

University of Florida

Budgeting and RCM Process

Budget Timeline

October –December: Hyperion opened for Support Unit budget requests.

January-March: Budget Review Council reviews SU requests

April: President and Sr. VPs review Budget Review Council recommendations

April: Budget office runs new RCM calculations - Responsibility Centers provided with upcoming fiscal year Overhead Assessments

May: Legislative session ends – state appropriation data sent to UF

- ❖ Any tuition rate increases calculated
- ❖ Calculate change in appropriations

Mid-May to mid-June: Colleges and State Funded Centers provided with state allocations

- ❖ President and Sr. Vice Presidents determine base for allocations
- ❖ Preliminary operating budget prepared for Board of Trustees approval at June Board of Trustees meeting

July 1: New fiscal year begins

Responsibility Center Management (RCM)

Purpose

- ❖ Decentralizes decisions and financial authority/responsibility to academic leadership. For example, college deans and their faculty are in a better position to understand the impact of resource use and related decisions
- ❖ Uses a formula to allocate state funds
- ❖ Colleges and auxiliaries keep their revenues

Responsibility Center Management (RCM)

Responsibility Centers

❖ Revenue

- Receive all revenue earned from their activities
- Academic Colleges receive an allocation of state appropriations based on a formula using student credit hours
- State Funded Centers receive an allocation of state appropriations based on past legislative or university funding

❖ Expenses

- Responsible for all direct costs
- A share of Support Unit costs – Administrative overhead

Responsibility Center Management (RCM)

Support Units

- ❖ Tend to generate little or no revenue, but incur costs
- ❖ Managers of these areas are accountable for costs only and value of services provided
- ❖ Funded through assessments to each Responsibility Center
- ❖ Each year, they present their value and services to a Budget Review Council (BRC) to support their budget requests
- ❖ BRC comprised of representatives from colleges, VP areas, and faculty senate
- ❖ Every five to six years, each Support Unit will go through a “zero-based” budget review

Responsibility Center Management (RCM)

Examples of Support Units

- ❖ Office of the President
- ❖ Office of the Provost
- ❖ Office of the Chief Financial Officer
- ❖ Office of Business Affairs
- ❖ Office of University Relations
- ❖ Office of Student Affairs
- ❖ Office of Enrollment Management
- ❖ International Studies
- ❖ Office of Sustainability
- ❖ Office of the Chief Operating Officer
- ❖ Office of Human Resources
- ❖ Office of the General Counsel
- ❖ Enterprise Systems
- ❖ University Libraries
- ❖ Graduate School
- ❖ Department of Sponsored Research

Responsibility Center Management (RCM)

Responsibility Centers - Academic Colleges

- ❖ **SCH's Weight by College and by Level of Instruction**
 - Lower, Upper, Grad I, Grad II, and Grad III
- ❖ **Allocation of Revenue**
 - State Appropriations and Tuition
 - 70% based on SCH Taught by College
 - 30% based on SCH of the Major
 - Other Revenue Earned by College/Responsibility Center
- ❖ **Allocation of Support Unit Cost**
 - Seven cost pools (see slide 9)

Responsibility Center Management (RCM)

Table 8: College Weights

College Name	Lower	Upper	Grad I	Grad II	Grad III
Agricultural and Natural Resources	1.53	2.60	9.16	12.36	-
Business Administration	0.97	1.61	6.90	20.70	-
Dentistry	-	9.25	5.28	-	23.77
Design, Construction, and Planning	3.19	3.76	7.51	9.81	-
DOCE	1.95	9.09	-	-	-
Education	0.55	1.84	5.03	8.65	-
Engineering	1.99	5.93	12.13	15.25	-
Fine Arts	3.94	5.53	18.31	18.32	-
Health & Human Performance	1.74	2.11	8.79	13.19	-
Journalism & Communications	1.69	1.94	9.14	15.06	-
Latin American Studies	7.25	21.39	35.40	37.50	-
Law	-	-	7.94	7.96	-
Liberal Arts & Sciences	2.17	3.38	11.34	12.99	-
Medicine	-	8.87	9.10	16.02	34.29
Nursing	-	6.83	3.90	10.76	-
Pharmacy	-	7.46	4.26	4.55	-
Public Health & Health Professions	1.05	4.16	5.90	7.12	-
Veterinary Medicine	-	7.97	4.55	13.40	27.33

Responsibility Center Management (RCM)

RCM Overhead

- ❖ Support Units are grouped into seven support unit cost pools based on the functionality and services provided
 - Information Technology
 - General Administration
 - HSC Administration – limited RC units
 - Student Services Administration
 - Facilities
 - Libraries
 - Sponsored Project Administration – limited RC expenditures
 - Exceptions
 - FY14-15 - \$290 million

Responsibility Center Management (RCM)

RCM Overhead

❖ Cost pools are allocated based on certain tax drivers

- Information Technology
 - Non-grant, Non-UFF and Non-scholarship expenditures
- General Administration
 - Non-grant, Non-UFF and Non-scholarship expenditures
- HSC Administration
 - Non-grant, Non-UFF and Non-scholarship expenditures within the six HSC Colleges
- Student Services Administration
 - Weighted student headcount
- Facilities
 - Weighted SQFT
- Libraries
 - Weighted Student, Faculty and Research staff headcount
- Sponsored Project Administration
 - Grant expenditures, less subcontracts > \$25,000 and DSP identified training grants

Responsibility Center Management (RCM)

Budget Book

- ❖ <http://cfo.ufl.edu/media/cfoufledu/documents/FY15-Budget-Book-for-web.pdf>