

# Resource Allocation, Management, and Planning

## Steering Committee #5

*Executive Summary*



# Agenda

Huron is pleased to have the opportunity to partner with WKU on this resource allocation, management, and planning (“RAMP”) initiative.

## **Our goals for today’s meeting include:**

1. Review recent efforts and project plan
2. Discuss Performance allocation options
3. Review Activity Level metrics
4. Review Cost Pool allocation approach
5. Review stakeholder engagement calendar
6. Answer remaining questions

# Recent Efforts

Since the last steering committee meeting, Huron has completed several tasks described in the project plan; these are as follows:

- Continued work on the first draft of the "Baseline Model"
- Completed model orientation meetings with academic Deans
- Worked with the budget team, accounting team, OSP, and IR to analyze outstanding data items

# Project Plan

Huron's project plan structures the primary activities into several overlapping work streams that will take place over a 20-week period.

Workstream	Week →	Jan 29	Feb 5	Feb 12	Feb 19	Feb 26	Mar 5	Mar 12	Mar 19	Mar 26	Apr 2	Apr 9	Apr 16	Apr 23	Apr 30	May 7	May 14	May 21	May 28	Jun 4	Jun 11		
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20		
<b>Current State Assessment</b> <ul style="list-style-type: none"> <li>Assess strengths and challenges of WKU's current approach to resource allocation</li> </ul>	■																						
<b>Data Review</b> <ul style="list-style-type: none"> <li>Organize, interpret, and analyze financial and activity-level data</li> </ul>	■																						
<b>Initial Model Build</b> <ul style="list-style-type: none"> <li>Develop guiding principles, model framework, and structure</li> </ul>	■																						
<b>Stakeholder Engagement</b> <ul style="list-style-type: none"> <li>Engage academic deans, business officers, and additional stakeholders</li> </ul>									■														
<b>Model Refinement</b> <ul style="list-style-type: none"> <li>Review feedback, discuss with Committee, and determine what refinements are needed</li> </ul>														■									
<b>Model Training</b> <ul style="list-style-type: none"> <li>Review of the model framework, design, functionality, and calculations</li> </ul>																		■					
<b>Steering Committee Meetings</b>	★			★			★		★			★						★		★			



# Project Goals and Objectives

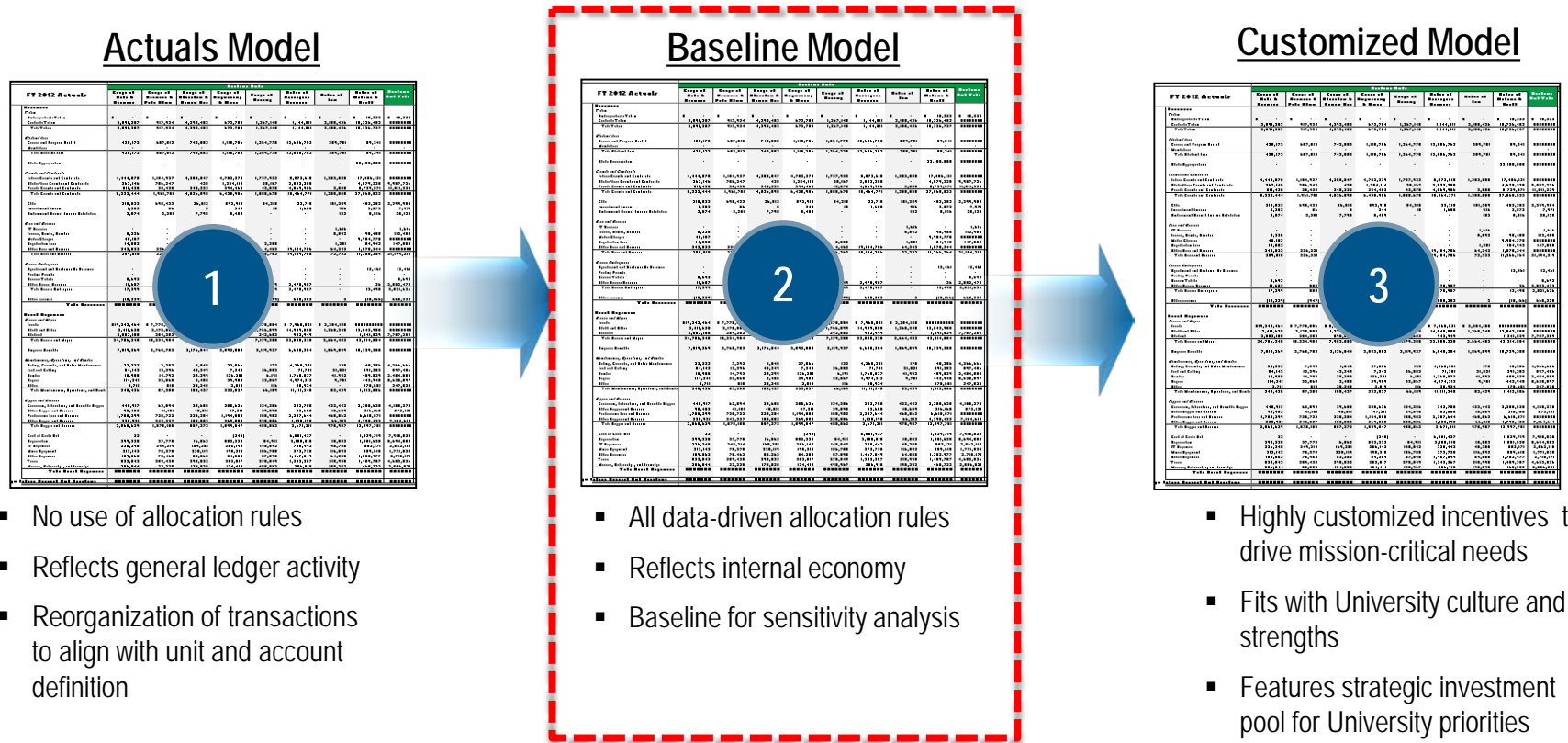
Huron understands that WKU desires a consulting partner to assist with the development of a new performance-based resource allocation model and proposed implementation schedule.

## The RAMP model will seek to address the following desires:

- Align with the State's funding formula to better position WKU to increase State funding
- Address current financial trends, which include declines in student enrollment and sponsored programs
- Allocate funds in a way that will support the University's new strategic plan
- Reward performance and invest in strategic priorities in an equitable manner
- Increase transparency and simplicity in resource allocation

# Model Development

The process to develop a customized model is an iterative one during which Huron and WKU will rely heavily upon community feedback for each model iteration, which culminates in a highly customized model that reflects the unique culture and strengths of the University.



During model orientation meetings with the Deans, we presented the current "Actuals Model". During our next set of meetings, we will review the various allocation methodologies that make up the "Baseline Model".



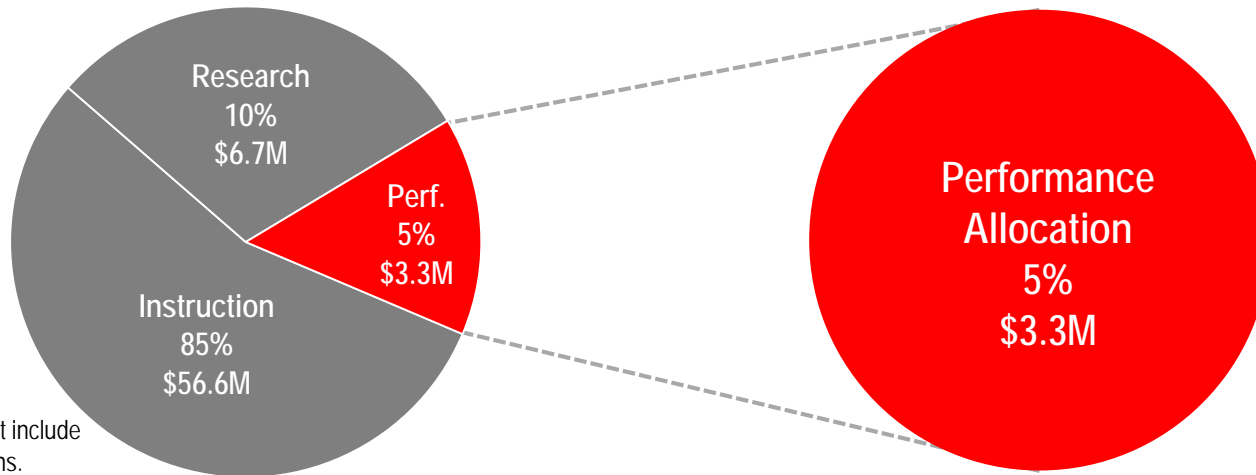
# Performance Allocation

# Performance Allocation

The Student Success component of the KY Performance Funding model is comprised of the five elements below. The Performance Allocation portion of allocable state appropriations can incorporate these metrics as desired.

## Student Success Metrics

- Bachelor's degree production
- Bachelor's degrees awarded per 100 undergraduate full-time equivalent students
- Number of students progressing beyond 30, 60 and 90 credit hour thresholds
- Science, Technology Engineering, Math and Health (STEM + H) bachelor's degree production
- Bachelor's degrees earned by low-income and underrepresented minority students



Note: Pie graph does not include direct state appropriations.

**Discussion:** How should the \$3.3M allocable state appropriations for Performance be allocated?





# Activity Level Metrics

# Activity Level Metrics Broad Sheet

The current iteration of the RAMP model contains over 200 possible allocation metrics. It also includes a detailed version of the broad sheet below which serves as a printable summary of key metrics used in the RAMP model.

	College A	College B	College C	Academic Units Total	Auxiliary Units Total	Primary Units Total	Support Units Total	Pass Through	University Total
Credit Hours by Student									
Credit Hours by Faculty									
Student Headcount									
Student FTE									
Faculty Headcount									
Faculty FTE									
Staff Headcount									
Staff FTE									
Degrees Awarded									
Sqaure Footage									
Contracts & Grants									
Direct Expenses									

Primary Units

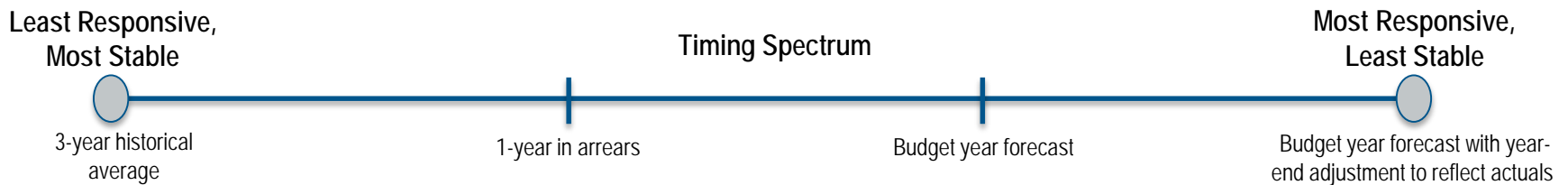
Activity Level Metrics

Illustrative

# Timing of Data

Critical decision points in the model include the timing of data used to drive revenue and expense allocations across campus units.

Element	Dollars Used in Model	Allocation Metrics	Recommended Metric Timing
Direct Expenses	Current Year Plan or Budget	N/A	N/A
Direct Revenues	Current Year Plan or Budget	N/A	N/A
Allocation of Support Unit (Cost Pool) Expenses	Current Year Plan or Budget	Total Direct Expenditures Total Student FTE Square Footage Total Headcount Student and Faculty FTE Total Graduate Student HC Sponsored Revenue Regional Campus CH	Prior Year Actuals
Allocation of General Revenues: General UG Tuition, General Grad Tuition, Institutional Scholarships and General State Appropriations	Current Year Plan or Budget	Credit Hours Instructed Credit Hours Enrolled Sponsored Revenue Undergraduate General Tuition	Prior Year Actuals



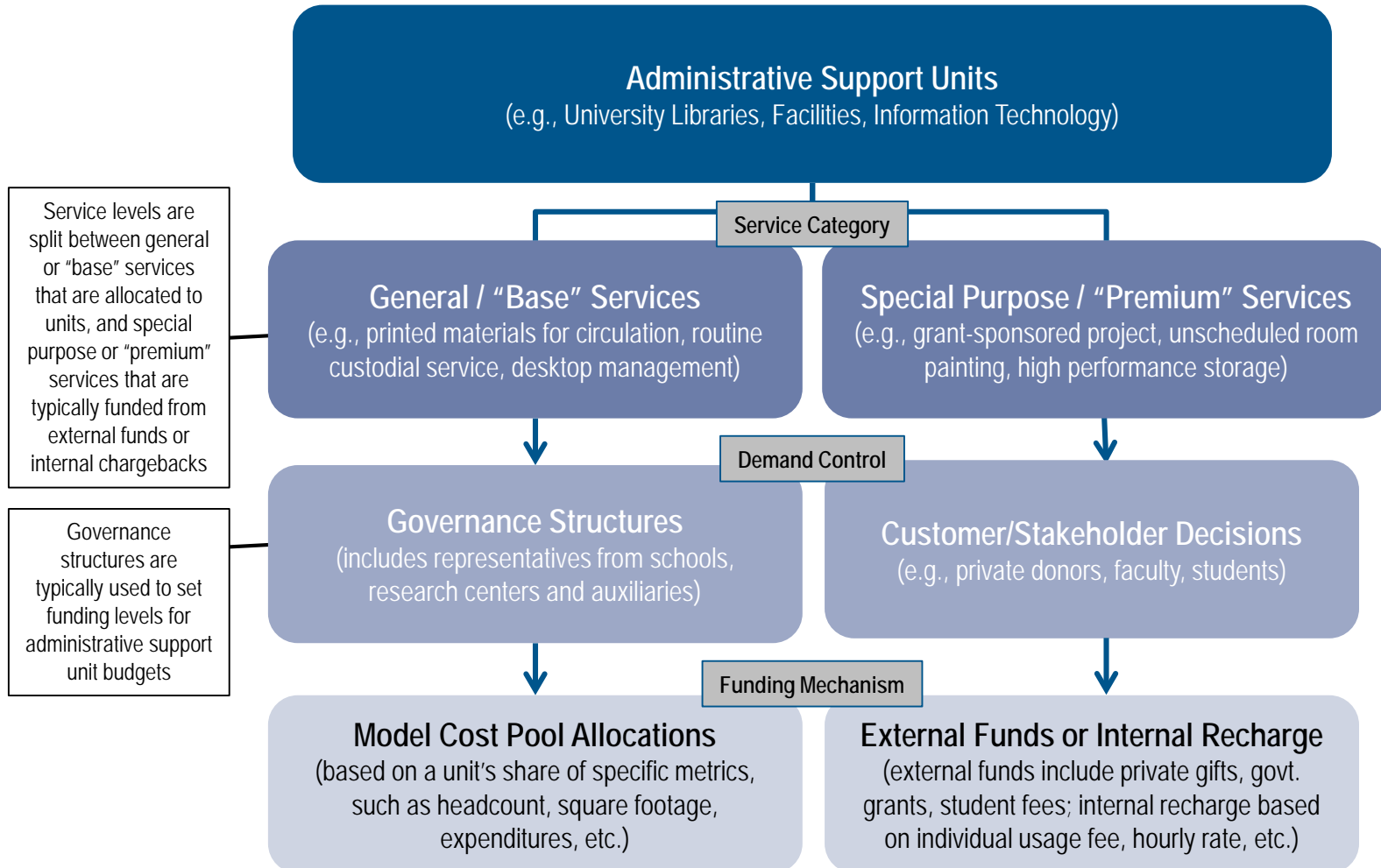
**Discussion:** Does the Steering Committee agree with the timing of these allocation metrics?



# Cost Pool Allocation Approach

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In incentive-based budgeting systems, universities typically distinguish “base” services from “premium” services in how they handle costs incurred by administrative support units.

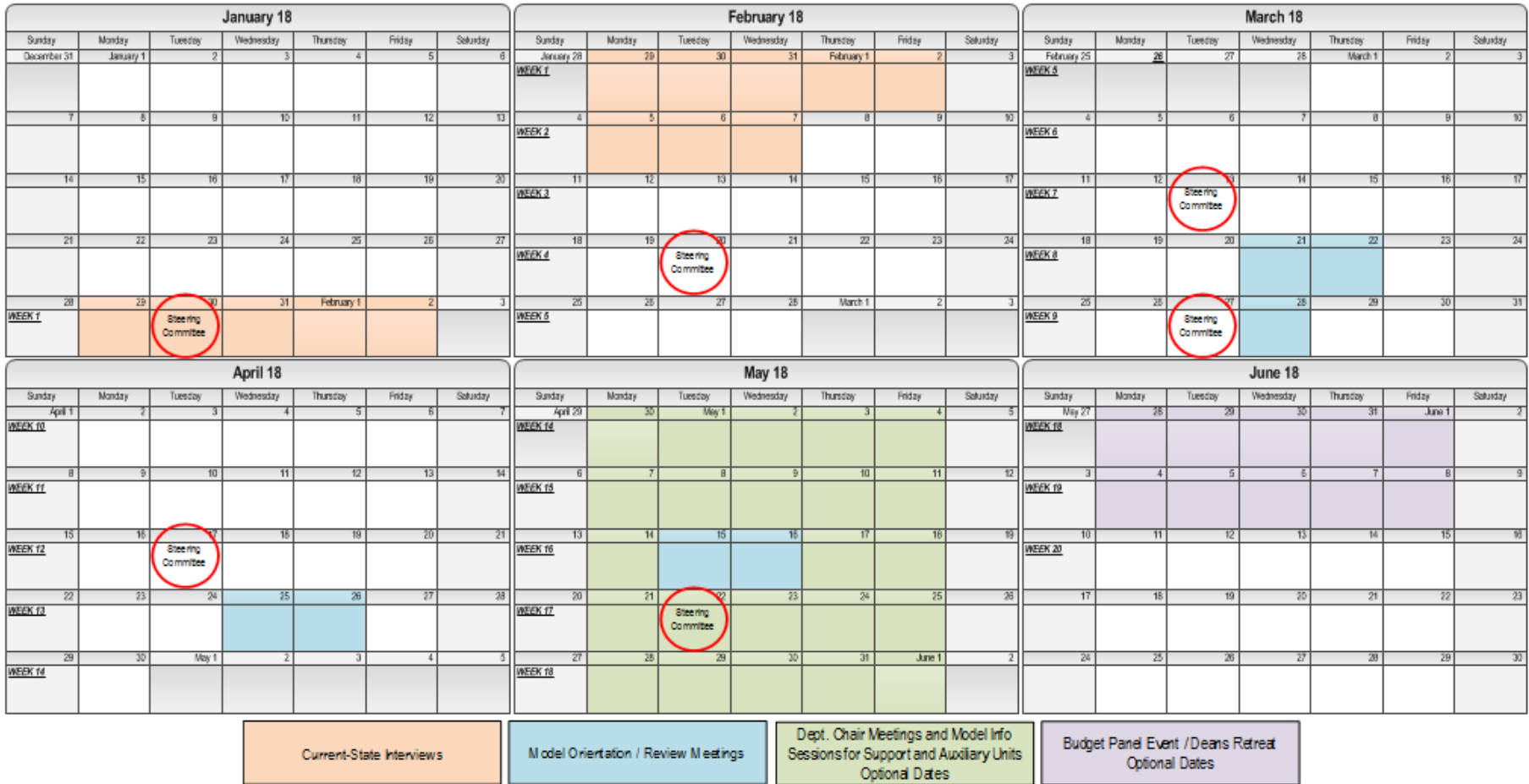




# Stakeholder Engagement

# Stakeholder Engagement Timeline

As laid out in the project plan, Huron will continue to engage various campus stakeholders. The below graphic displays a high-level project calendar with key stakeholder engagement elements highlighted.





# Next Steps



# Next Steps

In accordance with the proposed project plan, Huron suggests the following next steps:

1. Review first draft of the “Baseline Model” with the Executive Team
2. Refine “Baseline Model” as needed
3. Conduct Model Review meetings
4. Schedule Department Chair meetings as needed
5. Conduct initial model training
6. Schedule RAMP informational sessions for Auxiliary and Support units
7. Reconvene at the next steering committee meeting on 5/22



# Questions?



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