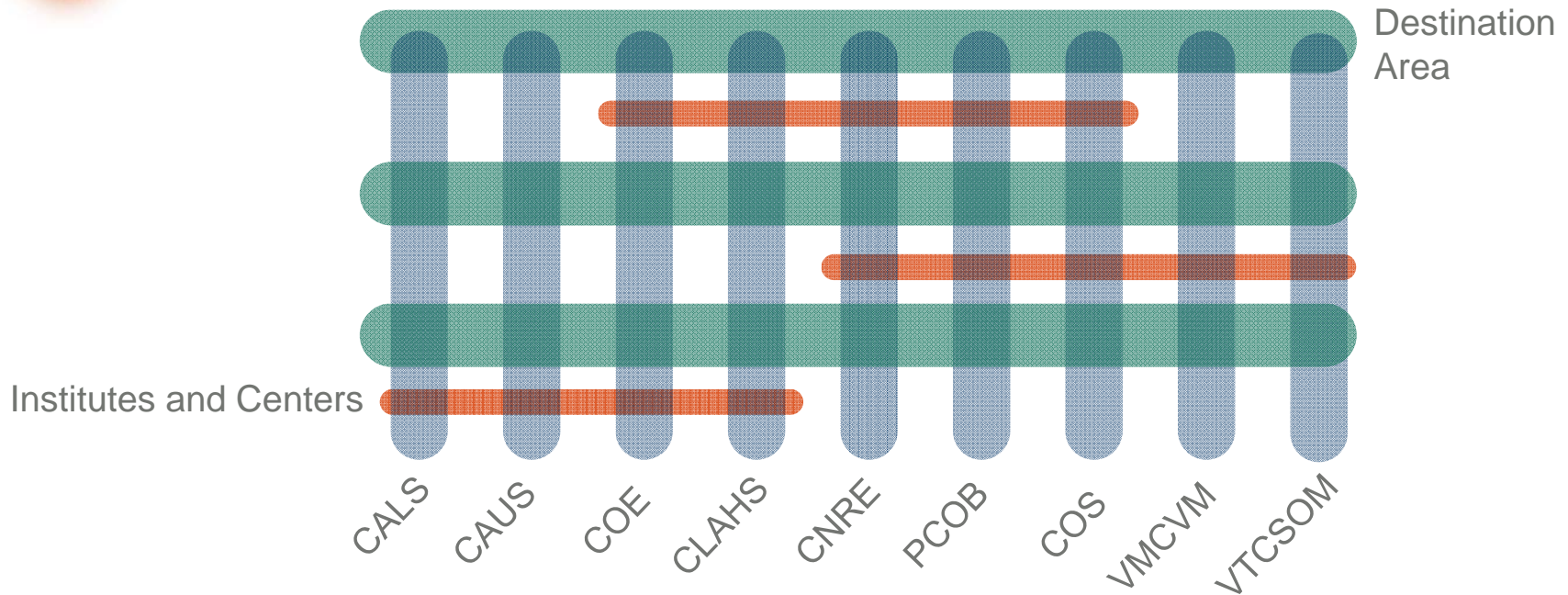




University organizational evolution:

- A matrix of established disciplines and evolving complex problems
- Incentive based budget – resources go to activity
- Bottom up optimization



Which is the first domino that needs to fall?

- VT signature research needs a higher percentage of external funding
- VT signature research needs to connect to instruction
- More efficiency in instruction
- Enter DAs and Pathway minors

Partnership for Incentive Based Budget

- Why?
 - Better deal with a fast evolving, increasingly complex educational landscape
 - Connect resources to quantity and quality of activity in a quantitative-based, nationally bench marked, transparent manner
 - Allow the significant majority of academic resources to flow directly to the source of the activity
 - Give to Departments and Colleges the opportunity for customized benchmarking and bottom up long-term planning
 - both in terms of unit planning and strategic connections

Partnership for Incentive Based Budget

- It is not RCM
 - It is capped per college – no competition
 - Structure connects local to global – incentivizes collaboration
- It fully kicks in for FY2019 (2018-19)
 - Time to iterate and improve model
 - Shadow IBB budget in 2016-17
 - Partially IBB in 2017-18

Partnership for Incentive Based Budget

- CORE BUDGET ITEMS – in order of weight
 - Pedagogy (approx. 55% or more)
 - How much do you teach (SCH - \$100 base per SCH)
 - How well do you teach (can go to \$135 per SCH)
 - Includes VT shaped student course money
 - How many majors you have (minimum \$750 per major)
 - Are they VT shaped? (+\$50+\$100; can go to \$900)
 - How good is the cohort, retention, diversity and placement
 - Scholarship (20% of whole budget)
 - Benchmarked per department
 - Regional and National benchmarking
 - External income (10 cents to the dollar; +2 for industry) (up to 20%)
 - Balanced through sponsorship for non STEM
 - Faculty diversity (3%) and faculty loads and support (2%)