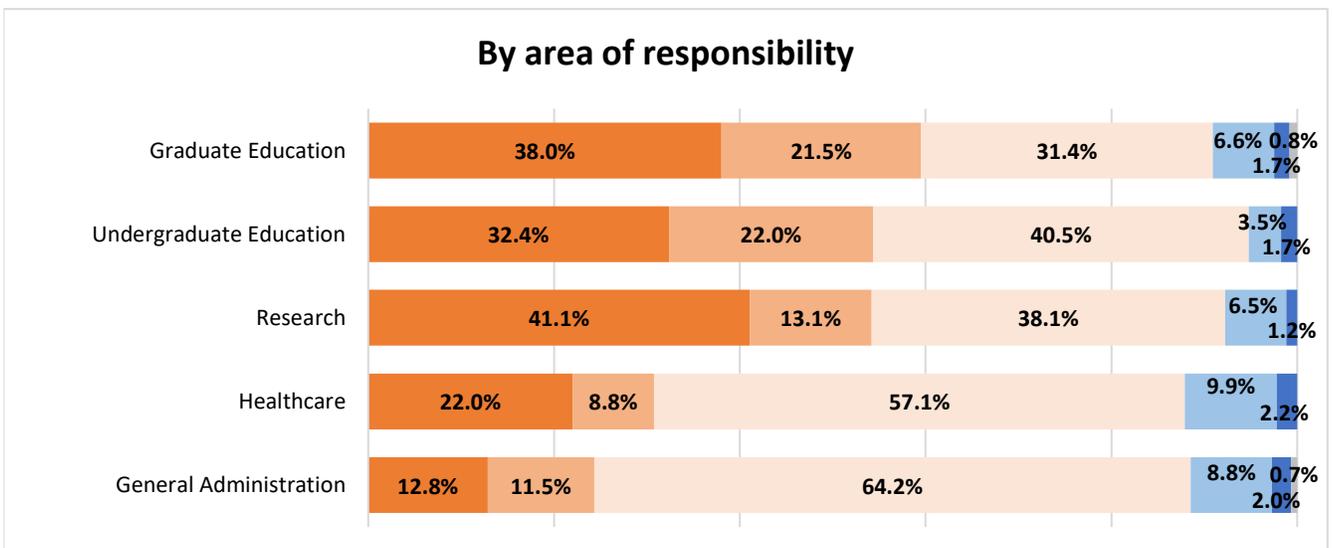
- Do not understand at all
- Do not understand most of it
- Not Sure
- Understand most of it
- Fully understand
- Did not respond

There is an adequate level of transparency in the current RCM model

As with respondents who have some (little or high) involvement with the RCM process, respondents with no engagement with RCM share in the belief that RCM is not a transparent process, with only 8.5% agreeing that it is transparent. Respondents with no engagement with RCM, not surprisingly, have a large percentage who indicated uncertainty about the transparency of RCM.

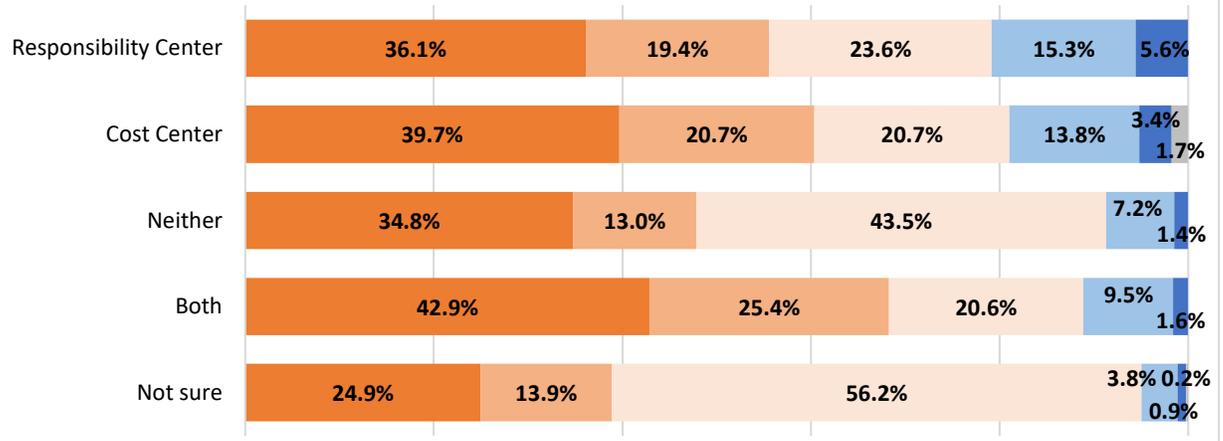


*Dean category not shown due to small sample size (n<5).



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

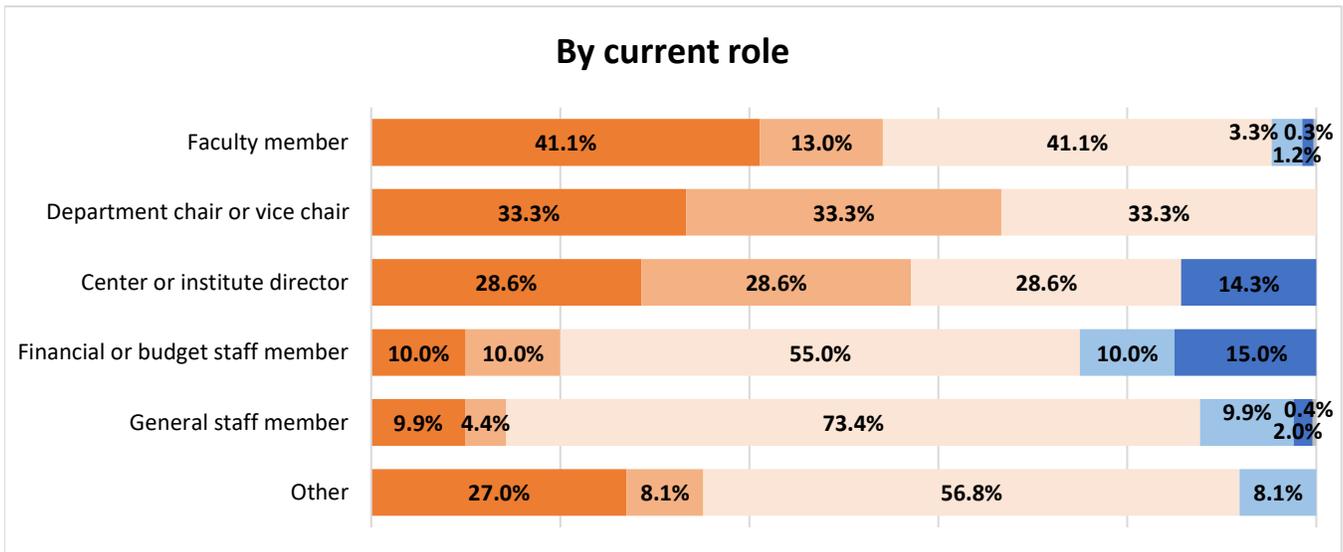
By unit's financial perspective



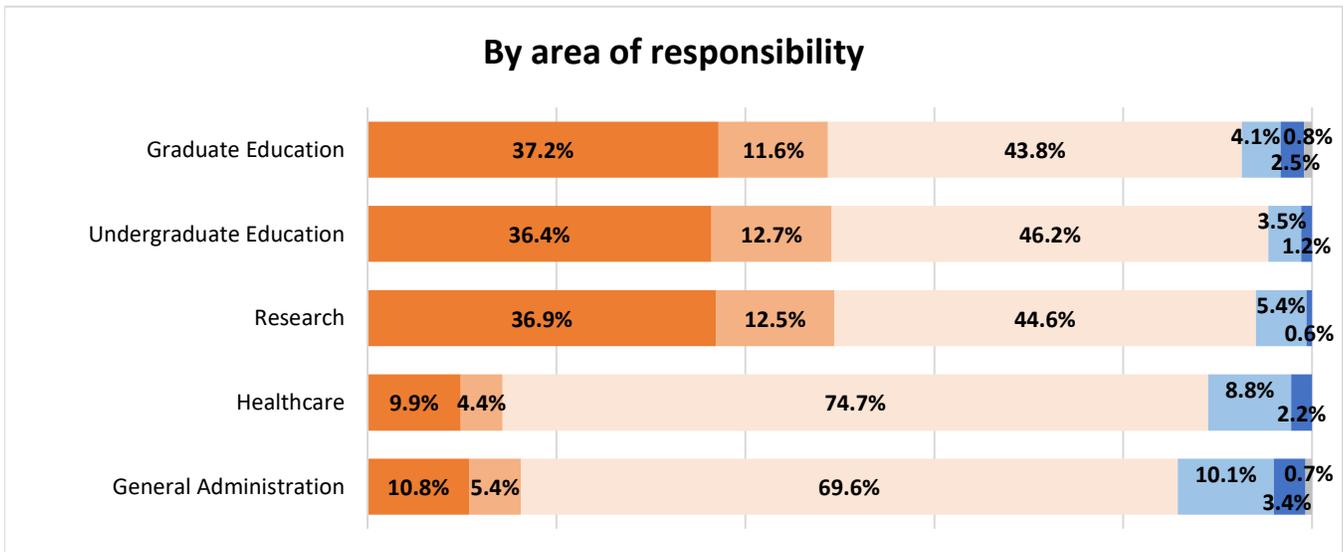
■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

The RCM model helps achieve the institutional priorities of Rutgers

The majority of respondents who have no engagement in RCM state that they are uncertain whether RCM helps achieve institutional priorities (54.2%). General staff members and those who work in the healthcare area have the largest percentages of uncertain respondents.

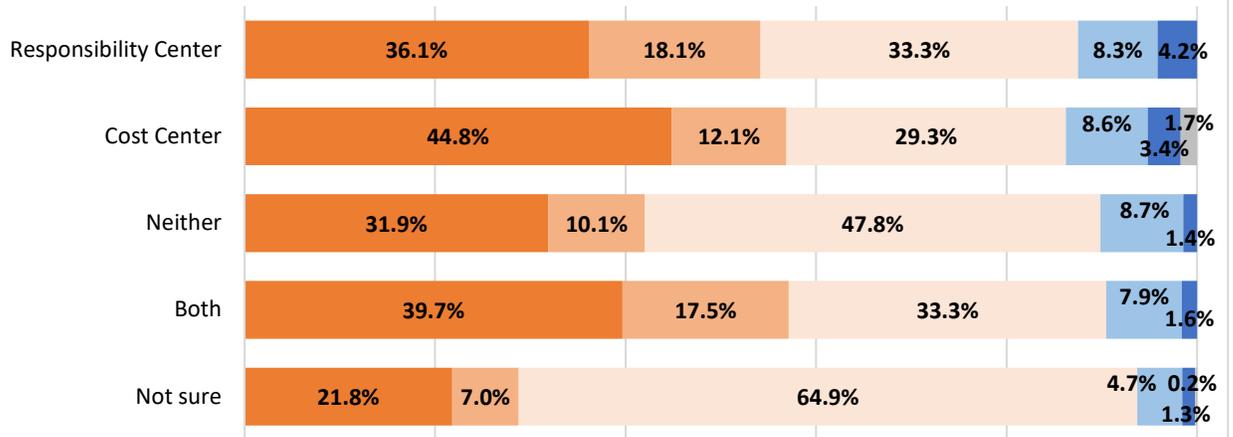


*Dean category not shown due to small sample size (n<5).



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

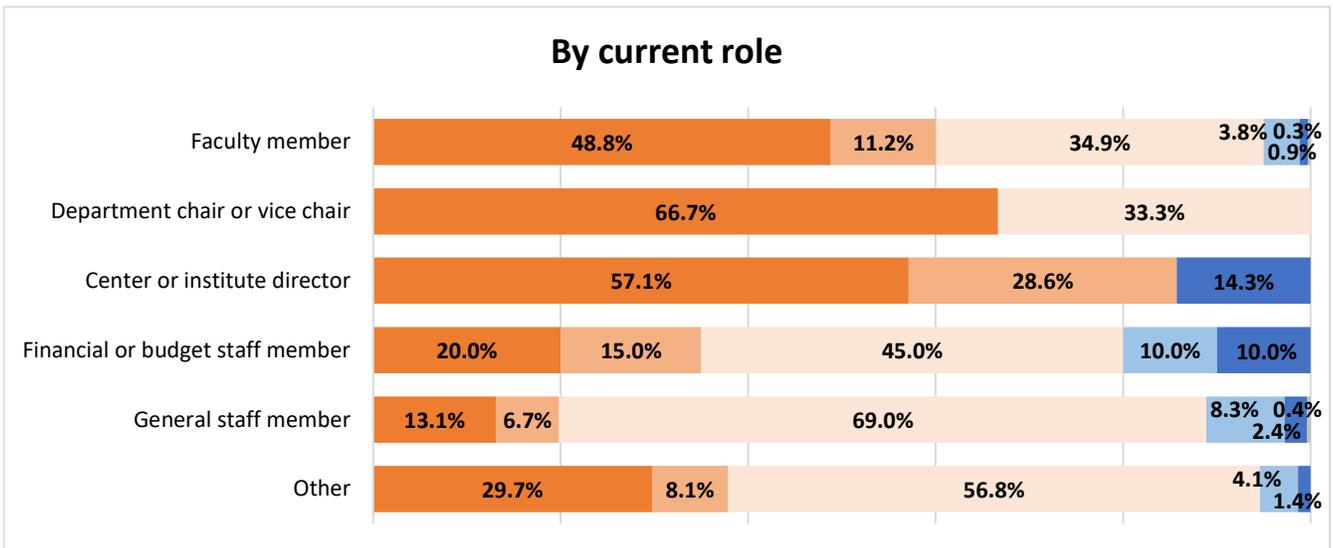
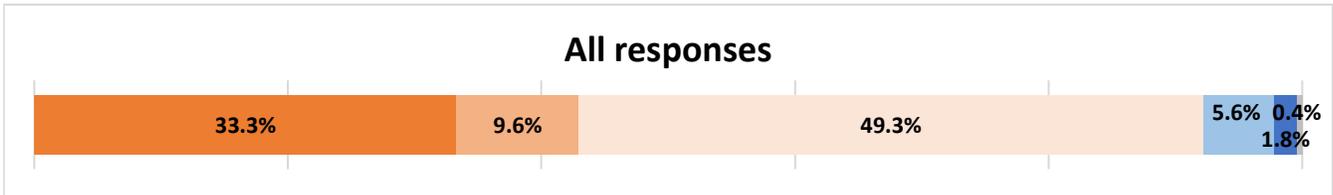
By unit's financial perspective



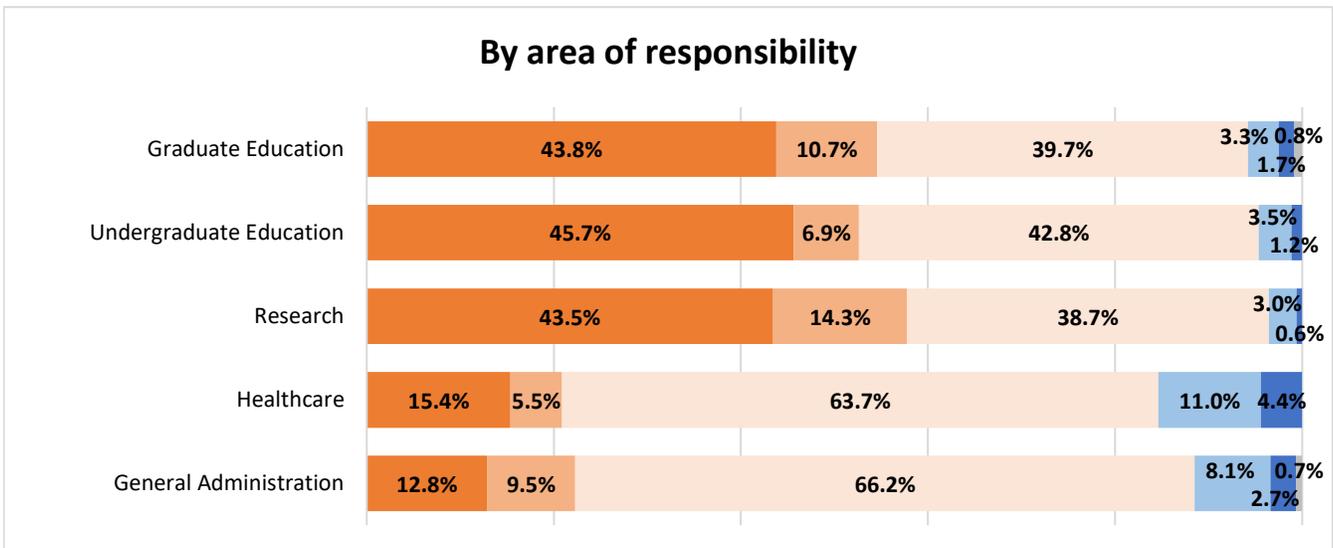
■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

The RCM model supports Rutgers in becoming a beloved community

While there is a good deal of uncertainty among respondents who have no engagement with RCM, it is also clear that among those who hold an opinion, the notion that RCM helps Rutgers in becoming a beloved community is not supported.

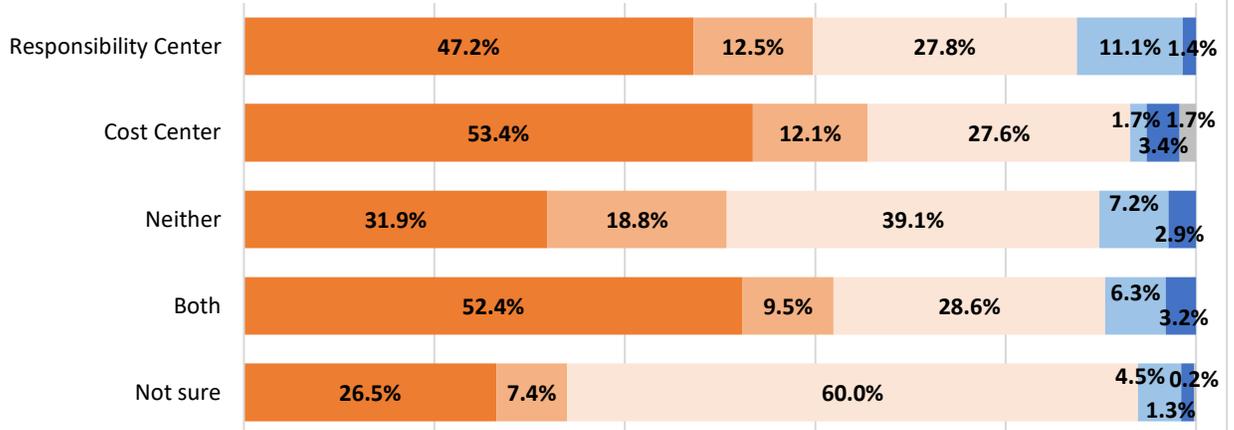


*Dean category not shown due to small sample size (n<5).



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

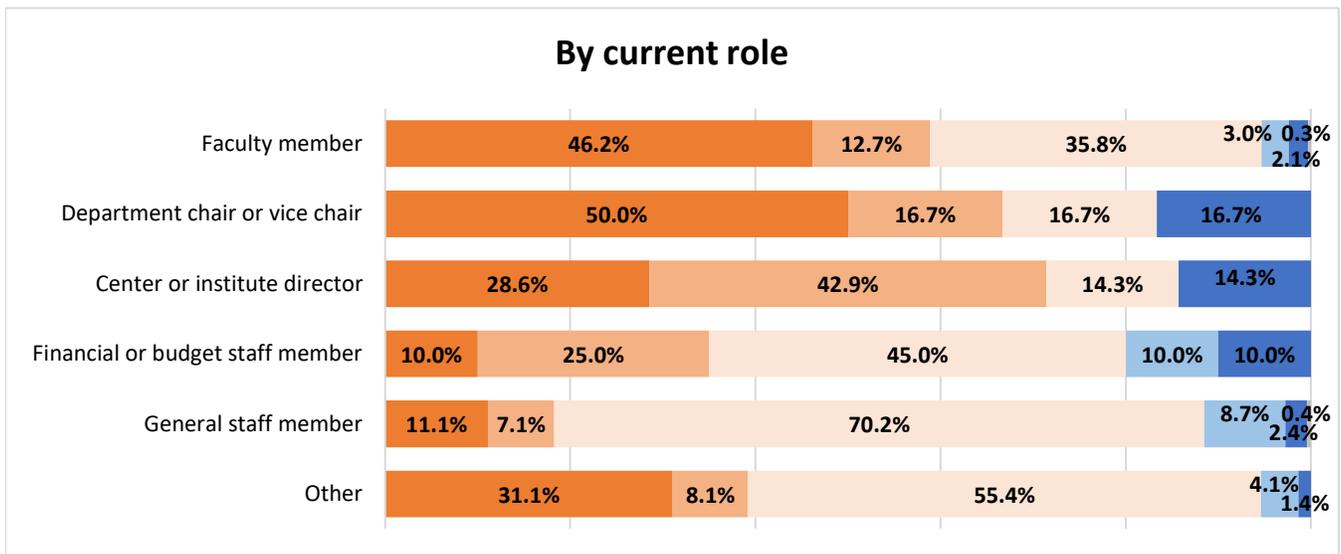
By unit's financial perspective



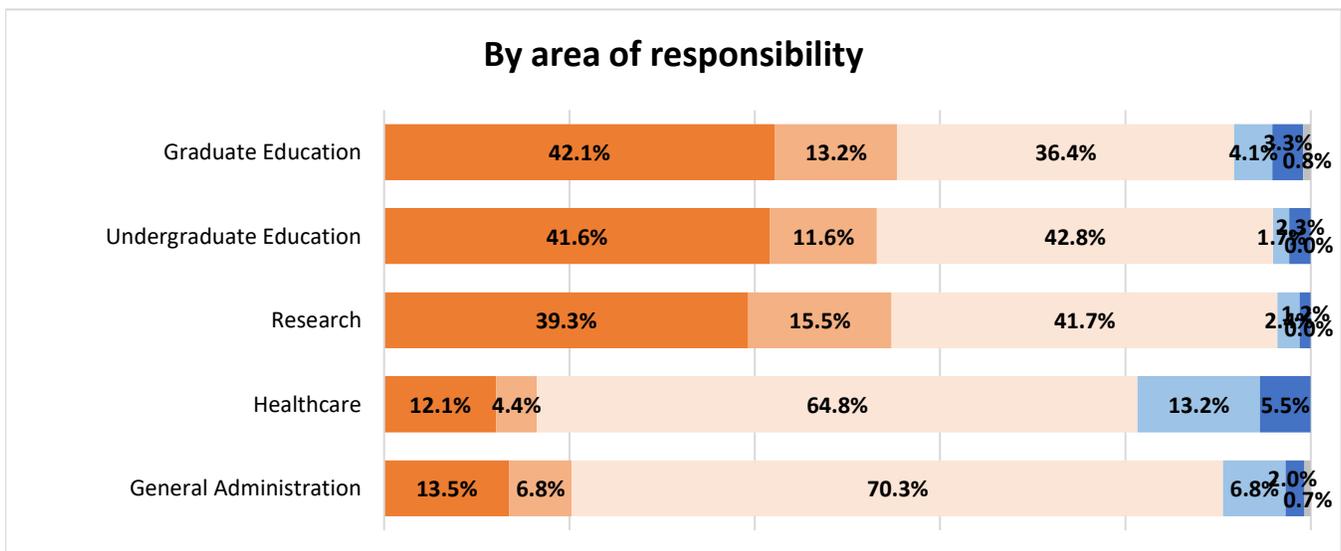
■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

The RCM model supports Rutgers in delivering academic excellence through our teaching and research

Among respondents with no engagement with RCM, there is widespread lack of support that the RCM model supports Rutgers in delivering academic excellence through teaching and research. For those close to academic activities of the university (faculty, department/vice chairs, center/institute directors) but who are not engaged with RCM, there is widespread disagreement with the statement that the current budget process supports Rutgers in delivering academic excellence through teaching and research.



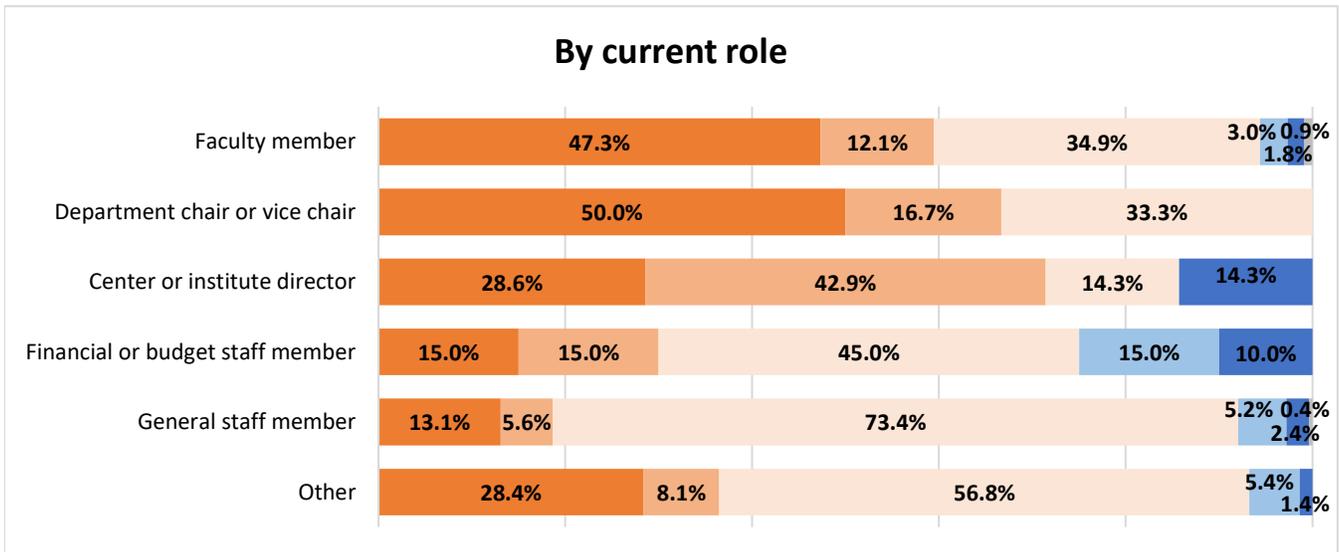
*Dean category not shown due to small sample size (n<5).



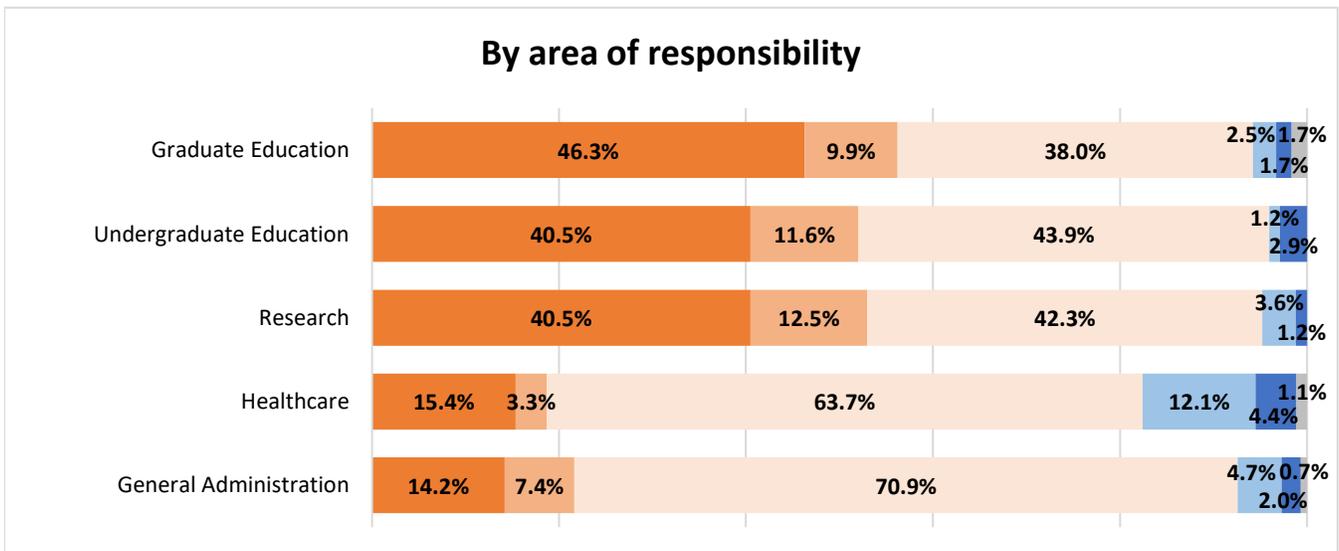
■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

The RCM model provides strategic clarity by developing a coherent and collaborative Rutgers

A similar pattern holds for the assertion that the RCM model supports the development of coherence and collaboration among respondents who have no engagement with RCM budgeting.

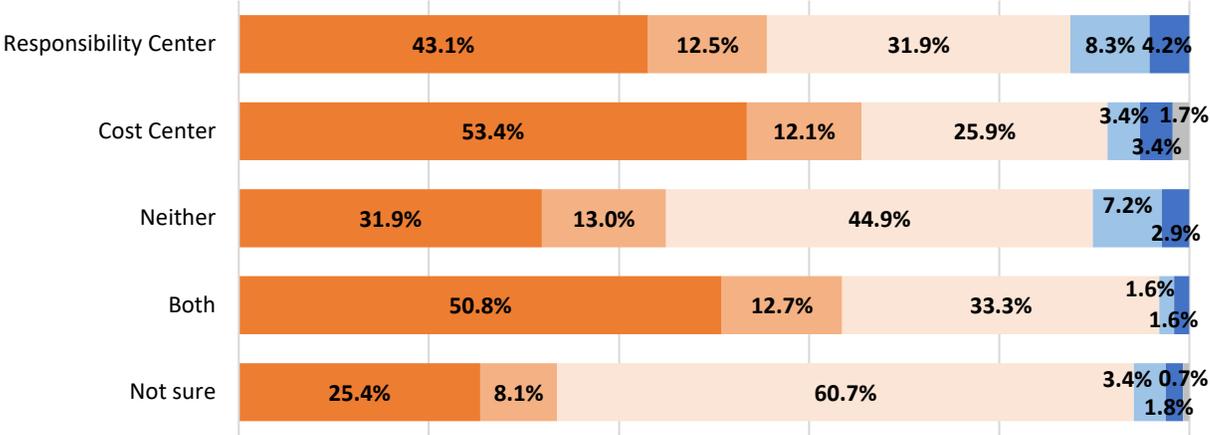


*Dean category not shown due to small sample size (n<5).



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

By unit's financial perspective



■ Totally disagree
 ■ Somewhat disagree
 ■ Not Sure
 ■ Somewhat agree
 ■ Totally agree
 ■ Did not respond

Areas the RCM model could be improved to help your unit deliver on the priorities of Rutgers University

Improvements	N	%
Reduce the model's overall complexity	185	25.7%
Improve communication and education about how the model works	406	56.4%
Clarify how the model aligns with institutional priorities and values	336	46.7%
Improve how the model facilitates collaboration across units	225	31.3%
Clarify services provided by central offices	256	35.6%
Improve how the model encourages program growth	167	23.2%
Other	146	20.3%

*Respondents could select multiple items. Percentages will not sum to 100%. Comments to "Other" category are provided in the Appendix.

Appendix D: Meeting Dates

RCM Review Committee Meetings

- 11/17/2020
- 12/15/2020
- 1/15/2021
- 2/8/2021
- 3/3/2021
- 4/8/2021
- 5/4/2021
- 6/9/2021

RCM Steering Committee Meetings

- 11/6/2020
- 12/18/2020
- 1/8/2021
- 2/9/2021
- 3/29/2021
- 5/7/2021

RCM Meetings attended by RCM Review Committee Chairs (Romaine Botti and Ashwani Monga) and RCM Steering Committee Chair (Brian Ballentine)

Faculty Groups

- Endowed Faculty Chairs: 1/26/2021; 5/19/2021
- Rutgers University–New Brunswick Faculty Council: 2/1/2021; 3/12/2021
- Committee on Academic Planning: 2/11/2021
- Rutgers University–Newark Faculty Council: 2/15/2021
- RBHS Faculty Council: 2/15/2021
- Rutgers University–Camden Faculty Council: 3/22/2021

Campus Leadership Groups

- RBHS Leadership: 11/18/2020
- Rutgers University–Newark Deans: 11/19/2021
- Rutgers University–Camden Academic Affairs: 12/7/2020
- Rutgers University–New Brunswick Deans Council: 12/22/2020

University Senate

- University Senate Executive Committee: 1/8/2021
- University Senate: 1/22/2021
- University Senate Budget and Finance Committee: 2/19/2021; 4/30/2021