

Budget Model Governance Structure

Function and Purpose

Shared responsibility will play a key role in the success of a new resource allocation model, as processes and allocation methodologies alone are not sufficient to ensure long-term success. To make it more likely that the new NKU Budget Model will be implemented effectively, this document identifies committees that are necessary to make a new model work well.

These groups are meant to serve as a system of checks and balances with regard to model goals and to assure transparency of all relevant budget policies and processes throughout each budget cycle. It is critical that each committee has representation from both the academic and administrative components of the institution and that a university-wide perspective informs the work of each group.

The President will have final authority, after receiving input from the Executive Team, over all University budget decisions, including allocations from the Central Revenues Fund. The committees will be advisory in nature. At the onset of the budget development process, the President, with input from the Executive Team, will approve budget guidelines that are distributed to units. The President will receive recommendations from the Budget Executive Committee regarding central unit funding levels, space allocations, and deferred maintenance, and will review budget requests from the deans of the academic colleges. After requests are collected, the President will decide how to allocate the Central Revenues Fund – with input from the Executive Team, Budget Executive Committee and other advisory groups – and ultimately will finalize all budget decisions before the budget is submitted and approved for the upcoming fiscal year.

The primary charges of each group are summarized below:

Proposed

- **Budget Executive Committee:** Advises President on use of university central revenue funds; reviews Central Unit budgets that could not be agreed upon by the Central Unit Allocations Committee; recommends a final budget for submission to the President; at periodic intervals, proposes a task force to conduct a thorough review of the NKU Budget Model, including all allocation methodologies and the participation rate.
- **Central Unit Allocations Committee:** Provides oversight of Central Unit costs by evaluating on a rotating basis each unit's cost of operations and level of service; recommends a comprehensive budget for central units to the Executive Committee for final review and inclusion in the University-wide budget recommended for submission to the President.
- **Space Management and Deferred Maintenance Committee:** Advises on the deferred maintenance fund and the allocation of its resources to support improvements across the University; recommends priorities for the list of deferred maintenance items for periodic and as-needed improvements; serves as a broker for units wishing to give up or acquire space.

Existing

- **University Curriculum Committee:** In discharging its assigned responsibilities under a new resource allocation model, this Committee will need to serve as a hedge against unnecessary duplication of courses. In addition, this Committee should be encouraged to promote interdisciplinary curriculum development, where appropriate, for the benefit of students and the University as a whole.

Appointment Length

Except for *ex officio* members, appointments should be made for two-year periods to achieve broad and diverse representation over time. A phased roll-on / roll-off approach is recommended to ensure these committees establish a consistent approach to decision-making and transmit this approach to new appointees. To accomplish this orderly and gradual turnover of members, some inaugural committee members will need to serve terms longer than two years.

Budget Executive Committee

Detailed Charge

The Budget Executive Committee advises the President on use of the University's Central Revenues Fund to help determine how to allocate these central resources most strategically. Northern Kentucky University provides instruction, conducts research, and offers public service across an array of disciplines that face inherently different cost structures. Consequently, to maintain the University's role and mission, the Committee should develop its recommendations so that a portion of the Central Revenue Fund is used to support Colleges and Schools that for structural reasons cannot cover their own full costs, while the balance is invested in strategic initiatives consistent with the mission and priorities of the institution. This Committee is also responsible for evaluating any Central Unit budget requests that are not resolved by the Central Unit Allocation Committee. In these cases, the Committee must decide whether to recommend an increase in Central Unit budgets or propose a change to existing service offerings or costs.

Other Tasks

1. Review and recommend to senior leadership the comprehensive University budget submitted to the President for final approval by the Board of Regents.

2. At periodic intervals, assemble a Budget Model Review Task Force to conduct a thorough review and evaluation of all model components to ensure they continue to align with the University's mission, promote desired behaviors, and mitigate unintended consequences. This work should involve consultation with other budget advisory committees and at a minimum, should include the review of the following model components:

- Allocation methodology for tuition revenues
- Allocation methodology for state appropriations
- Organization and grouping of Central Units
- Variables used to determine the allocation of Central Unit costs, and
- Participation rate needed for the Central Revenues Fund.

Upon completion of this review, the Task Force should present their recommendations to the Executive Committee for validation and share the validated recommendations to the President for implementation approval.

Central Unit Allocations Committee

Detailed Charge

The Central Unit Allocations Committee will promote collaboration between academic and central support units, clarify expected service levels by the central units, and evaluate the funding levels required to deliver those services at desired and realistic levels. As part of the annual budget development process, this Committee will evaluate financial plans proposed by selected central units. These financial plans should outline the proposed unit budget and justify additions or changes to service levels or fee structures. This Committee will also review requests for waivers from contribution to Central Unit budgets; such waivers should be recommended only in rare cases and must be approved by the Executive Committee. If the Central Unit Allocations Committee is not able to approve a Central Unit's financial plan, the Committee may refer the case to the Executive Committee. The final responsibility of the Central Unit Allocation Committee is to recommend a unified budget for all central support units to the Executive Committee for final review and inclusion in the University-wide budget recommended for submission to the President.

Space Management and Deferred Maintenance Committee

Detailed Charge

The Space Management and Deferred Maintenance Committee will advise on the use of the deferred maintenance fund and the allocations of its resources to support improvements across the University. The Committee will recommend priorities among major deferred maintenance projects for periodic and as-needed improvements. Additionally, this Committee will serve as a broker for units wishing to give up or acquire space and ensure a standard process takes place to audit space types.

Other Tasks

1. Advise on the development of policies and procedures for the management and brokerage of space.
2. Ensure space data is accurate and reliable by consistently monitoring updates to the University's space database to support accurate and equitable space-based cost allocations. Space audits, to that end, should be conducted as necessary.
3. Review prior year deferred maintenance levels and project funding decisions, review proposed major deferred maintenance project requirements, make recommendations to University leadership on deferred maintenance funding levels, and make deferred maintenance allocation pools for major and minor deferred maintenance projects.
4. Make meeting agendas and minutes available to assure full transparency regarding the funding of deferred maintenance projects, as these projects have significant impact on academic and central unit stakeholders across the institution.
5. Provide support to determine and define components of the Facilities Service Level Agreement, outlining the levels of services that units receive in return for their Facilities cost allocations ("space charges").

Budget Executive Committee

- **Co-Chair** - Provost and Executive Vice President of Academic Affairs (Sue Ott Rowlands) **(2)**
- **Co-Chair** - Senior Vice President for Administration and Finance (Sue Hodges Moore) **(2)**
- Dean (Frank, CAS)
- Dean (Reed, COEHS)
- President of the Faculty Senate (Baranowski) **(2)**
- Vice President for Student Affairs (Turner)
- President of Staff Congress (Bauer) **(2)**
- Chair, Council of Chairs (Walters) **(2)**
- CFO (Hales) **(2)**
- Associate Provost for Administration (Sweeney) **(1)**
- VP Enrollment Management (Scranage) **(1)**
- Associate Director, Budget Office (Schaffer) **(1)**

(1) Non-voting member

(2) ex officio

Central Unit Allocations

- **Chair** – CFO (Hales) **(2)**
- Dean (Kirby, COI)
- Dean (Porterfield, COB)
- Faculty Senate Budget committee Chair (Bloch) **(2)**
- Vice President for Advancement (Gentry)
- Assistant Vice President for IR (Natale)
- Vice Provost for Graduate Ed, Research and Outreach (Langley-Tumbaugh)
- Staff Congress President Elect (Lovold) **(2)**
- Academic Department Chair (Kishman) **(2)**
- Director of Athletics (Bothof)
- Director, Business Operations and Auxiliary Services (Meeks) **(1)**
- CIO (Ferguson) **(1)**

(1) Non-voting member

(2) ex officio

Space Management and Deferred Maintenance

- **Chair** - Associate Vice President for Facilities (Blake replacement) **(2)**
- Dean (Scalise-Smith, CHP)
- Dean (Standen, Chase)
- Associate Provost and Dean of the Libraries (Almquist)
- AVP, Student Engagement and Business Operations (Slaughter)
- Academic Department Chair (McGuffee) **(2)**
- Faculty Member (Bredemeyer) **(2)**
- Staff Congress Secretary (Neumeyer) **(2)**
- CFO (Hales) **(2)**
- Director of Campus and Space Planning (Schuh) **(1)**
- Comptroller (Kerdolff) **(1)**
- Associate Athletics Director (McIver) **(1)**
- Director, Operations & Maintenance (Mirizzi) **(1)**

(1) Non-voting member

(2) ex officio

University Curriculum Committee (Membership as is with the addition of a representative from the Graduate Council and Chase College of Law for the purposes of the budget model governance process)

Note: this change has been recommended by Academic Affairs Council but will need vetting with the UCC and the Faculty Senate.