

# Queen's University

## Review of the New Budget Model

Queen's implemented its New Budget Model (NBM) in 2012-2013 in time for it to take effect with the development of the 2013-14 budget. During the planning that preceded the NBM's implementation, we agreed on the principles that would guide the development of the NBM and the objectives for whatever was put in place.

The agreed principles were:

- Strong and broad stakeholder engagement in the design process
- No opting out
- Establishment of a hold harmless provision

The agreed objectives were:

- Strong and broad stakeholder engagement in NBM processes
- Strong academic alignment
- Clear incentives for innovation, revenue generation and cost containment
- Predictability for decision making
- Transparency
- Simplicity
- Accountability
- Support for shared services
- Stability

It was also agreed that we would initiate a review in the third year of the NBM (i.e., 2015-16), with the goal of making any agreed changes as soon thereafter as practicable.

Consistent with this commitment, we shall initiate a review in the spring of 2015. The intent, in broad terms, is to assess critically the strengths and weaknesses of both the model itself and the associated processes to assure ourselves that they support each other and meet the originally agreed objectives.

More specifically, the review will examine the mechanics of the NBM, including, but not limited to, the appropriateness of the drivers and bins selected, and the cross teaching formula, and the related planning processes, while paying attention at all times only to issues having a material impact on budget allocations or incentives.

It is perhaps helpful to summarize the focus of the review as being the answers to a series of broad questions:

1. Are the principles and objectives still appropriate?
2. Are the NBM and its associated processes upholding these principles and objectives?
3. From a strategic and technical perspective:
  - i. What are the strengths of the model and its processes?
  - ii. What are the challenges of the model and its processes?
  - iii. How might any challenges be best addressed?
4. Are the bins and drivers still appropriate for the attribution of revenues and expenses?
5. Is the cross teaching formula appropriate and creating the correct incentives?
6. Is the current arrangement for interdisciplinary teaching at the graduate level effective?
7. Are incentives properly aligned?
8. Are there unintended disincentives or disparities?

A committee will be struck for the purpose of conducting the review. The review committee will be expected to report to the Provost regularly on its progress, and to seek direction from the Provost where necessary. The Provost will in turn rely on the PACB for advice on what direction to provide. The committee will discuss a draft of its report with PACB, and deliver its report, including any recommendations for modification to the NMB and its processes, through the Provost to the Principal.

The review committee will complete its work and deliver its final report by January 2016, so that it will be possible to put any proposed modifications to the NBM or its associated process in place before the beginning of the planning cycle for the 2017-18 budget.

The review committee will be chaired by Megan Sheppard, Executive Director of Planning and Budget. Its membership will include other members of Planning and Budget, all the faculty business officers, and representatives (in most instances, business officers) of some of the major shared service units.