



Rethinking the University's Budget Model

The Rutgers EDGE and the Decade Ahead

Dr. Keena Arbuthnot, Executive Vice President for Academic Affairs and Chief Academic Officer
Kimberly J. Lewis, Executive Vice President and Chief Administrative Officer

September 23, 2026

The Questions We Are Asking

WE ARE NOT BEGINNING WITH A PREDETERMINED OUTCOME —
WE ARE OPENING A CONVERSATION

01

—
Is the current budget model aligned with today's realities and future needs?

02

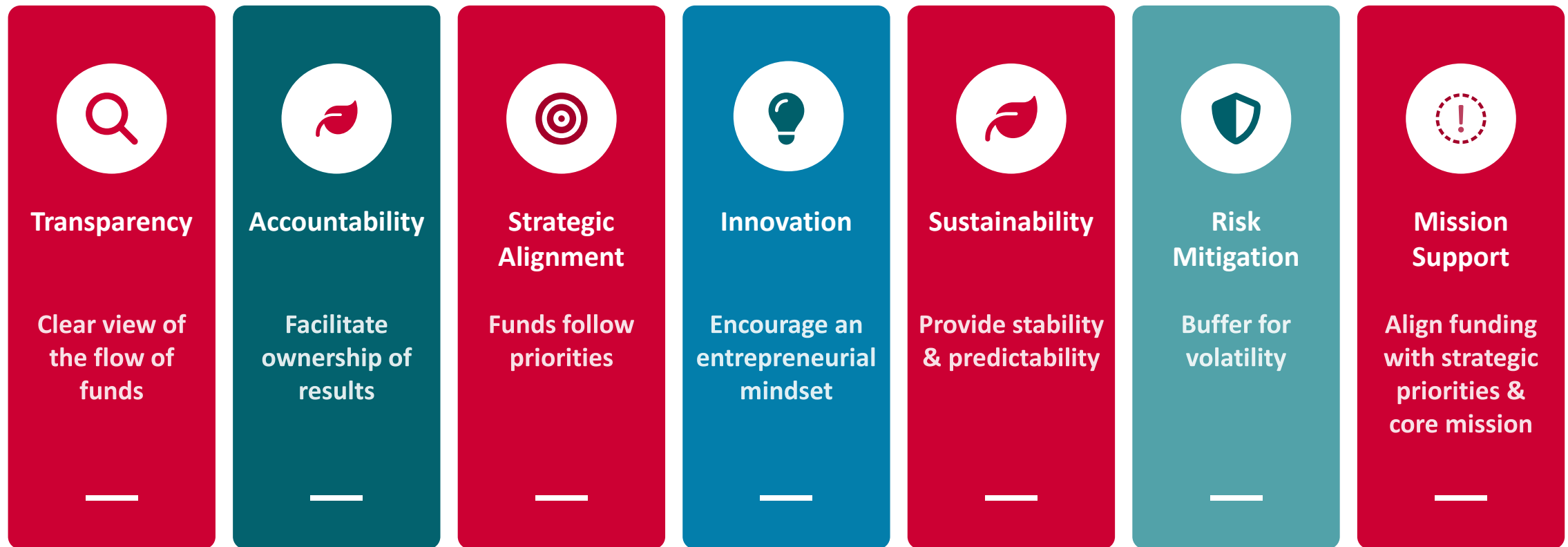
—
Does the model drive the right decisions and behaviors?

03

—
What must a future-ready budget model enable?

What Should a Budget Model Do?

A BUDGET MODEL IS A TOOL FOR INSTITUTIONAL STRATEGY —
IT DOES NOT MAKE DECISIONS.





What the Sector Has Learned About RCM

What it delivers, what it costs, where peers are heading

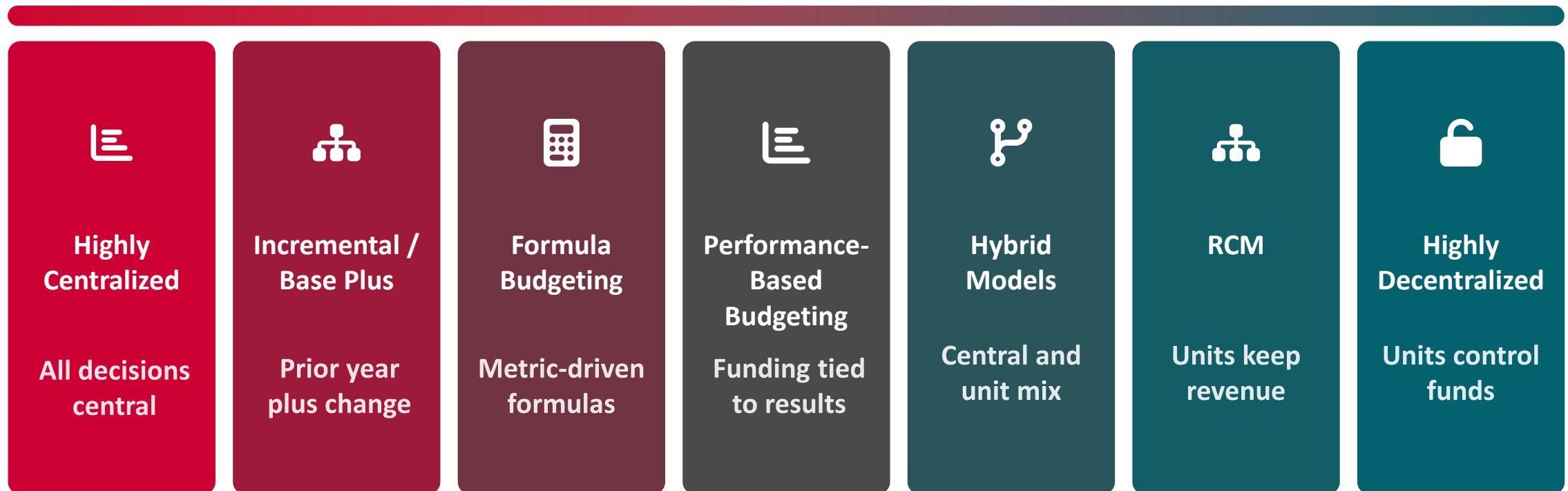
Catherine Z. Brennan, Vice President of Financial Planning & Analytics and Chief Budget Officer
September 23, 2026

Spectrum of Budget Models

BUDGET MODELS RANGE FROM FULL CENTRAL CONTROL TO FULL DECENTRALIZATION — RUTGERS MUST FIND ITS RIGHT POSITION.

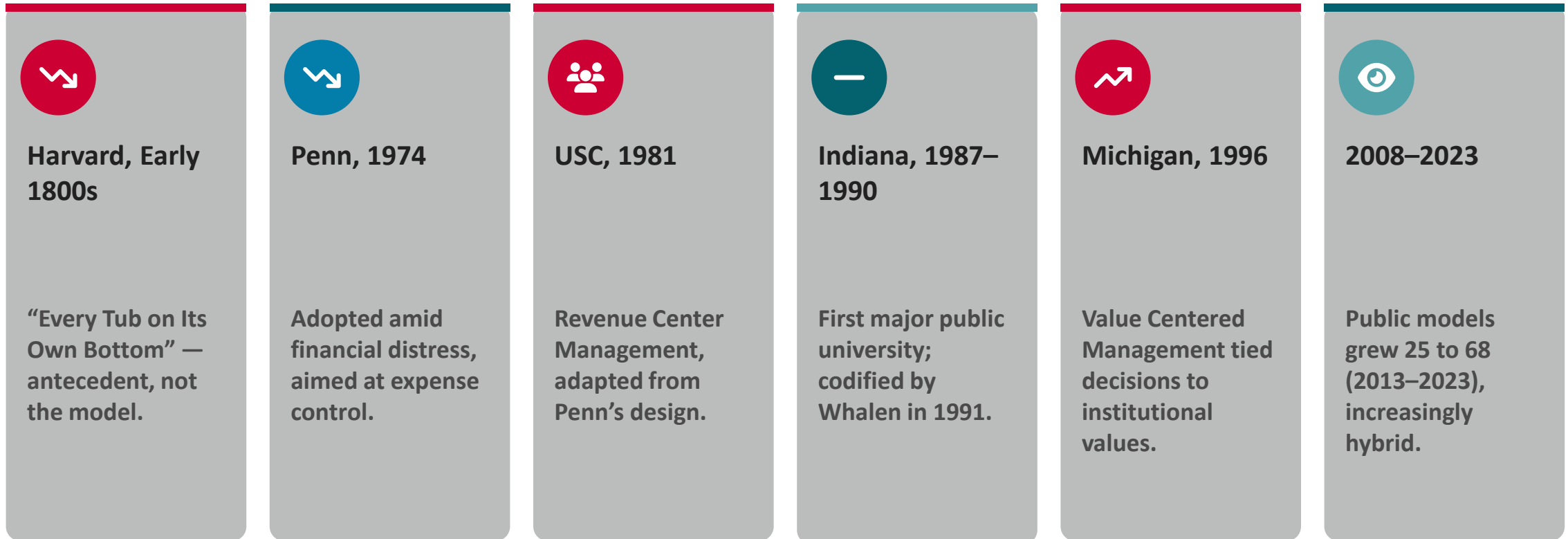
FULL CENTRAL CONTROL

FULL DECENTRALIZATION



RCM Was Born in Scarcity, Not Abundance

A 50-YEAR GENEALOGY: BORN UNDER FINANCIAL STRESS, NEVER FULLY DECENTRALIZED, STILL BEING RECALIBRATED.



RCM Adoption Across Research Universities

RCM BECAME ONE OF THE DOMINANT BUDGET MODELS AMONG MAJOR PUBLIC RESEARCH UNIVERSITIES OVER THE PAST TWO DECADES.



University of Michigan



University of California, Los Angeles



The Ohio State University



University of Arizona



University of Illinois



University of Virginia



University of Minnesota

An estimated 60 - 100 institutions nationwide have adopted some form of RCM.

What RCM Was Designed to Do — and Can Deliver

THESE STRENGTHS ARE REAL IN PRINCIPLE — WHETHER RUTGERS HAS REALIZED THEM IS PART OF WHAT WE WILL CONSIDER



Transparency & Accountability

Designed to make revenues and costs visible at the unit level. Delivers clear ownership of financial outcomes.



Entrepreneurship & Innovation

Designed to let units retain the benefits of success. Delivers motivation to grow revenue and launch new programs.



Agility & Decentralized Decision-Making

Designed to move decisions closer to academic leaders. Delivers faster, locally informed action.



Strategic Alignment

Designed to tie decisions to financial consequences. Delivers incentives that reinforce the university's mission.

The Cost RCM Builds In

THE DESIGN CONSEQUENCES OF DECENTRALIZATION ITSELF



Shared Priorities Go Unfunded

Cross-cutting investments have no natural home in a unit-based budget.



Inter-Unit Competition

Units compete for the same students and credit hours instead of coordinating.



Decentralized Risk

Volatility concentrates in single units, with limited central buffer.



Administrative Complexity

Allocation rules, data reconciliation, and appeals require constant upkeep.



Cost Escalation

Centrally driven costs allocated to units rise without unit authority to manage them.



Campus Climate & Transparency

Complex allocation rules read as opaque, and opacity reads as unfair.

The Environment in Which RCM Evolved Is Not the Environment We Face Today

RCM EVOLVED INTO A POWERFUL MODEL FOR INCENTIVIZING GROWTH — BUT THE CONDITIONS THAT SUPPORTED THAT GROWTH HAVE CHANGED.



State Appropriations

Declining or flat state appropriations for public institutions.



Federal Funding Uncertainty

Shifting federal research funding, indirect cost rates and policy volatility.



Enrollment Headwinds

Demographic shifts and a shrinking pipeline across the Northeast.



Tuition Revenue Flattening

Affordability concerns limit net tuition growth.



Mandatory Expenses Increasing

Expense growth outpacing revenue growth.



Transparency & Accountability

Boards, the public and policymakers demand greater transparency.

Evidence & Outcomes: Does RCM Improve Financial Viability?

STUDIES PAIRING RCM AND NON-RCM INSTITUTIONS FIND LITTLE TO NO DISCERNIBLE CHANGE IN OVERALL FINANCIAL POSITION.

Long (2019)

50 public universities, 2007–2016

RCM institutions did not outperform non-RCM peers on operating, tuition, or grant revenues. Only marginal effects on expenditures, in one of the ten years studied.

Cotton (2018)

Texas Tech — matched-pair CFI

Differences in financial health were not significant between matched pairs of RCM and non-RCM institutions.

Jaquette, Kramer & Curs (2017)

Journal of Higher Education

RCM positively affected tuition revenue at Iowa State, Cincinnati, and Kent State — but not Florida. Results compare each institution to a modeled non-RCM counterfactual, not to actual peers.

Key Takeaway

RCM is not a magic formula.

Adopting — or abandoning — RCM will not by itself change our financial position. Design, incentives, and governance determine results.

Source: Hanover Research / Inside Higher Ed (2023).

How Peers Are Evolving Their Models

PEER INSTITUTIONS HAVE TAKEN MARKEDLY DIFFERENT PATHS —
REFINING, REBALANCING TOWARD THE CENTER, OR STEPPING AWAY

- 1 Arizona – Transitioned away from traditional RCM toward Activity-Informed Budgeting
- 2 Delaware – Moved toward a hybrid central-and-unit model
- 3 Temple – Refreshed its model and is moving to a more centralized hybrid
- 4 New Hampshire – Maintains RCM but continuously refreshes formulas and incentives
- 5 Iowa – Centralized during COVID and has not returned to RCM

The relevant question for Rutgers is not whether to keep RCM, but what design serves us now.

What the Evidence Means for Rutgers

THE FINANCIAL RECORD POINTS TO DESIGN CHOICES AND GOVERNANCE — NOT TO THE MODEL LABEL.

Judge the design, not the label

Outcomes in the literature track how a model is built and governed far more than whether it is called RCM.

Set incentives deliberately

Where RCM produced revenue gains, they followed from specific incentive structures — not from decentralization itself.

Expect no automatic gain

No study found sustained improvement in overall financial health from adopting RCM alone. Improvement has to be designed for and requires governance.

Key Takeaway

Our task is to design the model we want — not to choose a label.

Source: Hanover Research / Inside Higher Ed (2023).

The background of the slide is a photograph of a tree-lined path, likely on a university campus. The path is lined with tall, leafy trees. On the right side of the path, there are several black lampposts. Two of these lampposts have banners hanging from them. The banners are white with a large red 'R' and the word 'RUTGERS' in red capital letters below it. The entire image is overlaid with a semi-transparent red filter. In the upper left area, there is a horizontal dotted line.

Questions?



RCM at Rutgers University Today

University Budget Model Review

Terry Fronckowiak, Assistant Vice President Financial Planning, Analysis and Budget
September 2026

A Brief History — Budgeting at Rutgers

Rutgers has operated under three broad budget approaches over the past two decades, each shift increasing local financial ownership.

Centrally Directed Budgeting

Before FY 2005

- Budgeting decisions made centrally and tied loosely to major academic initiatives
- Limited local accountability at school or unit level

All Funds Budgeting

FY 2005 – FY 2015

- Flat overhead "tax" on tuition and F&A supporting central and local administration
- Shifted decision-making toward local administration levels
- Legacy UMDNJ units operated on a separate RCM-type model

Responsibility Center Management

FY 2016 – Present

- Decentralized model links academic authority with financial responsibility
- Consistent allocation methodology across the entire university
- Replaces the AFB tax approach with decentralized financial responsibility



Before FY 2005

Centrally directed budgeting

FY 2005

All Funds Budgeting begins

FY 2016

RCM adopted

Who is Involved — Governance of the Model (On Paper)

As designed in 2021: who sets the framework, who approves, who administers, and who acts on the result.



Budget Advisory Committees

Central Support Units work with their respective BAC for review and advice on their services, requests, and overall budget.



University Budget Committee

Central Support budget requests are presented to the Budget Committee for review. An overall recommendation is developed.



Chancellors' Offices

Review Central Support Unit pool funding and approve Local Support Unit budgets on their campus.



University Budget Office (UBO)

Administers the model, updates the allocation metrics, and prepares the budget summary for approval.



Responsibility Center Leaders (Deans, Directors, Business Managers)

Review RCM allocation results and manage their unit's net operating position.



Central and Local Support Units

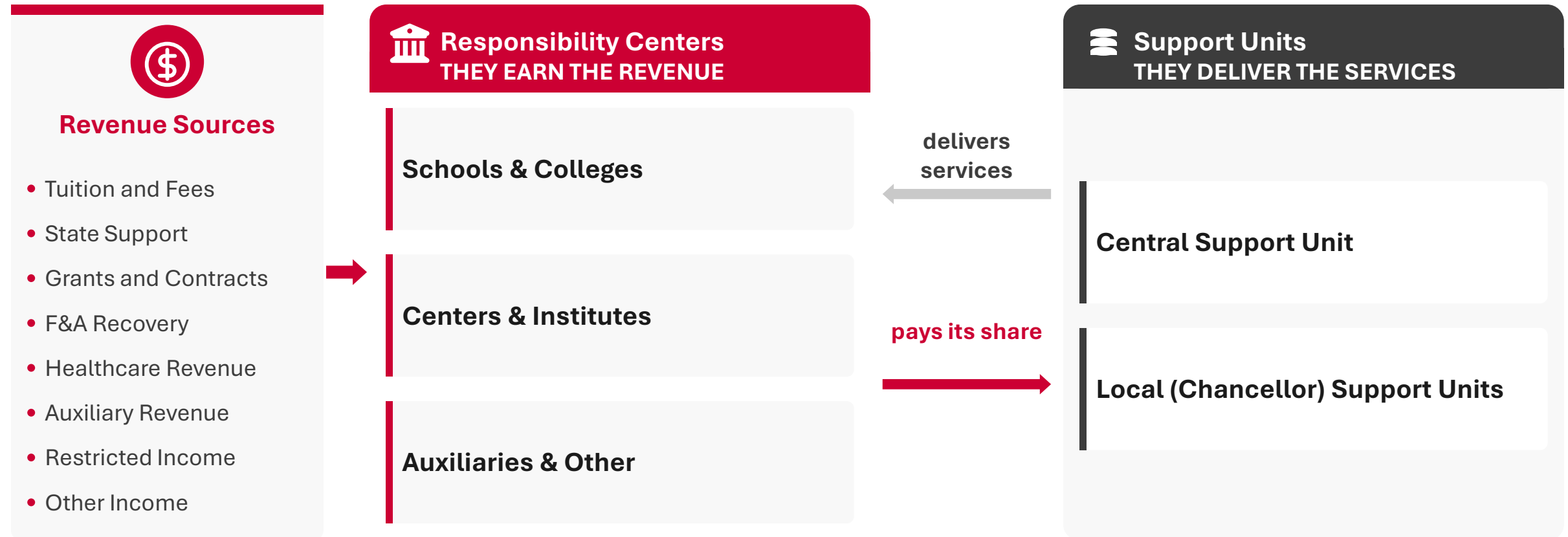
Manage their overall budget, including the allocated funding received through the model.



Where it stands today: This structure is not actively operating at every level and CLUs have each adapted their own approach.

Rutgers RCM Framework at a Glance

*Rutgers funding supports two distinct categories of units —
Revenue-generating operations and those dedicated to delivering essential support services.*



Key Principle: The model creates a direct financial line of sight — units that receive support services pay for them in proportion to their activity.

The Full Responsibility Center Cycle — From Revenue to Allocations

Every Responsibility Center's financial outcome reflects the equation below.



Revenue Earned

Tuition and fees, F&A return, and other income credited to the Responsibility Center that earns it.



Direct Costs

Salaries, benefits, and operating expenses the Responsibility Center incurs itself.



Allocated Indirect Costs

The Responsibility Center's proportional share of the Support Unit Pools.



Net Operating Position

The result each Responsibility Center owns, manages, and carries into next year's budget.



Why the cycle matters: Because it allows each Responsibility Center to see the revenue it earns, the direct costs it incurs, and the shared services it consumes.

Who Are the Responsibility Centers?

Responsibility Centers are the units that generate revenue — in FY27, there are 76 RCs.



Schools & Colleges

28

Degree-granting schools and colleges across New Brunswick, Newark, Camden, and Rutgers Health.



Centers & Institutes

19

Research centers and institutes that carry their own revenue streams and budgets.



Auxiliary Units

22

Auxiliary operations such as housing, dining, athletics, and parking.



Other Units

7

Health-affiliated and Kite & Key entities that operate as their own Responsibility Centers.



Why "Responsibility": Each of these units keeps the revenue it generates and carries the costs attributed to it — that is what makes it a Responsibility Center.

Who Are the Support Units?

Support Units deliver services — in FY27, there are 17 areas in the Central Support Unit, plus 39 Local (Chancellor) Support areas.



Central Support Unit

17

administrative areas

The university-wide administrative backbone — charged across all four campuses and funded by the Responsibility Centers it serves.

Examples: Office of Information Technology, University Libraries, and Office for Research.

Local Support Areas — 39 across four campuses

NB

New Brunswick – 10 Areas

Examples: Office of the Chancellor, Enrollment Management, Undergraduate Education

NWK

Newark – 12 Areas

Examples: Office of the Chancellor, Business Services, Development

CMD

Camden – 12 Areas

Examples: Office of the Chancellor, Office of the Provost, Student Academic Success

RH

Rutgers Health – 5 Areas

Examples: Academic Affairs, Research Administration, Finance and Accounting

How Support Unit Budgets are Allocated to the RCs

*Allocation by Location and Metric —
Location determines who receives an allocation; the metric determines how much of the allocation.*

- 1 Determine Net Cost of Support Unit Operations**
Start with Support Unit cost, then subtract the revenue they bring in. What is left is the cost that is allocated.
- 2 Assign Location to Central and Local Support Units**
Each Central and Local Support Unit is identified as serving a specific location. Central Support Units may be assigned to any of the 7 locations.
- 3 Location Determines Who Shares the Cost**
The location determines which Responsibility Centers share in the cost of a specific Support Pool.
- 4 Group Net Costs into Support Pools**
Support Units that do similar work are bundled into one Support Pool.
- 5 Metrics Determine How Much Each Location Pays**
Each pool has been assigned, based on a fair measure(s) of use — such as headcount or square footage — to spread the cost of the services provided.
- 6 Proportional Shares are Calculated and Allocated**
Each Responsibility Center pays a share based on how much of that measure it uses — such as headcount or square footage.

Location Determines **Who** Receives the Charge

Every Support Unit Pool is assigned one of seven locations, and that location defines which Responsibility Centers are charged.

UW

University-Wide

NB

New Brunswick

NWK

Newark

CMD

Camden

RH

Rutgers Health

NB / RH

New Brunswick Region

NWK / RH

Newark Region

i ***Regional Locations (NB/RH and NWK/RH):** Some services such as Public Safety and Mail Services cannot be readily separated between a campus and Rutgers Health, so they are allocated by physical location rather than campus affiliation. These regional percentages are calculated on only the expenses physically located in that region — not each unit's full expense base.*

The Support Unit Budgets are then Assigned a Support Unit Pool

Support Unit budgets are organized into 11 Support Unit Pools — each pool uses a defined method to distribute costs across Responsibility Centers.



Academic Support



Debt Service



General & Administrative



Information Technology



Libraries



Operations & Maintenance



Public Safety



Research Support



Student Services



Utilities



Strategic Funds

Metrics Determine **How Much** of the Charge

Six defined metrics drive the cost allocation — each selected to reflect a unit's use of university services.

Two-Year Avg Faculty & Staff FTE

- Employee classes 1, 3, and 7 (full-time salaried and Lecturers)
- Data as of March 31 each year
- Excludes Post Doctoral Assoc for RBHS units except EMSOP
- Excludes Correctional Workers from Staff FTEs

Two-Year Avg Unrestricted Earned Revenue

- Excludes state appropriation and restricted revenues

Occupied Space

- Net Assignable Square Footage from Archibus system
- Rutgers-owned buildings only; excludes parking decks
- Current fiscal year data (not a two-year average)

Two-Year Avg Personnel & Non-Personnel Expenditures

- Excludes subcontracts over \$25K, debt, utilities, F&A, and incentive pay
- Net fringe expense

Two-Year Avg Modified Direct Grant Expenditures

- Excludes clinical, service and training contracts of \$250K+
- Excludes incentive pay and majority of equipment grants

Two-Year Avg Student Headcount

- Fall semester data; each student counts as 1 regardless of status
- School of Graduate Studies/School of Social Work/School of Nursing – students split by campus home

Support Unit Pool to Metric Mapping

Support Unit Pool	Allocation Metric
 Academic Support	Student Headcount (Undergraduate Total, Graduate Total & Total Student Headcount)
 Debt Service	Direct: Occupied Space Indirect: Personnel & Non-Personnel Expenditures
 General & Administrative	Personnel and Non-Personnel Expenditures
 Information Technology	Faculty FTE, Staff FTE, Student Headcount (Total)
 Libraries	Faculty FTE, Student Headcount (Total)
 Operations & Maintenance	Direct: Occupied Space Indirect: Depends on the support unit pool a support unit is assigned to
 Public Safety	Half based on Occupied Space Half based on Personnel and Non-Personnel Expenditures (G&A)
 Research Support	Modified Direct Grant Expenditures
 Student Services	Student Headcount (Total)
 Utilities	Direct: Occupied Space; Indirect: Depends on the support unit pool a support unit is assigned to
 Strategic Funds	Unrestricted Earned Revenue

General & Administrative Support Unit Pool

The FY27 G&A support pool of \$279.0 million is allocated by location.

Support Unit Costs (in millions)	UW	NB	NWK	CMD	RH	NB/ RH	NWK/ RH	Total
Central Units Include IP&O, UFA, Academic Affairs, UHR, Development, General Counsel, and among others. Also includes enterprise wide costs such as employee benefits, tuition remission, insurance, outside counsel	\$ 197.9	\$ 14.1	\$ 0.4	\$ 1.2	\$ 2.4	\$ 5.5	\$ 3.2	\$ 224.8
Local Units Include Office of the Chancellor, Marketing and Communications, Finance and Accounting, and among others	\$ 1.9	\$ 16.5	\$ 10.2	\$ 8.0	\$ 17.7	\$ -	\$ -	\$ 54.2
Total	\$ 199.8	\$ 30.6	\$ 10.6	\$ 9.2	\$ 20.1	\$ 5.5	\$ 3.2	\$ 279.0

i General & Administrative: The Central Unit provides administrative and other services at locations across the University.

General & Administrative Distribution Calculation

The G&A metric is personnel and non-personnel expenses.

As an example of allocation, Rutgers–Newark is allocated \$29.5 million of the total \$279.0 million in G&A costs.

Dollars in millions	UW	NB	NWK	CMD	RH	NB/ RH	NWK/ RH	Total
FY27 G&A Cost	\$ 199.8	\$ 30.6	\$ 10.6	\$ 9.2	\$ 20.1	\$ 5.5	\$ 3.2	\$ 279.0
Proportional Share Used to Distribute G&A Costs								2-YR Avg Exp
Rutgers New Brunswick	39.8%	100.0%	0.0%	0.0%	0.0%	56.2%	0.0%	\$ 1,196.9
Rutgers Newark	8.9%	0.0%	100.0%	0.0%	0.0%	0.0%	36.2%	\$ 267.0
Rutgers Camden	4.6%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	\$ 137.3
Rutgers Health	46.7%	0.0%	0.0%	0.0%	100.0%	43.8%	63.8%	\$ 1,404.2
Rutgers Central	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	\$ 2.7
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	\$ 3,008.2
Distributed G&A Costs								
Rutgers New Brunswick	\$ 79.5	\$ 30.6	\$ -	\$ -	\$ -	\$ 3.1	\$ -	\$ 113.2
Rutgers Newark	\$ 17.7	\$ -	\$ 10.6	\$ -	\$ -	\$ -	\$ 1.2	\$ 29.5
Rutgers Camden	\$ 9.1	\$ -	\$ -	\$ 9.2	\$ -	\$ -	\$ -	\$ 18.3
Rutgers Health	\$ 93.3	\$ -	\$ -	\$ -	\$ 20.1	\$ 2.4	\$ 2.1	\$ 117.8
Rutgers Central	\$ 0.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.2
Total	\$ 199.8	\$ 30.6	\$ 10.6	\$ 9.2	\$ 20.1	\$ 5.5	\$ 3.2	\$ 279.0

Questions on the Current Model?

Thank you — let's discuss.



RCM Budget Model Survey Results – 2026

Understanding perceptions, identifying gaps, and informing the path forward

Kappu Ramasubramanian, Assistant Vice President and Chief Data Office, UFA
September 23, 2026

A decade into RCM, Rutgers is assessing how the model is working today

THE ASSESSMENT

Understand how stakeholders experience the RCM model and how effectively it aligns resources with strategic priorities

SURVEY SCOPE

University-wide survey conducted April 20–30, 2026

Distributed to 582 stakeholders across academic and administrative leadership, faculty, administrative staff, and other roles; 282 responses received

282 responses

48% rate

**Other respondents include students, academic staff, and respondents with unspecified roles.*

FOUR DIMENSIONS

01

Understanding

02

Governance

03

Transparency

04

Effectiveness

The survey combines quantitative ratings with qualitative feedback

Two complementary approaches provide both measurable patterns and respondent context

SURVEY DESIGN

20 STRUCTURED QUESTIONS

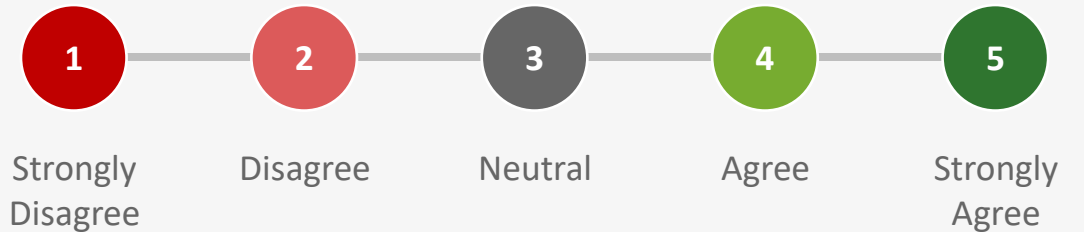
*19 rating items across four dimensions
1 involvement question*

2 OPEN-ENDED QUESTIONS

*What should be preserved?
What would improve effectiveness and clarity?*

SCORING SCALE

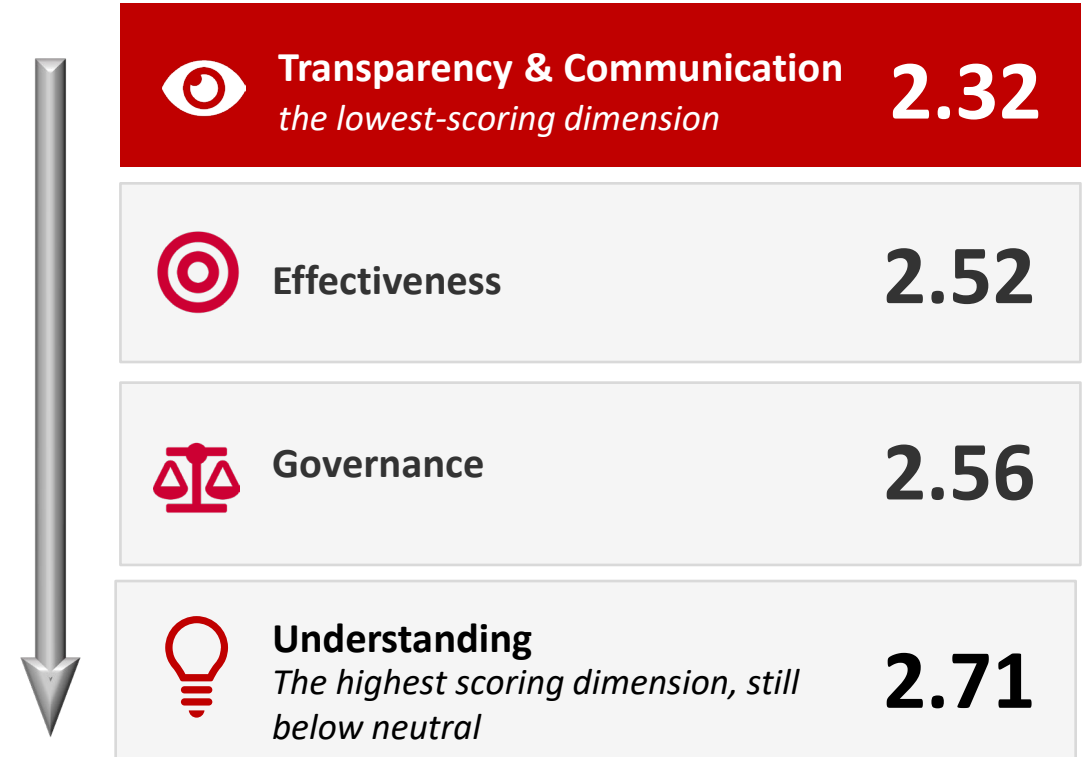
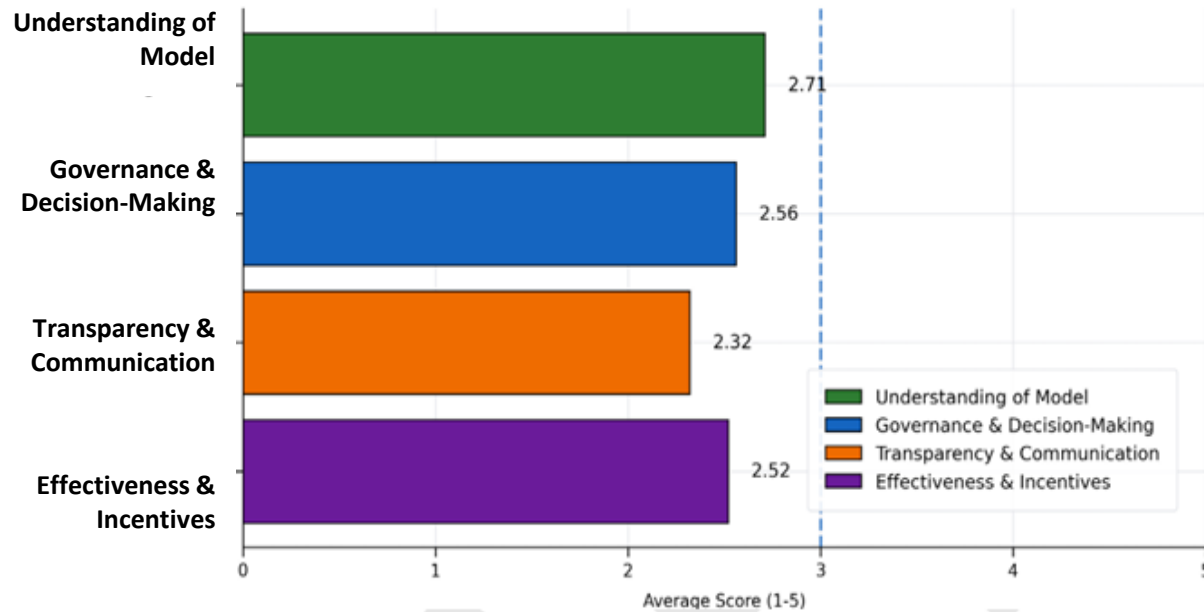
1–5 agreement scale



3.0 = Neutral benchmark

*Average scores below 3.0 fall between
disagreement and neutral*

Perceptions cluster below neutral across all dimensions



■ Across the 19 rating questions, all four dimensions remain **below neutral** and **cluster within a narrow band of 2.32 – 2.71**
Perceptions fall **between ‘Disagree’ and ‘Neutral’**

LENS 1 OF 3 – BY INVOLVEMENT

Direct involvement improves understanding, but broader concerns persist

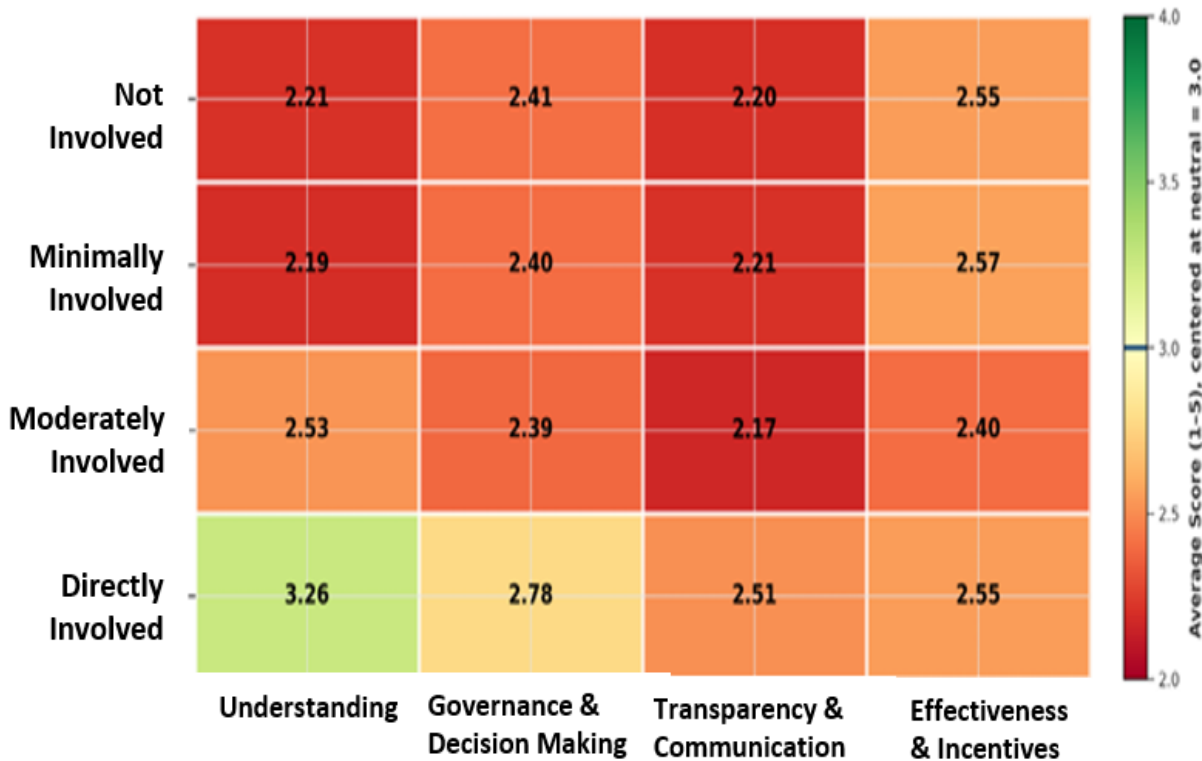


Fig: Average Ratings by Level of Involvement and Dimension

Scale: 1 = strongly disagree, 5 = strongly agree; 3.0 = neutral

UNDERSTANDING

The only dimension to cross neutral

Gains more than a full point: 2.21 → 3.26

GOVERNANCE AND TRANSPARENCY

Improve more modestly, but remain below neutral

Scores are highest among directly involved respondents:
Governance 2.78; Transparency 2.51

EFFECTIVENESS

Shows no consistent relationship with involvement

Directly involved respondents report essentially the same effectiveness score as those not involved

Increased participation alone does not fully address underlying concerns in governance, transparency, and effectiveness

LENS 2 OF 3 – BY ROLE

Perceptions improve with proximity to financial operations

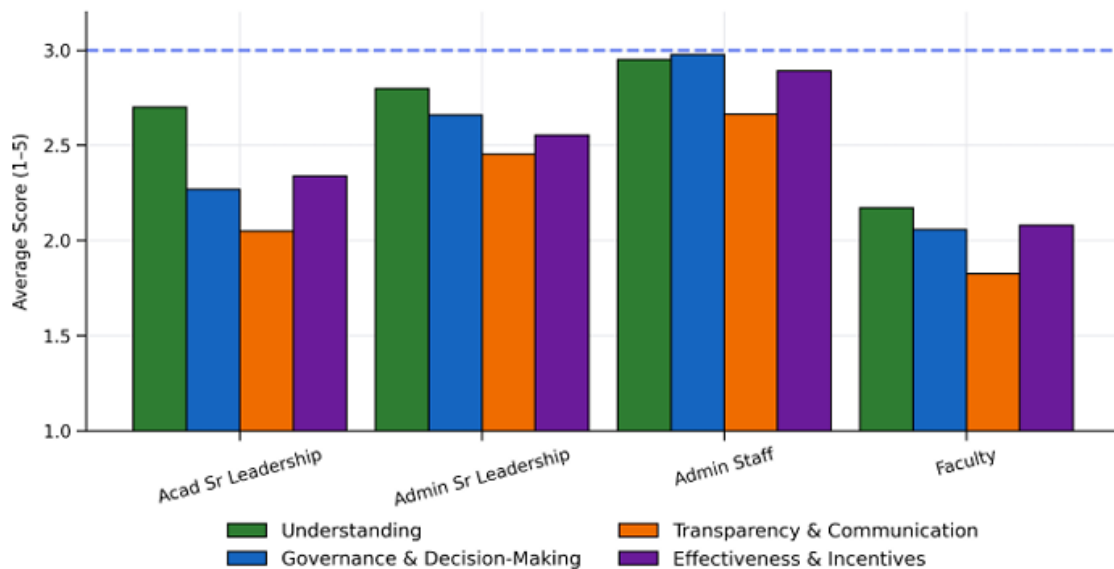


Fig: Perceptions of the Budget Model Improve with Proximity to Financial Operations

ADMINISTRATIVE STAFF

Administrative Staff report the highest scores across all four dimensions.

Ratings range from 2.66 to 2.98, approaching neutral

FACULTY

Faculty report the lowest perceptions across all four dimensions.

Transparency is lowest at 1.83

LEADERSHIP GAP

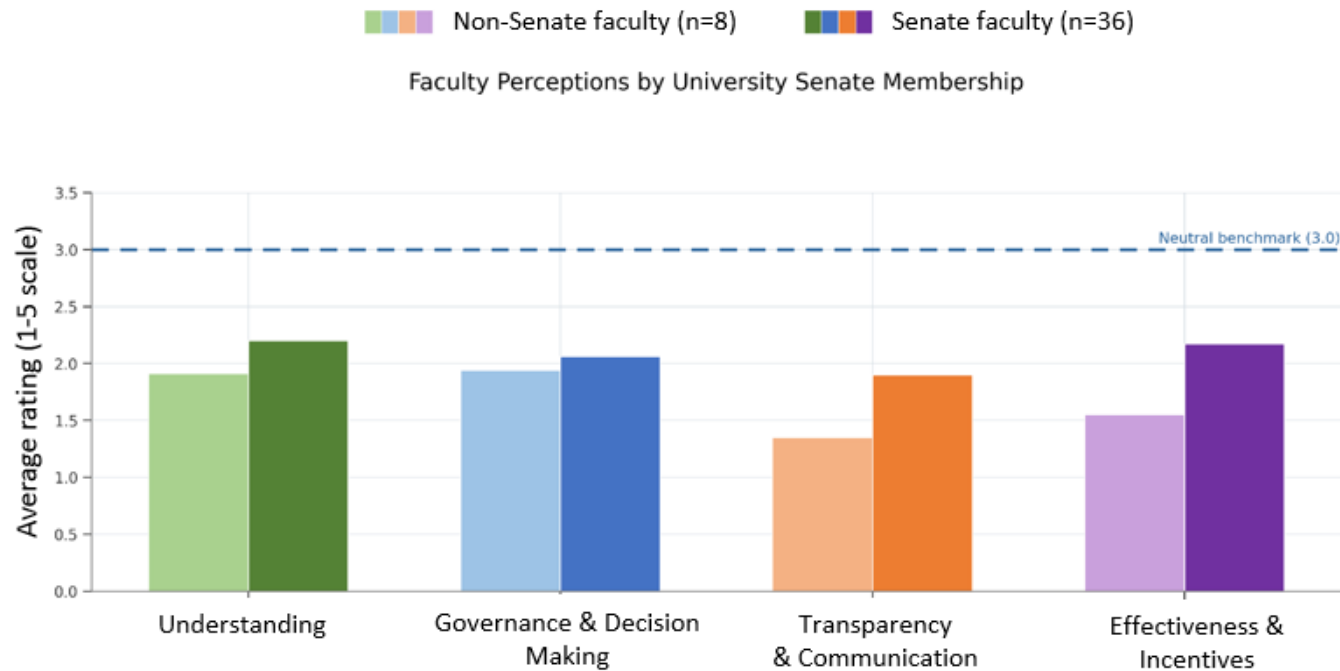
Academic leadership trails administrative leadership across all dimensions.

The largest leadership gap is in Transparency & Communication

Role and proximity shape perceptions, but no primary role group consistently exceeds neutral

LENS 2 OF 3 – BY ROLE | FACULTY DETAIL

Senate affiliation provides important context for the faculty findings



SAMPLE COMPOSITION

Faculty responses were predominantly Senate-affiliated.

Senate members represented 36 of 44 faculty respondents, or approximately 82%

PERCEPTION PATTERN

Senate-affiliated faculty report higher perceptions across all four dimensions.

Both faculty groups remain below the neutral benchmark

Faculty results should be interpreted cautiously due to the small non-Senate subgroup

LENS 3 OF 3 – BY CAMPUS

Perceptions vary meaningfully across campuses

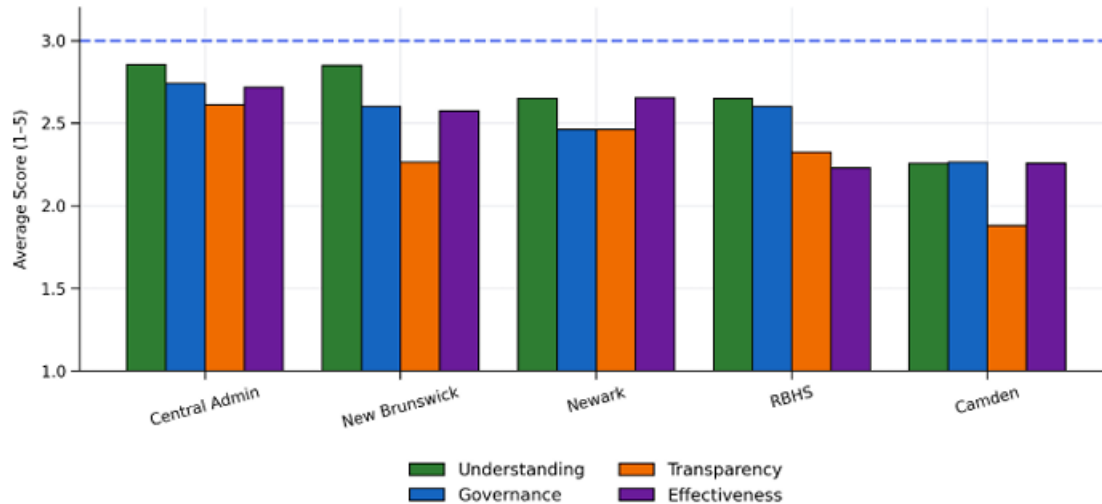


Fig: Perceptions of the Budget Model Vary Across Campuses and Reporting Units

CAMPUS GRADIENT

Perception gaps are not evenly distributed across campuses.

Central Administration reports the most favorable overall perceptions, while Camden exhibits the largest overall gap

CAMDEN

Camden stands out as the lowest across all dimensions

Transparency falls below 2.0, one of the lowest points across the survey

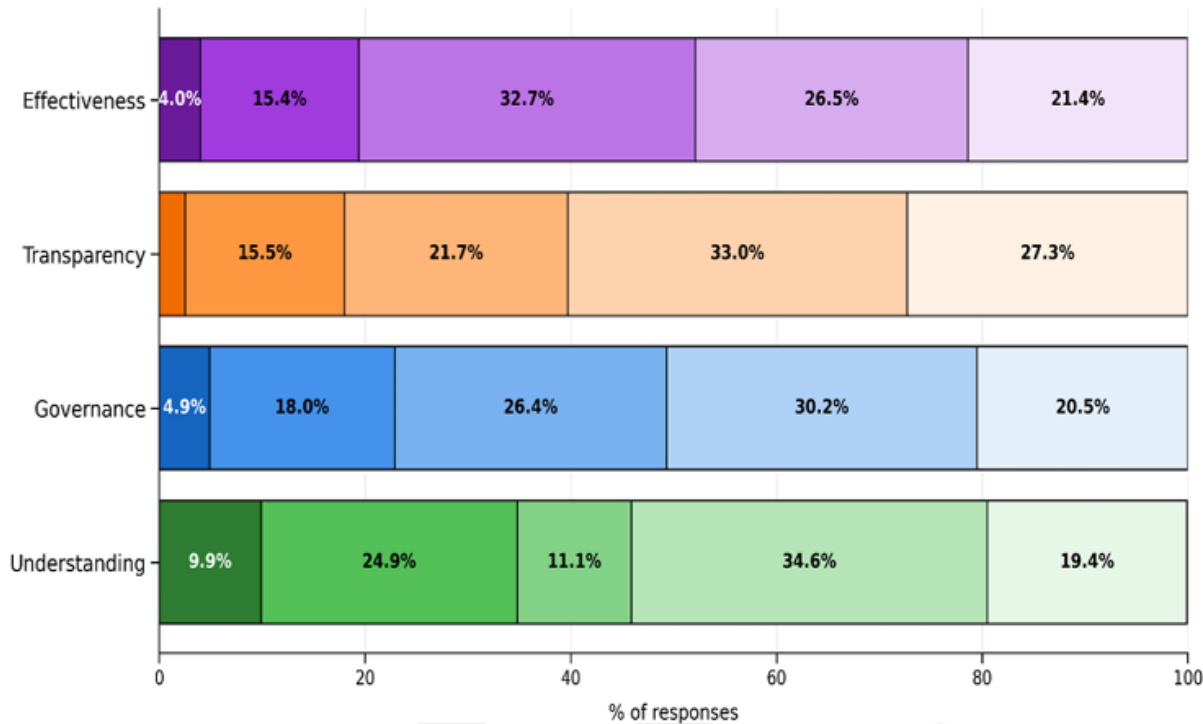
CENTRAL ADMIN

Highest overall perceptions across the survey.

Yet all dimensions remain below the neutral benchmark

Campus gaps are concentrated, requiring targeted communication, visibility, and engagement

Responses skew neutral-to-negative across all dimensions



Stacked bars: Strongly Agree → Strongly Disagree

TRANSPARENCY

Transparency has the highest level of disagreement.

60% disagree or strongly disagree

NEUTRAL RESPONSES

Effectiveness has the largest neutral share.

Approximately one-third of respondents selected neutral for Effectiveness

ACROSS DIMENSIONS

Strong agreement remains limited.

Strong agreement never exceeds 10%; negative responses outweigh positive responses in every dimension

Improving transparency, clarity, and access to the budgeting process is critical to strengthening institutional confidence

Open-ended responses were coded into six recurring themes

These qualitative themes are distinct from the four dimensions used for the quantitative analysis

01 Mission & Strategic Alignment

Alignment with institutional priorities

02 Financial Model, Governance & Incentives

Accountability, allocations, incentives, and governance

03 Process, Transparency & Communication

Decision visibility, processes, and communication

04 Training & Understanding

Ability to understand and explain the model

05 Systems, Reporting & Data Access

Access to timely data and reporting

06 Model Design, Complexity & Consistency

Complexity, explainability, and consistent application

The following slides examine what respondents identified to preserve and improve within these themes

Responses to open-ended questions identify strengths worth preserving



WHAT'S
WORKING

106

Positive-coded theme references

*"RCM IMPROVES VISIBILITY
INTO REVENUE GENERATION,
COST STRUCTURES, AND
ENROLLMENT SENSITIVITY."*

55

Financial Model, Governance & Incentives

The model promotes accountability and local ownership

The financial model promotes ownership of revenues and expenses and supports more informed, bottom-up planning

28

Process, Transparency & Communication

Works well where engagement is direct and expectations are clear

Respondents identified localized areas where processes and communication are effective

23

ADDITIONAL PRESERVATION THEMES

Additional strengths emerged across three themes.

References span Mission & Strategic Alignment, Systems, Reporting & Data Access, and Training & Understanding

Respondents value accountability, local ownership, and greater visibility into financial drivers

Responses to open-ended questions identify areas requiring improvement



WHAT NEEDS WORK

266

Improvement-coded theme references

"The issue is not necessarily the decision — it's that we don't understand how the decision was reached."

100

Process, Transparency & Communication

Transparency and communication are the dominant concerns.

Stakeholders receive budget outcomes, but not the logic behind them

85

Financial Model, Governance & Incentives

Respondents raised concerns about fairness and effectiveness within the financial model.

Respondents questioned whether allocated costs reflect a fair share of services received.

48

Understanding, Access & Complexity

Limited understanding, data access, and model complexity constrain effective engagement.

Training & Understanding (22), Systems, Reporting & Data Access (18), and Model Design, Complexity & Consistency (8)

33

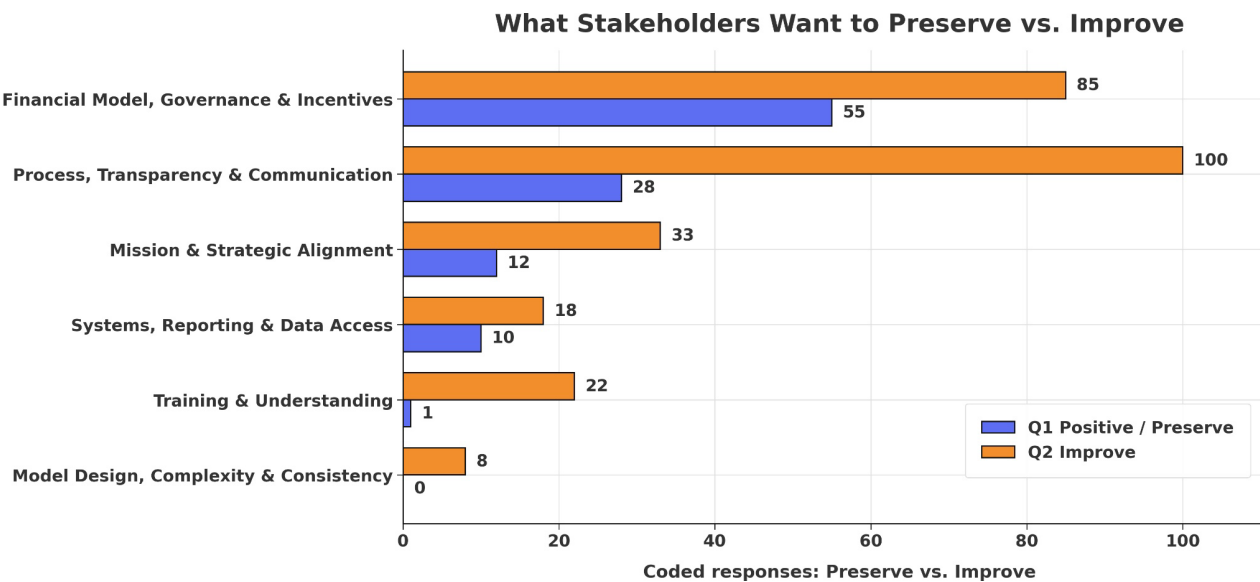
Mission & Strategic Alignment

Budget decisions are not clearly connected to institutional priorities.

Units struggle to see how allocations serve the broader mission

The same two themes lead both preservation and improvement findings

The comparison highlights recurring qualitative themes rather than equivalent response rates.



SHARED PRIORITIES

The same two themes rank highest in both analyses.

Together, they highlight the tension between valued strengths and implementation gaps

FINANCIAL MODEL, GOVERNANCE & INCENTIVES

Accountability and growth are valued, but outcomes can fall short of expectations.

Respondents cited cost allocations and fair-share questions

PROCESS, TRANSPARENCY & COMMUNICATION

Localized practices work, but the experience is inconsistent.

Transparency and communication remain the leading improvement area

Counts reflect coded theme references from two separate open-ended questions.

The findings reveal tension between the model's intended strengths and how those strengths are experienced in practice

LEADERSHIP TAKEAWAY

Perception gaps reflect limited visibility into how the model operates

“The overall model is not the issue—The lack of clarity and transparency around how it operates is.”

PRIORITIES



Improve Transparency

Clarify assumptions, methods, and trade-offs



Simplify the Model Presentation

Make it easier to understand and explain



Expand Access

Broaden access to information and understanding



Target Engagement

Focus efforts where gaps are concentrated

Strengthen confidence by improving how the model is understood, communicated, and experienced

Discussion

What should be preserved, and where is targeted action needed?



The Work Ahead

What we are asking of you and how we will work together

Committee Charges

September 23, 2026

What Success Looks Like

SUCCESS IS NOT A NEW FORMULA — IT IS A MODEL THAT HOLDS UP UNDER BOTH GROWTH AND CONSTRAINT.



Not Simply a New Formula

Success is measured by the decisions the model enables, not the elegance of its calculations



Mission Alignment

Resources follow institutional mission and strategic priorities, not historical precedent



Long-Term Sustainability

The model supports financial health across multiple planning horizons



Strategic Investment Capacity

Institution-wide priorities can be funded without penalizing individual units



Sustained Accountability

Units retain clear ownership of financial outcomes and transparent reporting



Resiliency Over Time

The model works in periods of growth and in periods of constraint alike

Five Subcommittees, Five Design Questions

EACH SUBCOMMITTEE OWNS ONE PART OF THE BUDGET MODEL DESIGN — TOGETHER THEY DEFINE THE MODEL

- 1 Strategic Alignment of Funding & Mission** How the model funds mission and strategy, not just activity
- 2 Budget Process** How budgets get built, challenged, and decided — and by whom
- 3 Communications & Education** How the model gets explained so it is trusted, not just followed
- 4 Cost Allocation** What gets attributed to units, on what data, and how often
- 5 Strategic Funding Allocations & Subvention** How subvention is sized, awarded, and revisited

The scope shown is a starting point for each group's discussion, not a final charge.

From Charge to Charter: The Next 55 Minutes

EVERY SUBCOMMITTEE LEAVES TODAY WITH A COMPLETED CHARTER

1

Work the Charter Together

Ground the discussion in the survey results.

2

Define the Scope You Own

Define the challenge and outcome your subcommittee is responsible for advancing— and what is explicitly out of scope.

3

Rank Your Five Principles

Choose and force-rank the principles you will decide by, then set your success measures and norms.

4

Report Out and Carry Forward

Share your charter when we reconvene.

The charter is your subcommittee's focusing framework. Return to it whenever the work drifts.

Please Proceed to the Following Break-Out Rooms

Elevators (and stairs) to the third floor are located behind the guard desk (main lobby).

- | | | |
|---|--|------------------------|
| 1 | Strategic Alignment of Funding & Mission | ROOM KB-305 |
| 2 | Budget Process | ROOM KB-306 |
| 3 | Communications & Education | ROOM KB-302 |
| 4 | Cost Allocation | STAY HERE – KB-134/135 |
| 5 | Strategic Funding Allocations & Subvention | ROOM KB-307 |

Please return to KB134/135 in 55 minutes: @ 3:40 PM



Budget Model Refresh & FY28 Budget Development

Parallel Processes Overview

Catherine Z. Brennan, Vice President for Financial Planning & Analytics and Chief Budget Officer
Fall 2026

“

There's a LOT going on here.
How is this all going to work?

Complexity acknowledged. Clarity is coming.

”

Two Parallel Tracks. One Shared Purpose.

PROCESSES ARE COORDINATED, NOT COMPETING.

FY28 BUDGET DEVELOPMENT

- ✓ Current budget model remains in place
- ✓ Budget timeline proceeds as scheduled
- ✓ FY28 budgets developed under established guidance

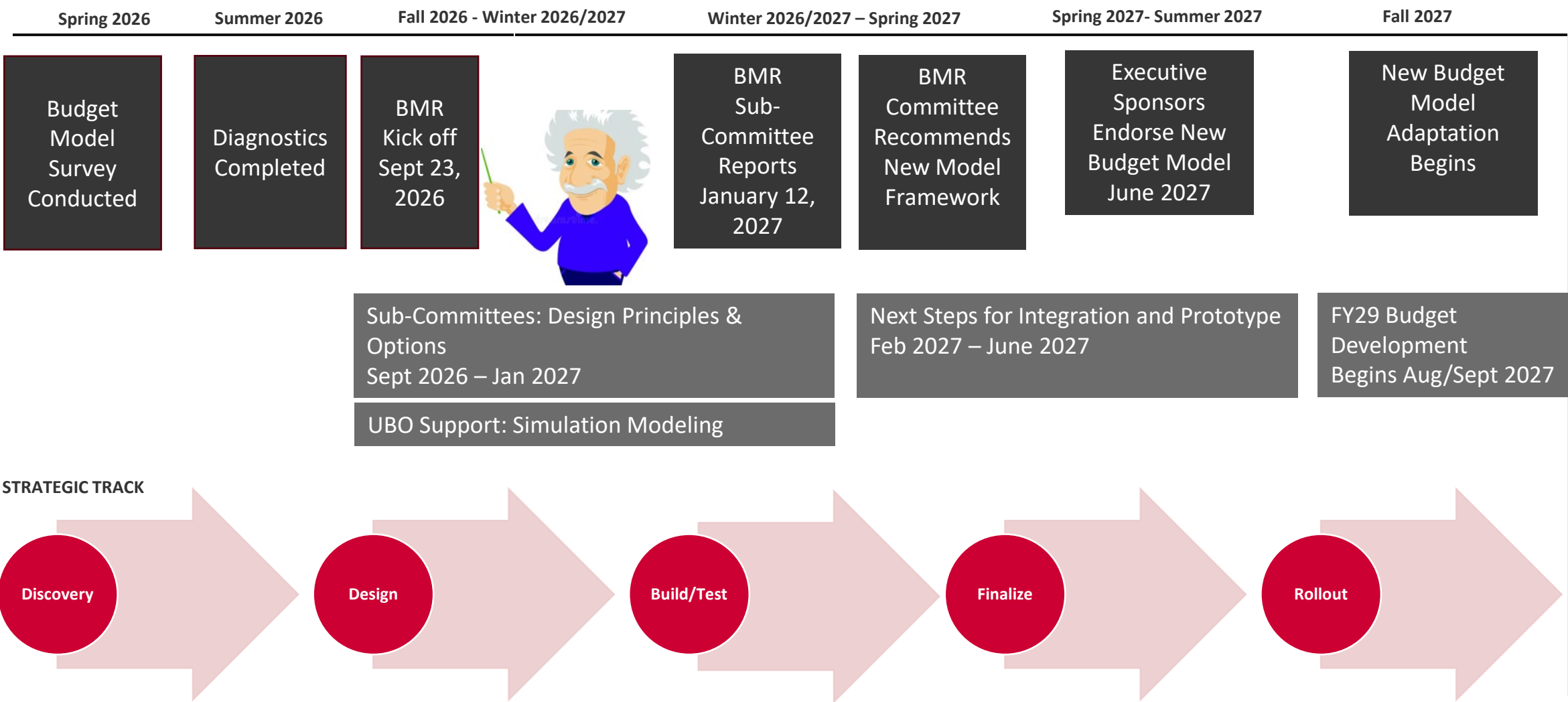
OPERATES TODAY

BUDGET MODEL REFRESH

- ✓ Evaluates future budget model options
- ✓ Develops committee recommendations
- ✓ Informs FY29 and beyond

IMPROVES TOMORROW

Budget Model Review Roadmap



FY 2028 Annual Budget Development

Fall 2026

Winter 2026/2027

Spring 2027

Summer 2027

Annual Budget Development

Budget Dev Kick off Meeting
Oct 29, 2026

RFC Fall Forecast

Budget Dev Meeting
Feb 2027

RFC Winter Refresh

Budget Dev Meeting
May 2027

RFC Spring Refresh

Budget Dev Meeting
June 2027

RFC Final

Board Approval
July 2027

Revenue Forecasting Committee (RFC)

Initial Budget Seeding

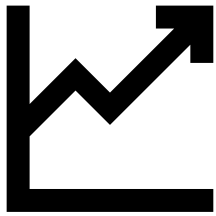
Unit Budget Development Ongoing

Leadership Decisions
May 2027

Budget Finalized

The New Normal for Budgeting

FY28 PLANNING CONTINUES THE APPROACH ADOPTED IN FY27.



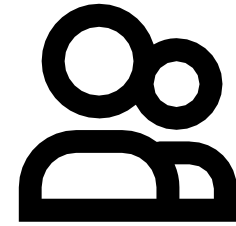
"Revenue First" to ground decisions in reality

Plans built from a clear understanding of available resources



Disciplined spend management

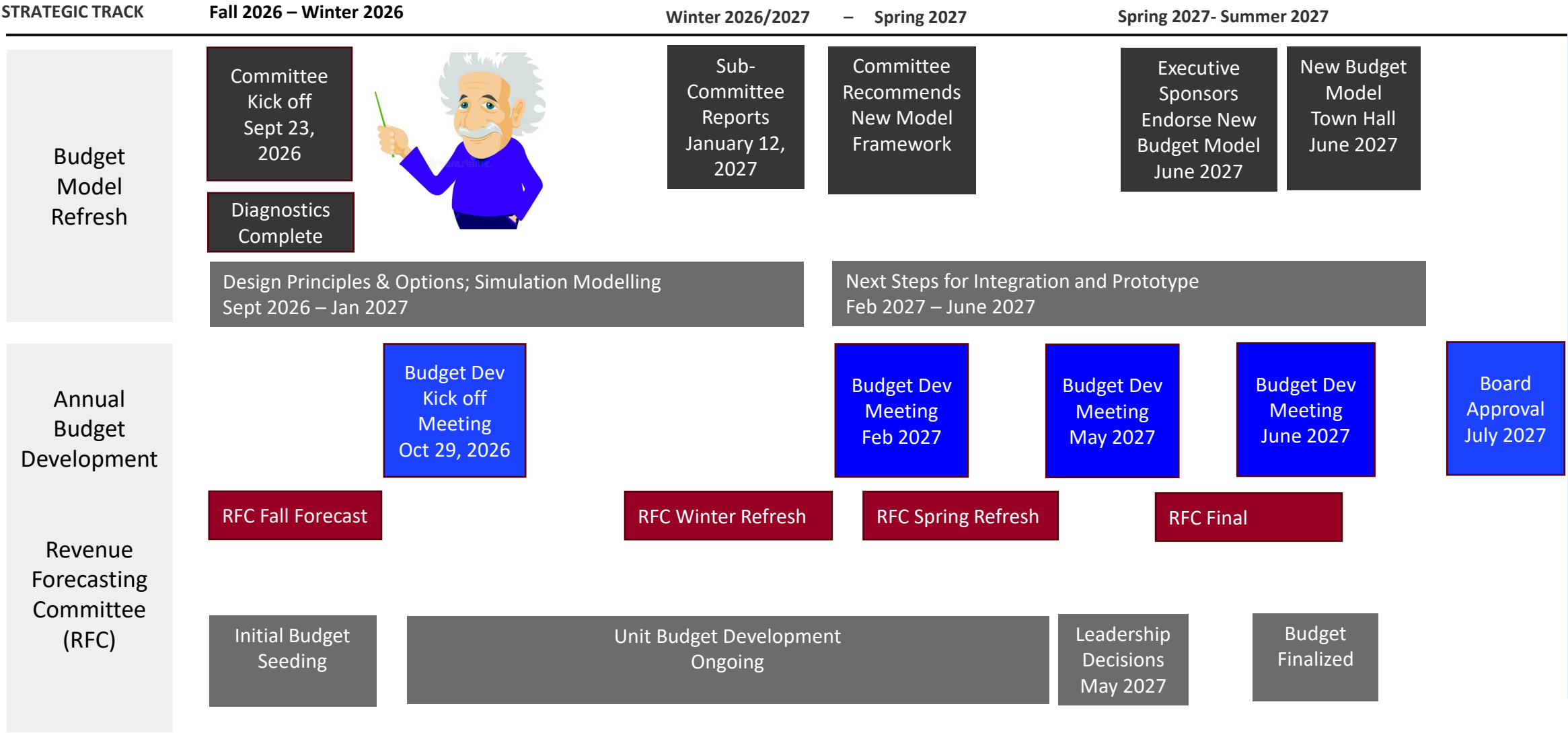
Adopted a standstill posture, limiting growth to certain mandatory expense categories only



Shared responsibility for margin

Every unit focused on strengthening net operating position

Parallel Processes Roadmap



Three Takeaways

WHAT TO CARRY FORWARD FROM TODAY.

01

The Model We Have Keeps Working

FY28 budget development proceeds on schedule. No disruption, no ambiguity — the current model remains in place while we build what comes next.

02

The Model We Need Is Being Built

The work this committee does between now and January 2027 is not hypothetical. Sub-committee recommendations directly shape the framework that guides FY29 and every cycle that follows.

03

The Culture We're Building Connects Both

And propel Rutgers into the future with *strategic confidence*.

Thank You.

For your time, your candor, and the work ahead.

One Home for Everything: BMRC SharePoint Drive

**Every committee member will
receive an access link by email.
One location, always current,
available whenever you need it.**

All (sub)committee materials — presentations, data and modeling files, sub-committee working documents, and the meeting calendar will be in housed here, along with the current model archive.

The screenshot displays the 'RUTGERS SharePoint' interface for the 'Budget Communications & Reporting Portal'. The left-hand navigation pane lists several items: 'Home', 'CBO Quarterly Budget Up...', 'Universitywide Reports', 'Chancellor-led Unit Repo...', 'Central Unit Reports', 'Budget Model Review Pr...', 'FY28 Budget Development', 'FY27 Budget Developme...', and 'Edit navigation'. The main content area features a large header banner with the text 'Rutgers University Budget Model Review 2026 - 2027'. Below this banner, a section titled 'Access Budget Model Review Resources' contains four image-based links: 'Budget Model Review Committee' (showing a garden archway), 'Budget Model Survey Findings' (showing a historic building), 'September 23, 2026 Kickoff Meeting' (showing a modern building with a glass facade), and 'Archive' (showing a building with a red 'R' logo).