



January 2021

RCM AT RUTGERS: FIVE-YEAR REVIEW PROCESS

Charge to the Review Committee

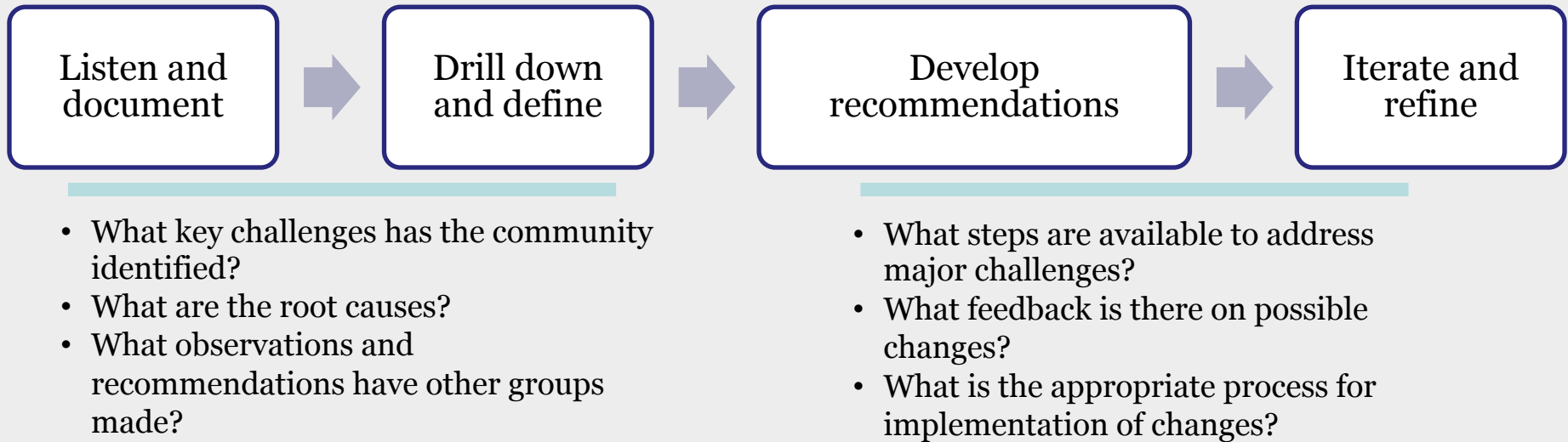
To complete a five-year review of the responsibility center management budget model. This review should be led by the academic leaders of the university, and should address the following aspects of the Rutgers budget model:

- Assess how effectively the current budget model is being used to support institutional priorities, such as academic excellence, public mission, diversity, equity and inclusion, and strategic clarity.
- Review 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.

Review Structure



Review Process



Review Approach

Institutional Domains

- Undergraduate Education
- Graduate Education
- Research
- Healthcare

Institutional Priorities

- **Beloved Community**
 - Fostering collaboration, valuing diversity, equity, and inclusion, and our public mission.
- **Academic Excellence**
 - Discovering and achieving excellence through our teaching and research.
- **Strategic Clarity**
 - Supporting efforts to make Rutgers easy to understand and create a “one Rutgers” identity.

Mechanics

- **Budget process and support**
 - Documented service expectations for each cost center
 - Consistent use of Cost Pool Advisory Committees
- **Cost pool construction (number of pools, simplicity of model)**
- **Space and other allocation metrics**
- **Resourcing strategic initiatives**

Perceptions from Community Feedback

Transparency: Rationale and mechanics are insufficiently transparent, making it difficult to find information and contextualize budgeting decisions

Academic Collaboration: RCM is perceived as discouraging academic collaborations, especially across schools.

Interdisciplinary Research: A focus on “who pays for what,” among other factors, impedes interdisciplinary research efforts.

Duplication: Insufficient clarity over responsibility and authority creates operational inefficiencies.

Us/Them Mentality: Responsibility-centers describe insufficient visibility or control over cost-centers; cost-centers sense constant budget pressure.

Balance: Uncertainty over how funding decisions are made creates tension between funding for core strengths activities and support for new, strategic initiatives

Questions & Further Discussion