5.4 Appendix IV. REA Task Force Reports on Benchmarked Institutions

University of Southern California

Dennis Dougherty (emeritus Senior VP for Finance), Bess Garrett (Vice Provost for Academic Affairs), Margo Steurbaut (Interim Senior VP for Finance)

November 11, 2008 at USC

Interviewed by Pam Eibeck

Annual Budget Process:

Fall – Provost and Dean have a planning meeting that links college’s goals with institution’s strategic goals. This is when a dean can lobby to get some of Provost’s initiative pools.

Spring – dean submits a budget to provost, gets approval by Univ budget director, provost budget director, provost (in some cases). At this point, a dean better indicate if s/he anticipates a budget problem. Once their budget is approved, they must live within their budget. Big problem for revenue is if a curricular change was made that shifts student course-taking behavior.

Fall of fiscal year – Provosts office monitors actual (vs. projected) revenue flow and calls in a dean if sees a problem.

Fund Balances at End of Fiscal Year

Surplus: transferred into a Provost account with the college’s fund number attached. The dean can only spend these funds in the future with Provost’s approval.

Deficit: must be paid off by college in two years. Note that there is a one year lag before pay-off begins since budgets were fixed in spring before end of fiscal year, but deficit often does not show up till end of fiscal year.

Overall: USC has never had an overall budget deficit in its 128 year history. They are proud of that.

Revenue and Allocations

Recommend we do a modified RCM that assures more centralized power. USC spent years trying to shift the power back into the Provost’s office. Deans became so powerful they ignored the Provost & President.
They allocate the full tuition to the unit providing the course. They recommend using the 80:20 rule being used most places to avoid territorialism around college courses.

Traditional (vs. professional) doctoral students are treated differently at USC. 97% of PhD students have tuition waivers; therefore, they really do not generate much revenue. All PhD tuition gets paid centrally. That avoids the problem of “math won’t provide waiver to engineering student to be a TA in math since engineering keeps all tuition while math pays the waiver.” If a PhD student actually pays their own tuition (such as employer or home nation), goes to the Provost who then creates a central fellowship fund that units can apply for.

“Participation” rate is now 6.6% of revenue. For a while, Provost had only $5 million for initiatives. Now close to $40 million. In way-distant past, it was 20%, but units operated in deficit every year and needed Provost to bail them out. Participation is USC-speak for subvention fund. In addition, Provost keeps all interest revenue to fund his initiatives.

**Revenue Reductions**

- Student Financial Aid (X% of tuition revenue)
- Facilities Improvement Fund (2.5% of tuition)
- Participation (6.6% of revenue)

**Expenses**

- Facilities management services (Usage-based expense, see details under Facilities)
- Allocated Central Costs

Allocated Central Costs covers central administrative units including administrative offices, library, security, transportation, land use. They used to charge as a % of revenue, but unfairly penalized units growing since their share of these costs were not growing as well; froze the allocation of these costs some years ago and simply raise the allocation costs by the % increase in costs each year. This is not working either since they are not fairly distributed.

Note they do not have space occupancy (or leasing/renting) charges to units. This is buried in their “Allocated Central Costs” as “land use.”

**Impact on Academics**
RCM has had a significant impact on academics. Proliferation of “puff” general education courses being offered in professional schools simply to acquire revenue. Ten years ago, Provost mandated that general education courses can only be offered by the College of Letters, Arts and Sciences as a result.

Interdisciplinary at the undergraduate level is the problem. If a professor is loaned to teach a course in another college, the other college gets the revenue, plus home department is short a professor. Result is that courses simply are not cross listed anymore. QUESTION: How do other schools deal with cross listing?

A curricular change can cost a college millions in one year.

Revenue growth directions for USC: distance education, professional masters & professional doctorates. (Note traditional doctoral students are net zero revenue)

Revenue growth for colleges: attractive minors to pull students into their courses

IMPACT ON RESEARCH:

Full overhead return on all external grants/contracts is the motivation for colleges to build external funding.

FACILITIES:

Renovations. Paid by colleges

Facilities Improvement Fund (2.5% of tuition). Revenue paid by centers to fund building improvements that a unit would not pay for if they had to themselves, such as roofing, HVAC, elevator repairs. Fund is $25 million

Facilities Management Services: custodial, utilities, internet, phone, work orders (e.g. a usage-based cost allocation) Space audit assigns space to a department. At end of each year, these costs are processed and charged to the centers based on usage.

Capital/new construction: Provost controls all capital construction. Sets priorities, provost pays debt (30 year loans) with combination of taxes on OH recovery (portion on depreciation of facilities) which is 20% of the 63% overhead rate (about $16.5M) plus adds subvention funds ($19M). That services a long term debt of $505M. Provost accumulates capital annually (a “sinking fund”) to pay off the debt for the buildings when due.

Auxiliaries: they must pay off building construction cost in 15 years.

OTHER ITEMS:
USC builds their own financial and HR systems. They have not purchased commercial information systems like Banner. They are proud of this.

Recommended we get the book by Waylon from Indiana University called Revenue Centered Management

UNIVERSITY OF MINNESOTA

Richard Pfutzenreuter, CFO and Julie Tonneson, Budget Director

October 14, 2008

Interviewed by Ron Mitchell and Sandy River

INTERVIEW QUESTIONS AND ANSWERS

1. What was your greatest challenge in implementing RCM?

• 10 years ago when implementing the revenue side it was dealing with concerns in the academic units about the incentives / disincentives. During the IMG phase, costs were not allocated across the units, so the central administration had to rely on state appropriations to pay the costs.

• The cost implementation has gone very well. The greatest challenge here was that the academic units wanted a voice in determining what some of the costs would be. Ultimately, these are the President’s decisions. The cost pool managers make presentations in an effort to get input from the rest of campus.

2. Do you provide any means to protect the common good?

• Regarding overlap in the curriculum. They do not see this as a budget issue; is a curriculum oversight issue.

• MN has a fairly large state appropriation – could not do RCM without it. How the money is distributed is up to the president, but it all goes to the academic units. It is not distributed according to any formula.

3. How did you communicate with the campus during the planning stage?

For the move from IRS to today there were numerous committees working on each aspect of costs (faculty, staff, and admin) for 18-24 months. So there was a long time to socialize each part. The move to RCM started 16 years ago; IMG
implemented in 1996.
The chief financial people in the units meet monthly.

4. Were there any unintended consequences of implementing RCM?

• Before this started there were always complaints about access to courses. After IMG implemented, those complaints went away; units caught on quick. Colleges that are tuition-dependent became very good managers.

• It was a surprise how tough it was to get some senior academic personnel on board with new thinking on budgeting. It requires that deans be smart and good managers.

5. If you could do it over, what would you do differently?

• Would have preferred to get to the cost allocation phase sooner. It could be that implementing both revenue and cost at same time would have resulted in more resistance. The CFO did not like the IRS tax, but the president wanted to go that way.

NOTES

• Freshman admitting units have done well.

• 18 month implementation would be hard to do. Should get principles in line and implement in phases.

DEFINITIONS
IMG: Incentives for Managed Growth. The first phase of implementation began in 1996.
IRS: Institutional Revenue Sharing. A tax used before the cost allocation program was put into place which was used to fund institutional common goods and academic priorities,
RRC: Resource Responsibility Center: on the academic side, these are the colleges/schools.

LINKS
Internal Budget Model Status Report & Discussion (FY 2005-2006)
http://www.budget.umn.edu/int_bud_model_overview.pdf
FY 09 Documents
http://www.budget.umn.edu/document.htm
UNIVERSITY OF NEW HAMPSHIRE

David R. Proulx, Assistant VP for Financial Planning and Budgeting. 603.862.2421

Friday, October 31, 2008

Interviewed by William Westney and Stefan Estreicher

INTERVIEW QUESTIONS AND ANSWERS

1. What do you think was the greatest challenge your institution faced implementing RCM?
   
   • How to offset the purely financial (competitive) aspect of RCM with the greater academic mission.
   
   • Getting people to accept the loss of control. Remedied by good communications and involvement.

2. Did your institution do anything special to protect the “common good,” such as President/Provost reserves, a regulatory committee to limit academic units taking actions that damage other academic unit’s revenue, or other actions?

   • The President is the decision maker and controls the central fund. Make this fund as large as possible!

   • There is also a Central Budget Committee to address specific concerns as “steward of RCM”

3. How did you communicate with the campus during the planning stage?

   • Open communication is the absolute key to success.

   • They held many informational meetings with opportunities to ask questions.

   • UCLA tried to do this “behind closed doors” and it was a disaster.
4. Were there any unintended consequences to implementing RCM?

- There was more infighting about dividing up the existing “pie” than finding ways to grow the pie.

- Concerns about grade inflation, class size, odd curriculum development, course duplication (the Business School started teaching foreign languages at some RCM schools).
  - Remedy: new courses have to be approved at Provost level, and capricious duplications would be discovered there.

5. If you could do it over again, what would you do differently?

- Do not give it a fancy, grandiose name, or make it “more important than it is.” It is only a tool. Otherwise, RCM becomes a lightning rod and is blamed for everything,

- Do not define the library as a “unit.” Better to tax other units to support the library.

- Space is taxed ($20 per square footage – includes utilities and maintenance); they wish they had started with a simple formula like this.

- Fund the President’s discretionary budget more robustly.

**Other Questions and Notes**

**Did you use a consultant?**

- No consultant used (or recommended). They hired a designated, financially savvy, new staff person to oversee RCM (someone who also has good communication skills).

- There is no “best” model; all situations are unique.

- They did 3 site visits, and quizzed other institutions, as we are doing.

We have several interdisciplinary research centers at TTU, some of which involve several departments, and others involve several schools or even the University and the
Health Sciences Center. How can we encourage interdisciplinary research and avoid infighting among the participants?

• Interdisciplinary initiatives have flourished under RCM. Participants draw up a “memo of understanding” of their own devising to divide the “pie”

GENERAL ADVICE

1. UNH had a steering committee + 10 subcommittees, each chaired by a SC member, each involving administrators, faculty (50%) , and students, and a weekly SC meeting to update and question the issues
   o You need a strong steering committee!

2. Be patient, keep things simple; listen to all concerns and invite constituents into the conversation

3. Incentivized units are Schools and Colleges, not Departments. These units should be large, as this tends to protect smaller units from fluctuations.

4. Maintain transparency; be sure administrators as accountable as every other unit.

UNIVERSITY OF MISSOURI - KANSAS CITY

SUMMARY OF RCM PROCESS, INTERPRETED IN TERMS OF TEXAS TECH’S NEEDS

RCM GOALS

• To provide Performance incentives for Academic and Support units, consistent with achieving excellence in TTU’s mission and objectives.

• Create and implement a system under which revenues generated and entrepreneurial endeavors achieved by each Unit, beyond expenses incurred, will accumulate to the benefit of the unit generating such revenues.

• Establish transparent reporting and equitable resource allocation policies campus wide.

• Implement improved data systems and business processes to facilitate both revenue and budgeted expense management.

PROPOSED BUDGET MODEL COMPONENTS
• **Net State formula funding** revenues are to be allocated to each Academic Unit, based on weighted Student Credit hours, as designated by THECB and applied to the expenses incorporated in the budgeted expenses for that Unit.

• **Student fees, restricted gift and endowment income** and other revenue items that have been appropriately allocated to each unit, shall continue to be allocated to that unit.

• Revenues generated by **Auxiliary Support Units** are to be allocated to each support unit and applied to the expenses incorporated in the budgeted expenses for that unit.

• **Overhead recovery** associated with sponsored research/grants will be determined according to a methodology to be developed by the President and the Provost.

• Approved costs of administration, support items, and certain Campus-wide programs will be apportioned to each Unit.

• A **University-wide Reserve, Contingency and Obligations Fund** will be established to provide resources for Campus-wide needs, a Campus-wide contingency/emergency reserve and for retirement of certain obligations, in accordance with a plan developed by the President and the Chancellor. This Reserve may be supported by both current fund balances and/or by an assessment apportioned to each Unit.

• A **President’s Incentives Fund** will be established to provide resources for performance incentives based on metrics established for evaluating excellence and enhancement of the University’s mission.

• A **President’s Performance and Support Fund** will be established to provide resources for Campus needs not otherwise funded. These may include:

  1. Subsidies for excellent programs that may not generate sufficient revenue to cover their budgeted expenses;

  2. Revenue shortfalls from programs that have temporary revenue interruptions, due to transition into this new accountability program;

  3. Resources to support improved data systems and business processes required by this program.

• **Auxiliary and support services** will charge fair market prices for their contributions to consuming Units. Their fees will be monitored on a regular basis, as will the overhead assessments that these Auxiliary and Service Units pay to Central administration Units.
• Each Unit Leader will be responsible for preparing a detailed explanation of each item in the upcoming year’s Budget. A review team made up of an appropriate panel of peers and Administrators shall approve each Unit’s budget, consisting of both expense and revenue projections. Each Unit leader will assume responsibility for managing the available balances in funds assigned to that Unit’s accounts. “Availability” shall be determined by a System Level determination of funds essential to maintain a fiscally sound level of reserves necessary to assure bond and other financial ratings.

• Appropriate oversight responsibilities shall be established to assure State and federal regulations and guidelines are appropriately followed.

THE OHIO STATE UNIVERSITY

College of Education and Human Ecology

Office of Administration and Planning

October 14, 2008

INTERVIEW QUESTIONS AND ANSWERS

1. What do you think was the greatest challenge your institution faced implementing RCM?

• Cultural change from historic incremental budgeting system. Program - Revenue includes enrollment funding, research F&A return, and student fees. Costs – Physical Plant (utilities, custodial, and renewal) and student services – costs for undergraduate, graduate, and all students (fixed cost?).

• State Subsidies (formula) based upon Rank of Student AND Level of Intensity (Lab vs. Lecture)

2. Did your institution do anything special to protect the “common good,” such as President/Provost reserves, a regulatory committee to limit academic units taking actions that damage other academic unit’s revenue, or other actions?
• A 24% tax was assessed across the board. Of that, 5% set aside for impact. Revenue Units – must hit +/- 10% of target. There is a five year period to bring people into alignment.

• Stated – Increased enrollment does not mean greater funding. Depends on overall growth. Losers were those w/large graduate programs. Winners – Arts and Sciences with GE requirements.

3. How did you communicate with the campus during the planning stage?

Poorly

4. Were there any unintended consequences to implementing RCM?

• Many. First, the state budget is flat, so growth did not mean more money earned in formula. State mandated to give 3.5% raises with no new money. Had to reallocate internally.

• There was no buffering on Indirect Research Allocations – lose a big grant, then funding is lost. Research funding is very volatile.

• Academic Funding – Seats are counted on 3 year rolling average, so there is protection.

5. If you could do it over again, what would you do differently?

• Better Education for Deans, Chairs, and Directors.

• Begin the education early in the process.

6. How are responsibility centers defined?

• Includes 20 academic units/colleges and support units (Academic Affairs, Business & Finance, Graduate School, Outreach, University Relations, Legal Affairs, Office of the President, Governmental Affairs, Board of Trustees, Undergraduate Studies, General University Pool).
Kent State University

Wayne Schneider, Director of Research, Planning and Institutional Effectiveness (330) 672-8225

Thursday, October 30, 2008

Interviewed by Pam Eibeck

Interview Questions and Answers

1. What do you think was the greatest challenge your institution faced implementing RCM?

   • Getting good data. In year 2 of the transition to RCM, they switched to Banner.

   • It has been difficult to build the new reporting structure needed and created tension since this was when the deans were demanding more information to better plan for the use of RCM. His institutional research office (PRIE) worked closely with the head of budget to run prediction models.

   • There was some faculty pushback questioning “Are academic decisions being driven by the bottom line?” The institution must have strong academic strategic plans. That helps assure the budget is the tool that makes the plan a success, rather than the budget driving the actions. This keeps everyone focused on the goal.

2. Did your institution do anything special to protect the “common good,” such as President/Provost reserves, a regulatory committee to limit academic units taking actions that damage other academic unit’s revenue, or other actions?

   • Yes. The normal academic course/program approval process is a check that units are not manipulating the system.

   • A Faculty Senate committee is responsible for establishing or modifying budget policies.

   • An Academic Council is responsible to implement the process.

   • The Provost has a $3 to $4 million subvention pool to protect the library and honors college.
3. How did you communicate with the campus during the planning stage?

- Prepared a white paper early in the process and distributed it broadly, including the campus newspaper.
- Held numerous meetings with the faculty senate and committee members went to their home units to present.
  - There were some concerns. At the meetings, be sure to discuss the benefits.

4. Were there any unintended consequences to implementing RCM?

- It is too early to tell. Their timeline might be too short. They feel as if they are “building the bicycle while they are riding it.”

5. If you could do it over again, what would you do differently?

- Do not do this when you are implementing Banner. ¹
  - Finish one before starting the other because of the difficulty in getting data.
  - Once in place, Banner is helpful. For example, they can project at the individual student level and get information off of the live Banner feed that links to the bursar data.

- Get the planning & projection tools done sooner than later.
  - Get IT involved early and aware of what reports and tools are needed
  - What tools are needed?
  - What data?
  - How do we make enrollment and then financial projections throughout a fiscal year?

OTHER NOTES

¹ Comment from Pam Eibeck: TTU is one year ahead of them with Banner implementation relative to our timeline
Kent State is in the middle of implementing RCM. It will be fully in place by next summer (July 2009). Two years ago, the President arrived and wanted to implement RCM. They established a group of 20 on a planning committee. Their timing was:

Yr 1: planning, spring was campus outreach, summer work groups to develop rules

Yr 2: developed financial projection models using rules, spring Banner was fully implemented

Yr 3: [current year] Responsibility Centers planning budgets for next fiscal year using information & projection tools that are being created “just in time”...or “not fast enough”

Yr 4: First fiscal year of system, units to be held harmless

The Kent State website:


CONTACTS

David Creamer chaired the committee. He is now Executive Vice President at Miami University of Ohio.

Laura Davis, Associate Provost

IOWA STATE UNIVERSITY

Dr. Warren Madden

Interviewed by Sterling Shumway and Sukant Misra

INTERVIEW QUESTIONS AND ANSWERS

1. What do you think was the greatest challenge your institution faced implementing RCM?

   1. The first year of implementation!
2. It has initially been difficult to divide the State appropriated revenue.  

3. Other issues related to cost of allocations and issues related to the base budget—began based on square footage and ultimately are moving to FTE or SCH. The key is deciding on the appropriate denominator.

2. Did your institution do anything special to protect the “common good,” such as President/Provost reserves, a regulatory committee to limit academic units taking actions that damage other academic unit’s revenue, or other actions? Did the competition kill relationships?

• In the first year, all of the administration money went to make all whole.

• One of the biggest has been deciding how much money to set aside in reserves for subventions—they are still not sure they have it right.

• Next year’s budget will be based on student credit hours—if you want to get money, you must grow.

• They set up a budget advisory committee to help with regulation and communication. Five other committees were also developed and are discussed under question 3.

3. How did you communicate with the campus during the planning stage?

• President shared plan two years early—very strong pitch (this was key)

• They brought in consultant with an RFP—they selected the Huron Group

• Brought these consultants and others in to answer questions and did several white papers

• Created five committees that put out memos and position papers
  
  o Advisory Board on Financial and Budgeting
  
  o Student Affairs Advisory Board
  
  o Information Technology Committee
  
  o Library Advisory Committee

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2 For information on the model they devised to appropriate state revenue, contact Ellen Rasmussen—Associate Vice President for budget and planning (515-294-0831)

3 Darrin Wohlgemath at (515) 294-3592 can provide more information on this
University wide Committee to advise the provost

4. Were there any unintended consequences to implementing RCM?
   
   • Needed a uniform database that could handle faculty and staff getting information. They were using an excel-based system and it was not working because it could not handle the task.
   
   • Some of the spirit of doing good business led to some entities on campus charging others for use of their facilities. (Example was the pool—they were charging people to use it).

   ○ Ultimately, these centers were convinced they were getting paid for that space within the revenue system.

   • Entities like Arts and Sciences get much of the early money and growth because they are teaching many of the core courses. This led to others thinking about courses they might offer on the core level. They did not want engineering teaching English or History. There was some competition in this manner.

5. If you could do it over again, what would you do differently?
   
   • RCM has just recently been implemented. It looks good initially, but the jury is still out.

6. Have you had buy-in from the TOP?
   
   • Just getting started, but appear to have pretty good buy-in.

   • The key has been the President’s very strong, specific and firm push—others wanted to slow the process.

   • Provost must be a strong believer and player as all will ultimately run out of their office. They lost some Deans who just did not want to make the change and other administrators and staff due to reallocation. Some have been more aggressive than others in recruiting and building their programs.

Other Notes

Incentives: They are now direct billing for utilities—used historical consumption. If you reduce utilities or space, you save and pay less. If expenses go up (e.g., gas) they are passed on (they are informing their administrators of a 21% energy increase that they
must build into cost). Space was originally assigned to units and they signed off. You can give up space only with someone else willing to take it on.

**CONTACTS**

Dave Detenbach (Math person for Project)
Johnny Pickett (Associate Vice President for Business and Finance)
Ellen Rasmussen—Associate Vice President for budget and planning (515-294-0831)
Darrin Wohlgemath at (515) 294-3592

**INDIANA UNIVERSITY**

Dr. Neil D. Theobald

Vice Chancellor for Budget and Administration, Indiana University

10/16/208

**INTERVIEW QUESTIONS AND ANSWERS:**

1. **What do you think was the greatest challenge your institution faced implementing RCM?**

   Dr. Theobald emphasized two points:
   - “You must have excellent financial data.”
   - Deans and financial managers must acquire new “skill set.” IU provides extensive training through regularly scheduled workshops, meetings, etc. Deans have to move from the past practice in which they stated their case to secure a share of resources, to an entrepreneurial spirit. A more “sophisticated” understanding of revenue and expenses must be developed and decisions have to be based on a “tremendous amount of financial information.”

2. **Did your institution do anything special to protect the “common good,” such as President/Provost reserves, a regulatory committee to limit academic units taking actions that damage other academic unit’s revenue, or other actions?**

   - A Chancellor’s Discretionary Fund is used to fund campus priorities such as the Library and research initiatives. The fund is not used to address budget difficulties
that result primarily from the actions of a particular unit

• As a result of a 2000 review of RCM at IU, it was recommended, one action recommended was strengthening the role of the Chancellor's Discretionary Fund for the purpose of sustaining and enhancing quality and in supporting the campus common good.

3. Were there any unintended consequences to implementing RCM?

• RCM makes units aware of student enrollments and the importance of meeting student needs.

• RCM rewards the strong and creates the need for special attention to units that have limited revenue potential but are important to the mission of the campus.

• RCM encourages units to review inefficient or outdated programs, including the reduction or elimination if some programs, and reallocation of resources to higher priorities.

• It allows non-instructional units to determine more effectively what they should be doing and for whom.

• RCM leads to greater transparencies in budgets. Faculty seems more accepting of budgetary decisions. For example, in a time of declining state appropriations it is the "size of the pie" that is the problem; RCM simply "slices up this pie."

• The RCM system appears to demand accountability only to the bottom line for each unit, not to the whole of the university. This raises the questions of whether the sum of the individual parts creates a strong university. A more effective mechanism is needed to insure that the priorities and agendas of individual units support the campus plan and goals.

• RCM encourages mutually advantageous partnering opportunities.

4. If you could do it over again, what would you do differently?

• Dr. Theobald just responded, “Absolutely.”

5. How did you communicate with the campus during the planning stage?

• There was in his words, a ‘tremendous’ amount of faculty conversation, with a hierarchical system of committees and procedures that reported to the faculty and solicited their input.
Prior to 1990, Indiana University Bloomington used a traditional centralized fiscal management system in which all state appropriations, student fees, and other income were distributed from campus-level accounts. Each year, the university would hold a series of budget conferences attended by deans and unit directors who would request funds from the campus-level accounts. Resources would then be allocated to each unit for salary, M&O, equipment, etc. These allocations were primarily determined by the advice of a university Budgetary Affairs Committee and the Chancellor’s staff. In essence, the Chancellor’s Office exercised control over both the total resources available to each unit and the way these resources were used.

In 1987, President Thomas Ehrlich initiated discussions to decentralize the budgeting system for IU. The system that was developed was initially called Responsibility Center Budgeting and later changed to Responsibility Centered Management. President Ehrlich’s goal was to develop a system guided by three basic principles, quite similar to those laid out by President Bailey:

• all costs and income attributable to each school and other academic unit should be assigned to that unit;

• appropriate incentives should exist for each academic unit to increase income and reduce costs to further a clear set of academic priorities, and

• all costs of other units should be allocated to the academic units.

Preliminary drafts of policies and procedures were widely discussed during spring of 1988 and the 1988-89 academic year. Until implementation of RCM, budgets continued to be constructed in the traditional manner; however, costs and income were attributed in “shadow budgets” in RCM format in 1988-89. The original intention was for both IUPUI and IUB to shift to the new budgeting system on July 1, 1989. However, in the fall of 1988 a review of progress toward implementation found compelling reasons to defer implementation at IUB until July 1, 1990. IUPUI proceeded with implementation on July 1, 1989.