**Budget Allocation Review Committee - Session #5**

**November 7, 2024**

Attendees: Ann Sherman, Beth Myers, Phillip DeLeon, Lauren Goolsby, Nate Thompson, Anthony Wilson, Michael Leaser, Margaret Wood, Kelly McCusker, Julien Langou, Stephanie Kelly, Nickolas Chabot-Olson, Mark Golkowski, Julia Mahfouz, Amy McGuire

*Missing Attendees:* Rich Allen, Scott Dawson,Jen St Peter

**NOTES**

Intro

Ann Sherman kicked off the meeting by reviewing the agenda for the meeting.

Recap local learning sessions

Ann asked BARC members to share how they reported out information during this communication window.

* Rich shared about the presentations he delivered to CLAS as part of the engagement in his college. About 30 people attended today, but all shared governance groups have been updated as part of the process. Another town hall is planned before the end of the semester.
* Nate shared that has communicated to the three chairs and the BPC members. These individuals have been asked to share information with their groups.
* Stephanie Kelly also shared her local engagement efforts.

Ann asked the question, “How do we ensure that more people are reached across campus.”

* The recordings and/or transcripts have been posted online; BARC members have encouraged colleagues to listen/review.
* Nickolas has shared the website and established “office hours” for Advancement.
* Stephanie and Mark both included information in deans’ communications.
* In SESS there were questions about how the budget model would impact each area and the services provided. Margaret has shared with the leadership team each about each meeting and with the Academic Affairs leadership team.
* Michael shared his communication with SGA, including conversations with the exec team. He noted the importance of using clear language to help people engage. Questions about how Student Affairs and Student Services are included in the model.
  + Ann clarified this is within ASA under the Provost
* Julien and Kelly shared their conversation with BPC. There were questions about D2 and D3 and how recruitment of D1 students impact schools/colleges – this was less clear than how D2/D3 impacted them. Kelly noted something like the Boulder model would be helpful to make this clearer.
* Kelly also noted that she talked with library leadership and colleagues.
* Julien received a question about sharing financial information with students to play with and model. Ann approved sharing this information with students for this purpose.
* Julien noted a concern that the BARC has not yet been assessing our current model (not changing the model). The interim chancellor indicated this as the charge of the group. This prompted a wondering about whether the group is moving too quickly or missing something. He shared 3 things he is hearing: 1) some people favor an incremental model with less swings, 2) the way subvention is set is a problem – are we setting a fair base model? 3) what matters most is not the model itself, but how we implement the model.
* Mark asked a question about D2 programs and whether schools/colleges are allowed to create these whenever they want to.
  + Ann noted the concern that programs can “cannibalize” D1 programs if not implemented planfully. Beth shared how the process should work, including how deans should assess options.
  + Mark noted that D2 allows deans to reap the benefits more quickly (versus the 2-year lag from the model). He asked, “Could there be a parameter that if you grow you get some funds right away? On the flip side, could you have reductions and not have to cut right away?”

Ann noted the importance of soliciting opinions from people along the way – this process was designed to gather information as we go so people feel part of the process.

Additional discussion included the overall funding model for the University of Colorado System and concerns around how CU Denver is resourced for success.

Decision-making processes

Ann framed the discussion for today: How the BARC will make decisions going forward. She reviewed the different types of decisions what will need to be made, including decisions about indirect funds and the mission enhancement fund. There are a lot of steps and layers in the decision-making process.

Members of the committee noted several areas of the model that currently feel unclear and/or concerning. They requested additional detail on the existing model to support their decision-making process (e.g. weights in the pools)

Ann shared several decision-making models for the committee to consider. Discussion:

* Nate noted that the committee practiced a negative minority with the group’s previous homework.
* Stephanie advocated for a mixed model – including ranking followed by a consensus.
* Rich expressed concern about the model used for decision-making for the homework. He agreed with the idea of narrowing by getting rid of the really unpopular options first.
* Nate noted the importance of discussion.

Ann led the group in a discussion of the possible models (Slides 14-15).

* The group expressed interest in a baseline that is based on a zero-based budget. Ann noted that the baseline did have some concerns that had to be addressed and that there is general agreement on the need to re-base the budgets.
* There was a discussion about how many models the group could feasibly mock up. There was an interest in mocking up more than one model – potentially one on the right side of the spectrum (e.g. incentive-based) and one on the left side of the spectrum (e.g. incremental).
* There was reticence to make decisions without more information.
* A Socratic seminar format was proposed for assessing different models. The need for data to inform this discussion was identified.

The group re-centered the question of how decisions will be made, as opposed to the actual budget model.

* Beth proposed the process could include: 1) ranking (relative to criteria/principles), 2) negative minority, followed by 3) consensus.
* Ann suggested a model of Fist to Five (Patrick Lencioni) as a way to assess consensus.
* The group tested the model of Fist to Five to test the proposal. Most of the group agreed (5) to move forward. Rich expressed some concern and requested that Ann (and Jen) as SMEs express concerns about decisions.
* Ann clarified the role of this committee is to make recommendations to our new chancellor.
* Julien indicated support for Julia’s proposal to engage in a Socratic-style seminar ahead of a vote.
* Julien proposed that this group continue beyond this year as a group that monitors the budget model as it is implemented.

Narrowing the avenues we’ll explore

Ann tested the decision-making process with the group by re-opening the discussion of which models the committee will explore going forward. She started by reviewing the committee’s previous homework assignment as a jumping off point. The members discussed concerns related to assessing “risk” associated with each of these models and discussed that the first step of the process is selecting what aligns to our principles, and the next step will be to build that out and test it before deciding/recommending.

* Specific models were discussed, including Activity-Based and how this might apply to something like advising. It was noted that the seven cost pools act sort of like activity-based budgets.
* Zero-based budget challenges include the element of competition and conflict, however it can clear out the “unnecessary” expenses. The group noted the importance of the process behind the implementation.
* There was broad agreement among the group members of the utility of starting fresh with new base budgets.
* The group discussed the difference between the campus level and the school/college level. Zero-based budgeting is used within departments.
* A question was raised about the concerns with an incremental model. Ann shared that this model is less responsive to changes in enrollment – it increases everyone at the same rate and does not mean that a unit receives an increase even if they experience enrollment growth.
* More information/context was requested on each of the models to support decision-making about what models are best for CU Denver. Why would one of these work better than another? What “knobs” are available for us to adjust in each?
  + Additional info requested: Where are these models used? Based on Ann’s expertise, which models would be best for CU Denver and which should we remove?
  + Ann shared the importance of a simple, easily explainable model.
  + Ann agreed to share an overview with the group to support decision-making.

The BARC members agreed to complete a survey as a follow-up (by Tuesday) to vote on the model – and agreed to narrow to no more than 3 models to pursue. Updated survey will include: 1) rank of the top 3, 2) remove those to eliminate.

Key Messages

1. BARC members will complete a survey by EOD Tuesday.
2. Agreed upon a decision-making model: 1) ranking (relative to criteria/principles), 2) negative minority, followed by 3) consensus (assessed using a fist to five).
3. Discussed the possibility of using zero based budgets as a way to set our updated base budgets.