

TEMPLE UNIVERSITY
REPRESENTATIVE FACULTY SENATE
 Kiva Auditorium
Videoconference: HSC, 342 MERB – AMBLER, ALC201
 Minutes 11-16-17

Attendance:

Representative Senators and officers: 27

Ex-officio: 0

Faculty, administrators and guests: 9

Guests: Ken Kaiser, Chief Financial Officer, Temple University & Katie D'Angelo, Assistant VP for Finance Administration

Topic	Discussion	Action
1. Call to order	Meeting called to order by Dr. Sachs.	Meeting called to order at 1:47 p.m. in Kiva Auditorium.
2. President's Report, Dr. Michael Sachs	<p>President Sachs made a motion to approve minutes of 10-11-17. They were seconded.</p> <p>President Sachs' report was deferred & then presented the following report after the guests were done speaking:</p> <p>-Ken Kaiser is here to speak with you. He reported on RCM to the Faculty Senate Steering Committee on 11-7-17. He indicated that the deans don't generally want their [budgetary] work reviewed but are occasionally willing to accept some advice. He also indicated that things are being implemented very inconsistently among the schools & colleges. We suggest that the Provost's office must make sure that there is a functioning budgetary advisory committee in each school or college.</p> <p>-Walter Hsiu got a communication in the spring about a concern about a faculty member from Kutztown who had been harassed by trolls (for lack of a better word) on social media. What kind of advice have we given our grad students about how to respond to this kind of social media? We will try to explore this within our faculty... looking at standards for communications about advisable communications on social media. One that generates responses either from the far left or far right; things like that.</p> <p>-As for the <i>Questionnaire on Faculty Disability</i>: There were 93 responses that we will follow up with a focus group on what to do about it.</p>	Approved with one abstention.

	<p>Are there any questions?</p> <p>Jim Korsh (CST): Dean review committee processes being formed. I'm hoping that we will get the makeup of those committees as soon as they're selected.</p> <p>President Sachs: CATA & the provost's office will be making those recommendations soon. Part of the review process includes the concept of faculty governance and the degree to which it is being implemented within their college. We will make that recommendation next week as well.</p>	
<p>3. Vice President's Report, Dr. Michael Jackson</p>	<p>President Sachs: I would like to give a shout out to Dr. Michael Jackson & Cheryl Mack (Senate Coordinator) about the highly successful Faculty Awards Brunch. President Englert & six Board of Trustee (BOT) members came over. It was a wonderful affair. I introduce Dr. Jackson:</p> <p>MJ (VP): I am trying to get people to get to volunteer to serve on committees. In your packets, there is a list of people who have come forward consenting to serve. The list of committee vacancies is gradually dwindling. I hope to have it filled by next month when someone else will take over for me.</p> <p>-Tenure & Promotion will no longer have vacancies & Sabbatical Committee will be down to none.</p> <p>-I would like to take a moment to recognize Kimmika Williams Witherspoon (KWW) for organizing the 2nd Temple University Diversity Symposium. It was outstanding! I'm looking to #3.</p> <p>KWW (TFMA): There is no proposed date yet.</p> <p>MJ (VP): As for University facilities: There is no change of plans yet, except delay on the library opening by one year.</p> <p>MS (Pres): The library will now be called a multi-purpose facility.</p>	
<p>4. Guests: Ken Kaiser, CFO & Katie D'Angelo, Assistant VP for</p>	<p>President Sachs introduced Mr. Kaiser first, who was accompanied by Ms.</p>	

<p>Finance Administration</p>	<p>D'Angelo, prior to his report.</p> <p>KK: I am presenting on the RCM Budget Review of AY 2016-17. Please see attached slides below.</p> <p>-Thank you for inviting me. This information is Important for all who work at Temple University. It is most important for students. The purpose of the review and general discussion about it included:</p> <p>-that a third year review was planned from the implementation, beginning in 2014.</p> <p>-its purpose was to identify any unintended consequences & perverse incentives.</p> <p>-Process began in 2012.</p> <p>-Deloit was the firm selected for the review process & John Curry was selected to lead the review process so that people would feel very comfortable speaking about it. Curry has 40+ years in RCM at USC, Chicago & Indiana. He literally wrote the book, which we purchased & read before we hired him.</p> <p>-One of the issues is how to reach out to faculty.</p> <p>We had open lunches throughout the year in 2013. This time, the all faculty survey was the best way to reach out. There was a 46% response rate that was both positive & critical about the budget.</p> <p>-We met with each dean individually & others.</p> <p>Based on all of this, there are two sets of recs:</p> <ol style="list-style-type: none"> 1. Model alignment. Finance of model. Overhead, financing subventions. 2. Budget Operations: Would do either in RCM or on an expenditure based model. <p>These are all best practices items. We heard about Leadership & Governance. There is an aligned message from the President & the Provost. When (former) President Theobald arrived, they thought it was he who implemented RCM, but we were talking about it in (current) President Dick Englert's previous Temple University presidency.</p>	
-------------------------------	--	--

With model alignment, we aim at making sure that schools & colleges are getting what they are paying for. This is more transparent in this model.

Facilities reports detail what you get in overhead & what you may have to pay for in the model. For ex: office renovations cost extra.

Key performance indicators (KPIs): For these, we are not charging for anything extra, but the question is, 'are we doing a good job?' The data are our report cards.

Benchmarking against other universities is very important. Schools & colleges will say that we're overpaying for these services. There are no good benchmarking tools evident, but we found that the first group against whom we were benchmarked (ABC with ~ 23 other school members) wasn't particularly working so well. We want to get to 40, to compare ourselves more broadly. The University of Delaware is in our new tool. Others included are Rutgers & other Eastern Seaboard universities.

Data collection & reporting require a ton of training & classroom work. There are templates, dashboards, etc. This is ongoing. The next review will occur within 3 – 5 years. There will be a committee of deans that will govern the set structure to look at systemic issues with the model that require addressing.

The 2nd set of recommendations are about: 'How does the model work?' This is all tied back to the guiding principles. We want to reduce the number of moving parts in the model so that they don't have to call the budget office to ask about how to implement. Other universities had a much simpler model than we did at Temple University. We needed to learn that we need a simpler model for ourselves.

See slide called "Cost Buckets." There are bundles of administrative departments that behave separately. There are 8 metrics that we use as a proxy for behavior. Among them are alumni who can be solicited, major donors, square footage, moving parts,

full time equivalents among faculty & staff. This is colorful, yet complicated. We've moved from 15 cost buckets down to 3. They are: Students-General-Space. We can easily calculate what we're paying for that service.

Student costs and inputs are generated on the total academic year's credit hours. We used to calculate credit hours based only in the fall. This didn't work for allocating expenses for programs that begin only in the spring & go through summer. Whenever RCM equals taxes that you want to minimize, there is concern. That's why we're looking at the entire year. At one time, construction projects would not have been included.

There is a change of 2 planned phases leading up to FY2019. Example: training. More data may need to be provided to help people to generate these reports. Preparing schools & colleges, as well as whomever wants to implement the new model on July 1st. This is so that we're not here 3 years from now saying that something should have been fixed.

Deloit made this point: Temple University is still in its infancy with RCM. A lot of work to be done on this. It's a cultural thing.

Touching on ROME, AMBLER, HONORS, GEN-ED & TUCC... Some things aren't supposed to be built in a formulaic manner on an excel spreadsheet. If Rome is a priority, we make a budget allocation & we pay for it with the allocated cost. If everyone shaves off revenue (sending credit hours to Rome) to pay for Rome, we have unintended costs. We heard from every dean. The deans said that they would stop sending students to Rome if they lost credit hours. Their budget is allocated for everybody. If they send students to Rome, the money comes back to the schools & colleges. We can't program that in here. Some decisions must be done with shared governance with the deans & the Provost; then built in.

FY 2019 planning cycle: This started much earlier. I will reach out to Rafael [(Porrata- Doria), who is on the

committee] if you have an interest in the budget with RCM. It will be ultimately approved by the BOT in July. We got our allocation from the Commonwealth of Pennsylvania legislature this year & will probably get it in July of 2018, but after that.... This is unknown.

Are there any questions?

J. Solow (BCMD): Please explain more what 'level playing field between s & c's' means.

KK (CFO): When we implemented RCM, we had a 'hold harmless' provision so that some schools' subsidies would not be harmed or benefitted.

Several schools are really sophisticated with modeling that is really good. We are providing all schools & colleges with the same templates & training on downloading canned reports so that their decisions are made from the same perspective.

S. Newman (CLA; TAUP): Is the hold harmless model permanent? TAUP did a member survey. Results indicated that RCM is not particularly well liked. There are questions about transparency. One thing that is not clear about our own colleges, but also the overall budget? What percentage goes to the Law School or Public Health? There are lots of curricular & programmatic decisions in the schools and colleges that are heavily labor intensive. When Theobald was here, we knew that Boyer was a jewel in the crown. We have questions about equity. Is it being driven now by credit hour generation? Also the administrative units – how are they being financed? There are questions about equity, transparency & what's driving this.

KK (CFO): With the 'hold harmless' in Boyer? We are aware that there are differing costs of delivering education. With Boyer, there are classes with 1 student. Subvention shifts yearly with the strategic fund. We sweep out \$7 million/ year & that shifts every year. Not elimination, but with an increase in students, that could change things, not by RCM. About transparency, with the

administrative & budget units? Contact Rafael Porrata-Doria. In these conferences, there are a ton of metrics presented. They are report cards on the unit. There is an opportunity for faculty to make comments. Deans are involved in that as well.

S. Newman (CLA;TAUP): In the debate over the stadium? How much are athletics subsidized? This is very hard for faculty to know, due to the way the budget is presented. Also, the relationship between schools & colleges: There is CREDIT POACHING & COMPETITION even within the colleges! Even there, competition within & among colleges is similar to the Temple-Rome problem. If I'm in college X & I don't know the budget of other colleges, I wonder, 'What are the incentives?' Is it your sense that this can be fixed within the model or will it have to be fixed outside of the model?

KK (CFO): The data are a year old, so you're not getting current information. You can go to the line items. I'm happy to sit with folks & go over the budget. We're not trying to hide or support unit costs. Intra-college transparency is up to the deans. We're not going to take that data & show people a drill down on that.

S. Newman (CLA; TAUP) This leads to perverse competition.

KK (CFO): This is something to be refined. It's not in my bailiwick. I'm not an academic. It's natural to have that tension when you have RCM. I think that we will mature out of that, and Deloit said that we were doing well with that. I would want to engage the Provost in that discussion.

KWW (TFMA): I'm glad to hear that the subvention is going to stay. Our budget to produce theater is constantly going up. The cost of living doesn't stay the same.

KK (CFO): This is the essence & reason that Temple University had to go to RCM. State made decision to hold TU's appropriation flat or decline. I know nothing about film & media arts, so how could I help you make that decision? This puts power in the hands

	<p>of the deans. We hope that they reach out to you. There is nothing in RCM that accounts for the cost of living.</p> <p>KWW (TFMA): So subvention stays the same?</p> <p>KK (CFO): Nobody will receive money back from the fund because they need money for cost of living. The Dean, leadership & hopefully the faculty need to figure out the day to day operations.</p> <p>KWW (TFMA): We are held to the numbers of students & are at capacity.</p> <p>KK (CFO): This is something your dean has to manage. It's a college issue.</p> <p>KWW (TFMA): Thank-you.</p> <p>KK (CFO): For any more questions, feel free to reach out to me or Katie & we can arrange to come out & have a conversation.</p>	
<p>5. Guest: Dr. Dan Berman, incoming VP for Undergraduate Studies (VPUS)</p>	<p>Greetings: I have a few opening remarks & then I will take Q & A. I have no Powerpoint & no particular agenda other than to introduce myself to you. I want to tell you about undergraduate (UG) studies.</p> <p>I just started in July, following my predecessor in CLA. I am the former Intellectual Heritage Program Director. I come from Greek & Roman Classics and have been at Temple University since 2009. I was at Penn State before. I have a Yale grad degree & did my undergraduate at Michigan.</p> <p>Last year was the 2nd time I had directed Intellectual Heritage. Gen Ed is important to me and is a crucial & key part of what we do here at Temple University. I won't take long. Classics is a good background for this role. Myth & ancient Greek literature are really about studying the breadth of ancient civilization. All fields are represented in this room, including stems, and this gives a broad disciplinary perspective. Even though I was buried in my ancient Greek texts for many years, there is relevance, creating access to many of the other fields.</p>	

In UG Studies now, we have our hands in a lot of different things. As for Gen Ed, we need a new director. We're in the process of searching, with a few finalists. There are second round interviews going on now. I'm optimistic of putting someone in that post by next calendar year. Once that person is in place, the question is what to do about Gen Ed. Should we talk about wholesale making changes or restructuring? I will be working on this with the new director & General Education Evaluation (GEEC). I do think the changes are in order for Gen Ed. That Ken Kaiser (CFO) is placing Gen Ed in same financial RCM bucket as the Honors Program is good to hear.

I'm not sure to what extent we will want to change Gen Ed. At this point, with the new director coming in & a new VPUS, there will be discussions, rather than taking up a newer proposal that had already been put forward. I don't think they were really in a position to do that last year.

As for the Honors Program, there is a lot of procedure & policy. There are issues with advising. We hope to bring them together with their deans, as well as career services. I really see my office as ideally fulfilling a facilitating role with regard to these programs. These are controlled essentially by the deans, but are something that is constantly negotiated. We hope to be facilitating operational consistency that allows us to serve students best. Advising and career planning & placement facilitating.

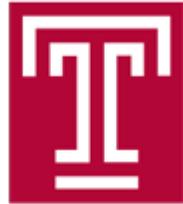
What kinds of services? Some have nothing others have a lot. Issues similar with advising & Honors. One significant & serious important point of this structure are the faculty committees: GEEC, EPPC & Honors Oversight committees. If we are going to make significant improvements, RCM does come up. The Provost has made revising a priority part of her portfolio this year. That's an important message I want to bring to you. I've been attending EPPC meetings about ways in which they can contribute. The GEEC is functioning as usual & will be an important part of this directorship. For the Honors Oversight Committee, I

	<p>haven't visited them yet, but will soon.</p> <p>This is a basic overview of the landscape from where I see it. Are there any questions? Don't ask me about RCM!</p> <p>J. Korsh (CST): These concerns have been ongoing for decades. How can we get more full time faculty teaching in these programs?</p> <p>Dr. Berman: Like Gen Ed & Honors? There must be a way to incentivize it. Some of our best teachers are not necessarily the full time or tenured. There is a slightly different category than full time or tenured. It's great if we're going to be living in this budget model & that is how to incentivize. If it is the case that some of our full-time. or tenured ARE our best teachers, what should we do? Our tenured people DO teach Gen Ed quite often. They get excited about the classics & come & take another course in our department. Unfortunately, this budget model does encourage the use of cheap teaching to generate funds. One thing I can do is try to convince the deans of the value of the value of putting their best people on their front lines. There has to be commitment from central authority from the Provost's & the President's office that these things are valuable. We have to use powerful rhetoric. That is a tough question!</p> <p>S. Dickey (Sen.Secretary; CPH): I have a simple question... What is number of students in undergraduate honors courses?</p> <p>Dr. Berman: In the courses I teach, 10 would be fabulous. Mostly low 20s, if there is a specific number. I believe that's what Ruth (Dr. Ost, Senior Director, Temple University Honors Program) encourages.</p>	
6. Old Business	<p>President Sachs: The Committee on Disabilities Survey response included 90+ respondents. There is a focus group pending; and there will be a Senate budget cost of \$200.00 for lunch reimbursement for conducting the focus group.</p>	
7. New Business	<p>1. The TAUP recommendation to include adjuncts in this body & the Faculty Senate Steering Committee (FSSC). We don't</p>	

	<p>have current recommendations from FSSC, but we have 2 tenured (Paul LaFollette & Jim Korsh), one NTT (Angela Beal) & Adjunct Faculty member, Jennie Shanker, serving on an ad hoc committee. They have met once and we are hoping for recommendations by our last 2017 FSSC meeting that we will report back to you.</p> <p>2. Cheryl Mack put out a call for nominations for 2018-19. If there is any interest among you to serve, please let Trish Jones know.</p>	
8. Adjournment	Motion to adjourn.	Adjourned at 3:15 p.m.
<p>Respectfully submitted, <i>Sue Dickey</i> Sue Dickey, PhD, RN, Associate Professor (Nursing/CPH) & Faculty Senate Secretary, 2016-18</p>		

Next meeting: Representative Faculty Senate, January 22, 2018; Full Faculty Senate, December 8, 2017

SBD/sbd 11/16/17; updated, 1/16/18



TEMPLE
UNIVERSITY®

**RCM Budget Model Review
Faculty Senate
November 2017**

Purpose

Assess University's existing RCM Model and approach to budgeting to identify and address unintended consequences with the goal of improving the approach going forward.

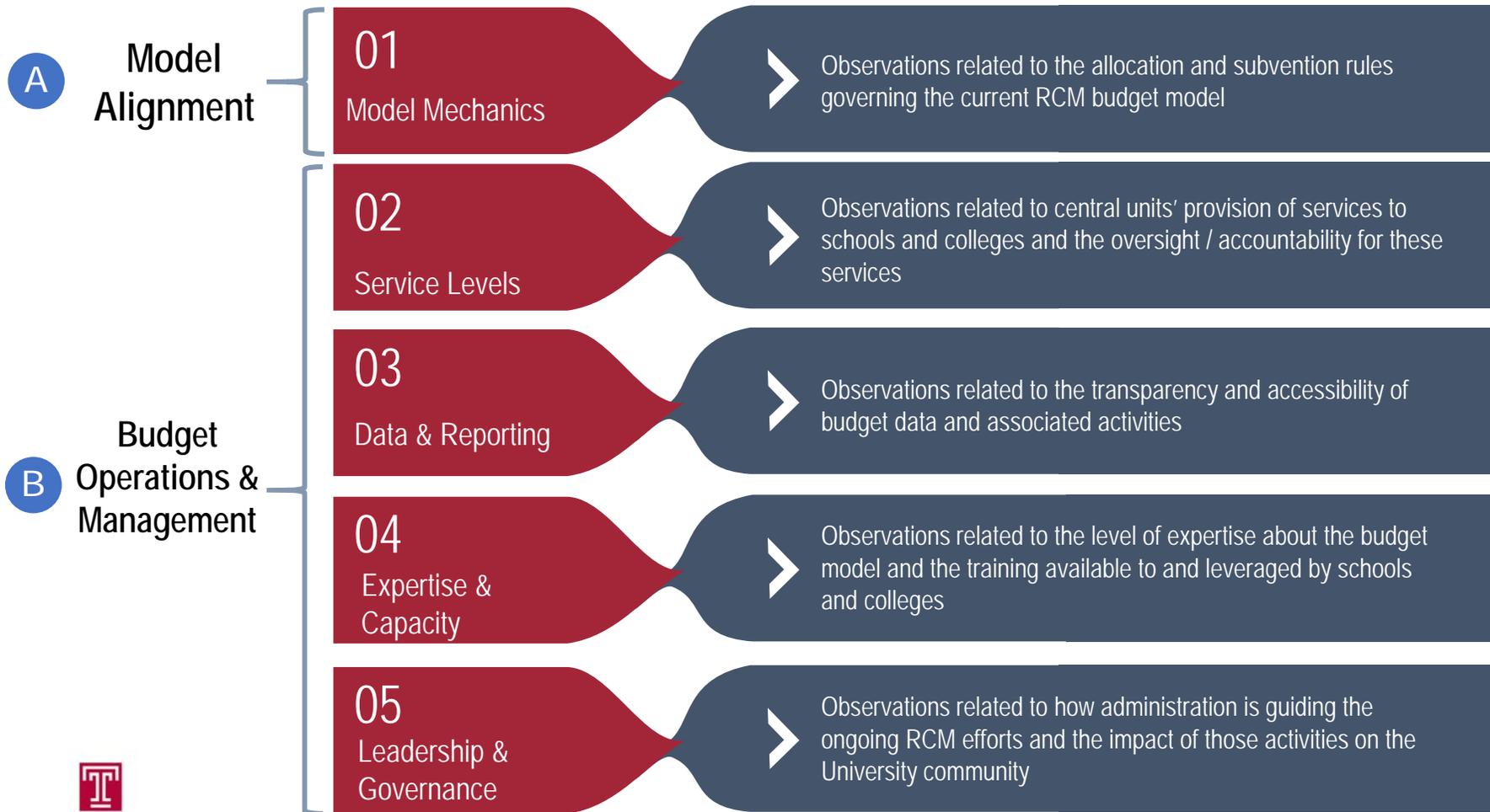
- Gather both qualitative and quantitative evidence for potential model changes for fiscal year 2019
- Improve, as necessary, the governance structures and operational components of the budget and budget model

Process

- Engaged Deloitte Consulting
 - To meet with constituents throughout the University
 - Senior Leadership
 - School / College Leadership
 - Faculty
 - Staff
 - To benchmark and conduct a financial data review
- Surveyed all full-time faculty and department chairs
 - 1,164 participants with 46.9% response rate
- Interviewed School / College Business Officers

Project Results Overview

The various forms of review and analysis resulted in two broad categories of **current state observations**:
model alignment and budget operations and management



Budget Operations & Management

Leadership & governance

- Ensure CFO and Provost are jointly leading the budget efforts.
- Monitor leadership turnover to maximize stability of RCM.
- Take a long-term perspective to RCM and the value it can bring.
- Recognize the value of being able to make difficult decisions.

Service levels

- Conduct review to evaluate effectiveness of central services.
- Understand market-based pricing methods and quality expectations.
- Establish performance framework for central service providers including shared expectations.

Data & reporting

- Post all RCM resources to a unified website (TUportal).
- Build a forecasting tool for schools and colleges to use so they can evaluate budget impacts.
- Identify budget liaisons within each unit to act as agents of the budget office for communications.

Business model assessment

- Work with each academic and administrative unit to develop “unit measures” or key performance indicators.
- Evaluate units every three years in a staggered fashion.
- Leverage KPIs in annual budget development exercise.

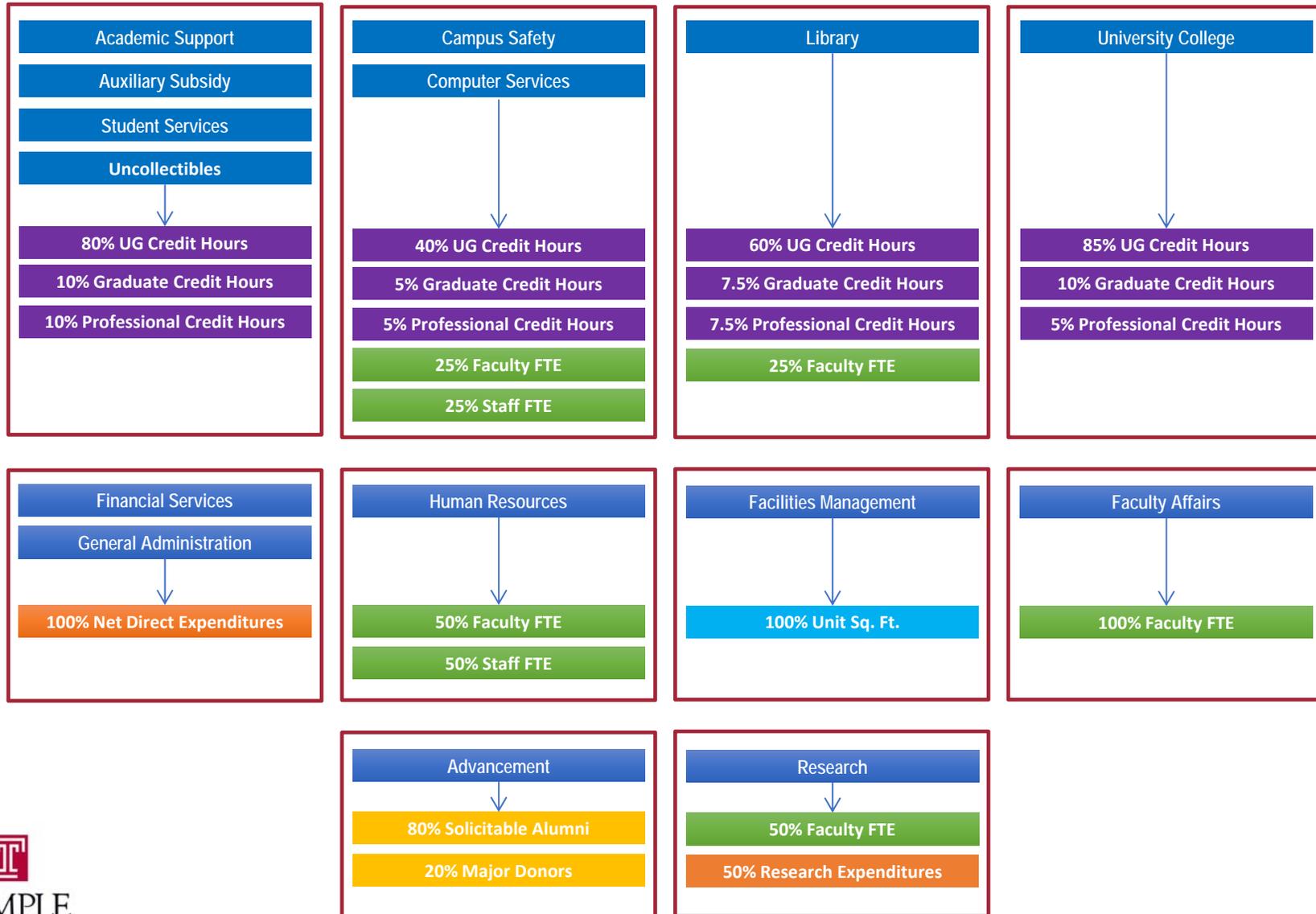
Expertise & capacity

- Develop the training curriculum for staff & faculty.
- Create onboarding materials for those new to their role in RCM.
- Create reference guides and tools available to all employees.
- Establish structure for collaborative user groups.

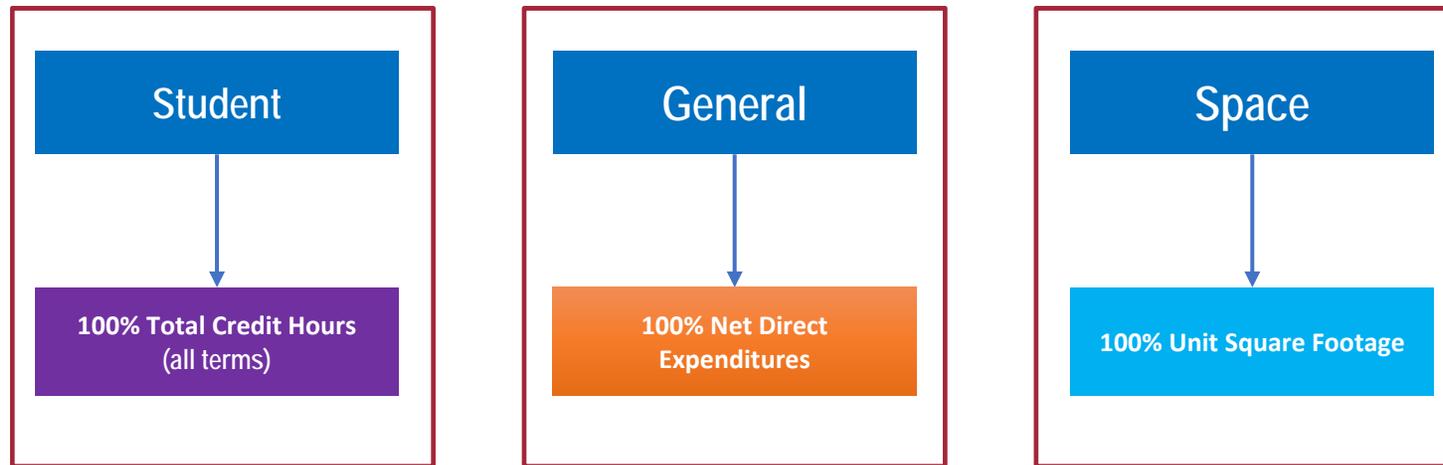
Budget Model Alignment

- Focus on planning and simplifying the model
- Reduce the number of metrics from 8 to 3
 - Credit Hours Generated (all terms)
 - Net Direct Expenditures
 - Square Footage
- Focus on the guiding principles:
 - Fairness
 - Simplicity
 - Fostering an environment of long-term planning
 - One Temple
- No one will be advantaged or disadvantaged by change in methodology during transition year (subvention)
- Annual review of subvention and strategic fund levels

Current Allocation Methodology



Revised Allocation Methodology



Reducing the number of metrics (cost drivers) from 8 to 3 and the number of cost buckets from 15 to 3 will greatly simplify the model, make it more predictable and better support long-term strategic planning.

Recommendations Overview



Key Activities

- Make investments in training, data reporting and querying capabilities, and forecasting tools
- Build capacity across the institution to support necessary improvements
- Set service level expectations between academic and administrative units
- Assess academic and administrative units to understand underlying economics and operating margins
- Make modifications to allocation rules identified by stakeholders as the most problematic: research administration and advancement
- Re-align subvention levels to account for changes in allocated costs and academic unit need
- Initiate activities to periodically review, discuss, and set expectations for both administrative and academic units driven by the understanding that each unit has its own requirements, priorities, and economic models

Mechanics vs. Management

It is often more effective to manage certain strategic priorities outside of the RCM model rather than rely on mechanical RCM model design.

- Several programs or strategic initiatives were discussed throughout this engagement as potential areas of emphasis in the RCM model mechanics, including but not limited to:

Undergraduate Honors Program

Ambler Campus

Temple University Rome

- Designing the RCM model incentives and funding formulae to accommodate such programs is not advisable at this time.
 - Such approaches create the risk of overly-complicating the RCM model
 - This is particularly true given the need for additional training and reporting/analytics resources
- Other management strategies in lieu of formulaic RCM approaches should be leveraged to maintain appropriate institutional focus on key strategies and initiatives
 - For example, expectation setting and management for academic and administrative unit leaders. Use of future years' subvention levels and/or strategic funding to create non-formulaic financial incentives for units to align with institutional priorities

FY2019 Budget Planning Cycle

