

Alternative Budget Model Task Force Update January 2009

R.H. McNutt, Committee Chair

I want to update the McMaster community on the continuing deliberations of The Alternative Budget Model task Force. We have been meeting for just over one year. On November 5 2008 we held an open house presentation focusing on the principles behind an activity-based budget model as adapted to McMaster's needs. The presentation can be found at: <http://www.mcmaster.ca/vpacademic/priorities>. The focus was on the principles behind an activity-based budget model. I have since met with several groups on campus and have received many valuable comments. Certain themes have emerged from the meetings– the cost of instruction provided for students external to one's own faculty, the importance of research to McMaster and concern that it be properly recognized and supported, the allocation and cost of space, controlling enrollment, and making sure that "silos" are not created that impede interdisciplinary teaching and research. I have shared these comments with the committee and they have helped us clarify our thinking. I have more meetings scheduled in the next few weeks and I welcome requests from other units. In addition, I urge individuals from the McMaster community to continue sending me comments that I will share with the committee (rmcnutt@mcmaster.ca). Such interaction and feedback is essential information and vital communication for the committee's future work.

We continue to study the activity-based budget model (Resource Centered Budgeting). With respect to the cost of instruction, the Provost and the Faculty Deans are working on a cost-sharing model. We continue to study other universities who have similar budget systems. Having developed our principles for allocation of resources and attribution of costs to the faculties (our activity units), we now move to the modeling phase using the latest budget year for which we have complete data. During this phase of the work, we will develop specific metrics/formuli to drive revenue and cost allocation Dr Karen Menard, AVP, Institutional Research and Analysis, will chair a sub-committee assigned to this task. Once the Alternative Budget committee members have had the opportunity to study the data, they should then be in a position to make their recommendation to the President whether or not to adopt such a model. I want to emphasize that no decisions have yet been made re adoption. If approved then it is incumbent on the committee to provide enough guidance to those responsible for subsequent implementation. In any transition to a new budget system, it will be necessary to have at least one "shadow" budget year where the senior administration works with the deans and their senior administrative staff to learn the new system while the old one is still in effect.

February 10, 2009

Meetings held to date

UPC- October 22, 2008

Staff, Office of Development – November 20

Chairs and Directors Breakfast series meeting – November 25

UPC Budget Committee – November 26

Faculty of Science Council – December 4

President of MIP- December 4

MUFA Executive – December 5

Chair, Department of Biochemistry – December 18

Faculty of Social Science Council – January 20, 2009

Faculty of Humanities Dean's Advisory Committee – February 11

Meetings scheduled

Faculty of Health Science Executive –February 25

DeGroote School of Business Council – February 26

Faculty of Engineering – March 19