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*Responsibility Center Management (RCM)
and
Performance Based Budgeting (PBB)*

Wednesday, October 31st, 2012





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- Guiding Principles for Development and Implementation
 - This will be a **collaborative, highly consultative** process that will *integrate academic planning and enrollment management with the budget planning and revenue allocation processes. Strategic planning will inform academic planning, which in turn will guide enrollment management and the allocation of existing and future resources.*



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- Combines top-down guidance (steering committee) informed by bottom-up knowledge and/or realities
- Plan will respond to assessment data
- Emphasizes transparency and accountability versus control
- Caveats – Institutional character dictates approach
 - Culture, climate, and history
 - Institutional Values
 - Trusted data sources and effective reporting system
- This will be an evolutionary process



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- Budget Model Popularity
 - Incremental – 60.2 percent
 - Zero-Based – 30 percent
 - Formula – 26.1 percent
 - Performance-Based – 19.6 percent
 - Responsibility-center – 14.2 percent
 - Total exceeds 100 percent because some institutions combine budget models



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- RCM Benefits
 - Increases incentives for revenue generation and cost effectiveness
 - Improves transparency surrounding decisions, and thus improves accountability and management of resources
 - Clarifies the maze of cross-subsidies
 - More clearly links performance to rewards and thus provides incentives to increase productivity



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- PBB Benefits
 - Reinforces achievement of certain goals and objectives
 - Once again finding favor with policymakers: It has intuitive appeal--what's not to like about paying for results



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- Numerous reasons and advantages for the University of New Mexico to modify budget process
 - Reduced state appropriations
 - Pressure to minimize tuition and fee increases
 - Intense focus on the maximization of existing resources and the prioritization of future revenue streams



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Main Campus

Mission:

Our Highest Purposes for Existing

The mission of the University of New Mexico is to serve as New Mexico's flagship institution of higher learning through demonstrated and growing excellence in *teaching, research, patient care* and *community service*.

Cornerstones of Purpose:

- Develop the values, habits of mind, knowledge, and skills
- Discover and disseminate new knowledge
- Deliver health care of the highest quality
- Actively support social, cultural, and economic development in our communities



Main Campus

Vision:

Our Greatest Aspirations for the Future

- Strength through Diversity
- Student Success through Collaboration
- Vital Academic Climate
- Excellence through Relevance
- Research for a Better World
- Health and Wellness Leadership
- International Engagement

As a result of achieving this vision, UNM will become the first minority/majority university in the country to attain membership in the prestigious Association of American Universities (AAU).



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Core Values:

The Principles that Guide our Decisions

- Excellence
- Access with Support to Succeed
- Integrity
- Diversity
- Respectful Relationships
- Freedom
- Sustainability



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Health Sciences Center

Vision:

The University of New Mexico Health Sciences Center will work with community partners to help New Mexico make more progress in health and health equity than any other state by 2020.



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Health Sciences Center

Mission:

Provide an opportunity for all New Mexicans to obtain an excellent education in the health sciences, advance health sciences, and ensure that all populations in New Mexico have access to the highest quality health care.

- Improve health and health care
- Build the workforce of healthcare professionals in New Mexico
- Foster innovation, discovery and creativity
- Provide the environment and resources
- Deliver a well-integrated academic health center
- Nurture and embrace an environment of diversity, integrity and transparency



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Health Sciences Center

Values:

- Integrity
- Accountability
- Diversity
- Excellence
- Compassion
- Respect
- Professionalism



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- RCM/PBB Discussion
 - Establish Guiding Principles for Committee Interactions
 - Establish Guiding Principles for Decision Making
 - Document Assumptions for Development of Recommendations