

The Ohio State University
Responsibility Based Budgeting
Institution Level Perspectives and Principles

Sequence of statements in the University's Current Funds Budget document for the respective fiscal years, FY-2003 being the year that the budget system was implemented.

The Ohio State University Current Funds Budget documents are located at the following web site: http://www.rpia.ohio-state.edu/Budget_planning/current_funds_budget.htm

Budget model principles FY-2003 onward:

Annual increases in revenues and expenditures are shared with the colleges based on the following principles of the new budget system:

- The allocation of resources should be mission driven
- In a large, complex organization, decentralized decision-making works best
- Any budget system, but particularly one that is decentralized, depends on the creation and maintenance of a timely and user-friendly information system
- A significant portion of revenues should be explicitly linked to the generating units, specifically colleges
- A portion of all revenues should be dedicated to support university-wide goals
- Costs should be explicitly linked to the generating colleges or vice presidential areas
- Although the system should be mission driven, predictability and stability are also important characteristics
- Appropriate oversight and accountability should be provided by the University's governance and administrative structure
- A carefully thought out transition is essential to the ultimate success of any changes in the budget system
- While budget restructuring is not a panacea for the University's low level of financial support, it will provide greater incentives for units to generate resources consistent with the goals of the Academic Plan

For FY-2003 and onward, the core strategies were expressed in the Academic Plan as:

- Build a world-class faculty
- Develop academic programs that define OSU as the nation's leading public land grant university
- Enhance the quality of the teaching and learning environment
- Enhance and better serve the student body
- Create a diverse university community
- Help build Ohio's future

FY-2003 and onward, strategic guiding principles were established for resource distribution and/or resources were invested in strategic ways often associated with the Leadership Agenda as follows:

FY-2003

The limited growth in University resources was targeted to four areas determined to be the most critical to the Academic Plan:

- Competitive faculty compensation
- Enhancements to the undergraduate program
- Biomedical research initiative drawing in part upon the Tobacco Settlement funds
- Creation of the William E. Kirwan Institute for the Study of Race and Ethnicity in the Americas, using funds earmarked in a prior year

FY-2004

Increased revenue generated from the tuition increase...will allow the University to focus resources on the following parts of the Academic Plan:

- Increase university funded financial aid to offset the increase in tuition on low and middle income students
- Expand programming of out of classroom student activities through a student activity fee implemented over three years
- Provide pay raises to faculty and staff in the area of 3.5% (roughly equivalent to 1% above benchmarks)
- Enhance undergraduate programs in the classroom, particularly technology
- Support multidisciplinary research initiatives, including the Comprehensive Cancer Center

FY-2005

Increased revenue generated from the tuition increase...will allow the University to focus resources on the following parts of the Academic Plan:

- Produce cutting edge interdisciplinary research
- Create a distinctive undergraduate education
- Connect areas of academic excellence with societal needs

FY-2006

Between spring 2001 and spring 2005 the university addressed a series of state budget cuts that totaled over \$50 million. Given this, principles were developed to guide resource allocations as follows:

- Support the Academic Plan
- Support the flow of discretionary resources to the colleges that carry out their missions
- Enhance core support services

- Advance financial stewardship

Increased revenue generated from the tuition increases and state funding increase is allocated according to the following strategic principles:

- Support the Academic Plan and Leadership Agendas
- Support the flow of resources to the colleges to carry out their missions
- Ensure the continued operating efficiencies and high quality support services
- Advance effective financial stewardship

Decisions associated with allocation of funds supported the following given the above:

- Interdisciplinary research
- Private giving
- Safety and security improvements
- 2008 undergraduate enrollment plan
- Legal mandates
- Library services
- Enterprise wide data and information systems

FY-2007

Increased revenue generated from the tuition increases and state funding increase is allocated according to the following strategic principles:

- Support the Academic Plan and Leadership Agendas
- Support the flow of resources to the colleges to carry out their missions
- Ensure the continued operating efficiencies and high quality support services
- Advance effective financial stewardship

Decisions associated with allocation of funds supported the following given the above:

- Competitive compensation
- Targeted investments in excellence (over 5-y \$5 million continuing funds, \$25 million cash, \$25 million line of credit with the former matched by the colleges for a total investment of \$100 million)
- Reform undergraduate curriculum
- Improve the quality of the doctoral programs
- 2008 enrollment plan
- Enterprise wide systems

FY-2008

Increased revenue in FY 2008 is allocated according to the following strategic principles:

- Support the Academic Plan/Leadership Agenda.
- Support the flow of resources to the colleges to carry out their missions.
- Ensure continued operating efficiencies and high quality support services.
- Advance effective financial stewardship.

Consistent with the Academic Plan, the FY 2008 budget is structured to support the following key university-wide initiatives:

- Achieve Competitive Compensation
- Continue Reform of the Undergraduate Curriculum
- Invest in High Quality Graduate Programs
- Implement the 2008 Enrollment Plan
- Expand Enterprise-Wide Systems
- Enhance Safety and Security Systems
- Comply with Changing Government Regulations