

## 2<sup>nd</sup> Institutional Review of Responsibility Center Management (“RCM”) November 2021

The promise of continuous improvement means embedding a routine review process into our model and fall 2021 marks Temple’s second institutional review of RCM since its inception (summer 2012), implementation (summer 2014), and first review in 2017. The Temple community has always had plenty of feedback to share, and this review did not disappoint.

A critical finding from our first review indicated (loudly) that the model was widely perceived as being a function of budget and finance, imposed on the institution by the CFO. Our team has devoted significant effort to dismantling this perception, and work to re-educate faculty and administrators about the purpose of the tool. In FY2013 the steering committee charged with developing Temple’s model focused on developing the [guiding principles](#) as a way to structure the process and decision-making, irrespective of changes in goals, strategies or leaders. Despite our best efforts, leadership styles do influence process and decision-making, and the review tends to illuminate some of this.

This fall we again collected data through a survey (n=2,787) and interviews (n=25) to assess our progress on the [major recommendations](#) from our first review - leadership and governance, expertise and capacity, data and reporting, and service levels. In addition, we surveyed every support unit and school/college through their annual workbook submission for their assessment and performance measures relative to Temple’s RCM environment.

To assist with the review we engaged a team of Fox MBA students and two faculty (as part of their capstone project) to focus their research on the following key questions:

- 1) One of the goals of implementing the RCM model was to incentivize innovation and the creation of new revenue streams – Has this happened? Where and how?
- 2) An additional goal has been to find efficiencies and streamline processes in order to deliver the highest quality service and yield cost savings to the institution. Has this happened since implementation (FY2015) and/or after the model adjusted based on review (FY2018) – where and how?
- 3) Faculty are most concerned with ‘course cannibalization’ (standing up/offering courses outside their academic expertise) as an unintended outcome of the model. We will look at the [‘TRAC’ system](#) and the structure in place to guard against course grabbing. Temple Review of Academic Programs and Courses (TRAC) is the Temple website for review of academic programs and courses. This site has been created to facilitate the review of course and academic program proposals. How effective has the TRAC system been and how is this measured?
- 4) A recommendation from the first review was to improve the training and instruction available to Temple faculty and administrators to improve their ability to be effective in the RCM environment. HR’s professional development LMS hosts two on demand training videos with embedded pre and post training quizzes. Static resources and training materials are also available in TUportal and the web. Have such tools been effective?

**The [2017 review concluded](#)** that 1) Temple needed to improve upon training programs and online processes to support employee engagement with RCM; 2) there were inconsistencies in practices between colleges; 3) an overall lack of transparency related to financial and academic performance; 4) a lack of financial expertise within some colleges; and 5) a lack of benchmarks to measure progress attributable to RCM.

This second comprehensive review built upon the initial FY2017 study and focused on whether some of the unintended consequences unearthed in 2017 had been mitigated. The FY2022 review identified colleges and departments that have successfully generated innovative revenue streams or cost-saving methods, in addition to evaluating the training programs, data accessibility, and transparency of RCM among campus partners.

**The 2021 survey yielded the following results:**

- 69% of respondents do not believe that RCM incentivizes innovative initiatives
- 67% of respondents who have budgetary responsibilities feel incentivized to contain costs; however, interview results may contradict this
- 70% of respondents have never participated in any RCM training
- 72% of respondents do not think that RCM supports their colleges strategic plans and priorities

The survey, combined with in-depth interviews led to **four key insights**, some consistent with 2017 findings that persist:

- 1) RCM's success in containing costs, generating revenue, and spurring innovation varies greatly by school
- 2) Stronger collaboration, communication, and information-sharing are needed for efficiency and process improvement
- 3) Safeguards are effective in preventing course cannibalization, however revenue incentivizes keeping student credit hours in the school/college
- 4) Current RCM training endeavors are not sufficient

Using the expert analysis and coding support of Professor Regina Ruane, qualitative data from the survey instrument was **grouped into eight themes**, all of which support the quantitative results described above.

- RCM induces competition among units and inhibits collaboration
- RCM emphasizes finances and removes the focus from education
- RCM creates curricular inequities
- RCM creates resource scarcity and is very time consuming
- RCM has the potential to be better
- The RCM process should have more transparency and data sharing into the process across levels
- More education into the RCM process and how to do it is necessary, and make these resources easily and continuously accessible
- RCM is fair and supportive and provides positive results

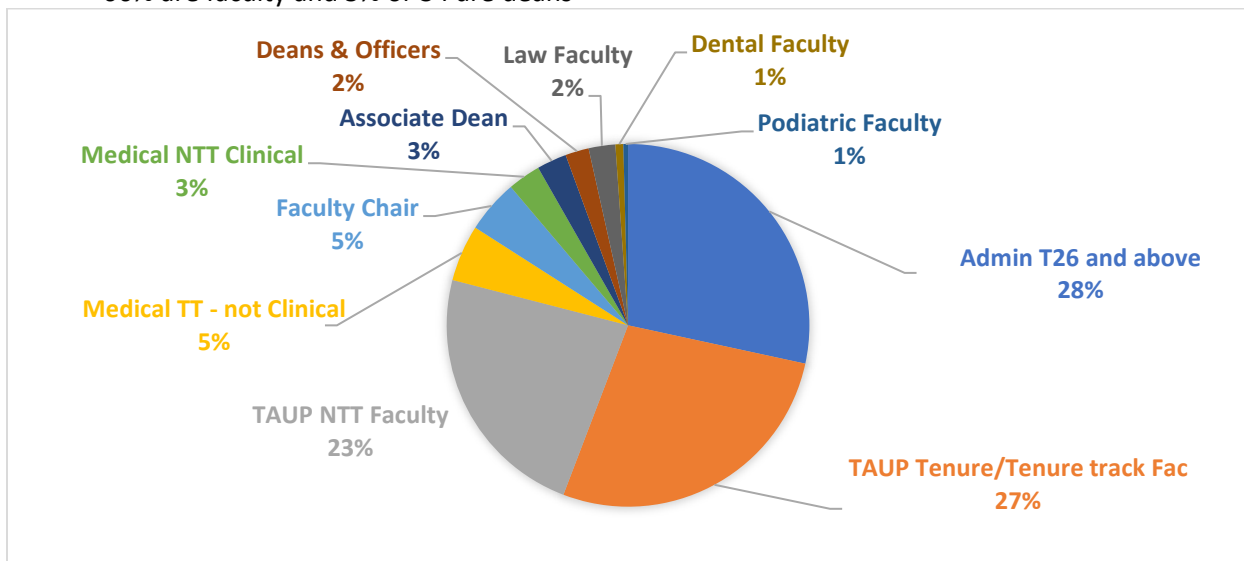
Following provides a summary of the extensive quantitative and qualitative data gathered from the 2021 survey and interviews to support and describe the findings and recommendations above, including an overview of the quantitative results (p.3-9), sample quotes from the qualitative analysis (p.10-12), findings from 2017 review to guide interview protocol in 2021 (p.13-14), sample quotes from survey open responses (p.15-17), and survey invitation and instrument (p.18-20). *The examples appear just as their authors sent them, with grammar, spelling, and usage choices unedited.*

## RCM SURVEY RESULTS & FINDINGS – Fall 2021

In October, the RCM survey was developed and administered at Temple University using the Qualtrics Survey web interface, and administered to 2,787 full-time faculty, department chairs, deans and senior administrators yielding a 27% response rate (N=760). Responses were not required on any survey items and therefore, participants could skip any or all survey items, thus the variation in N for each question. *For survey invitation and instrument see pages 18-20.*

### Of the 760 respondents:

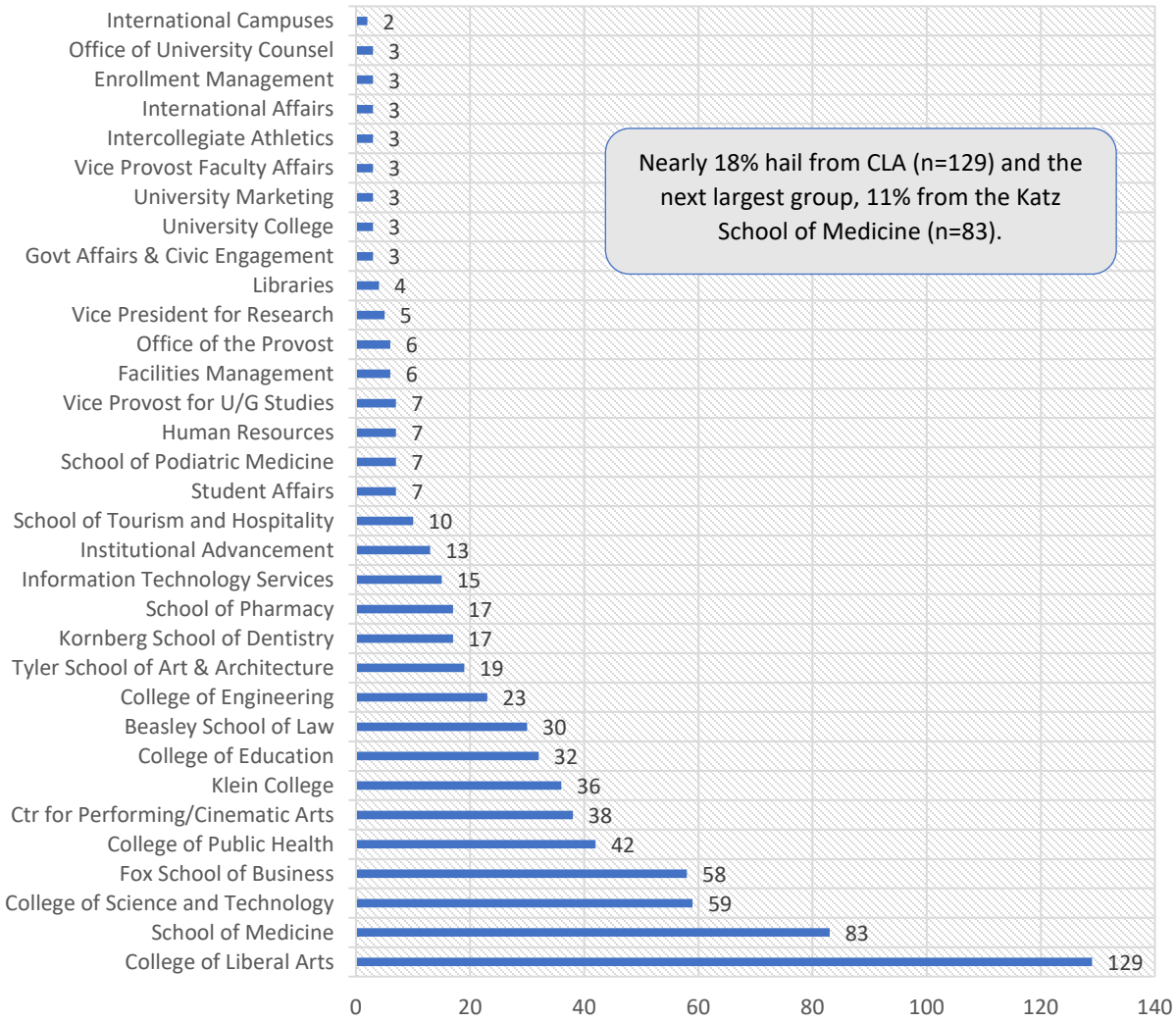
- 29% began their career at Temple prior to January 2000 with the earliest hire in 1968
- 26% were hired after July 2014 and have only ever known Temple in the RCM model
- 55% have been in their role for more than 7 years with 275 serving 10+ years
- 28% are administrators for their school/college/support unit
- 66% are faculty and 5% or 34 are deans



### Some more about our survey respondents...

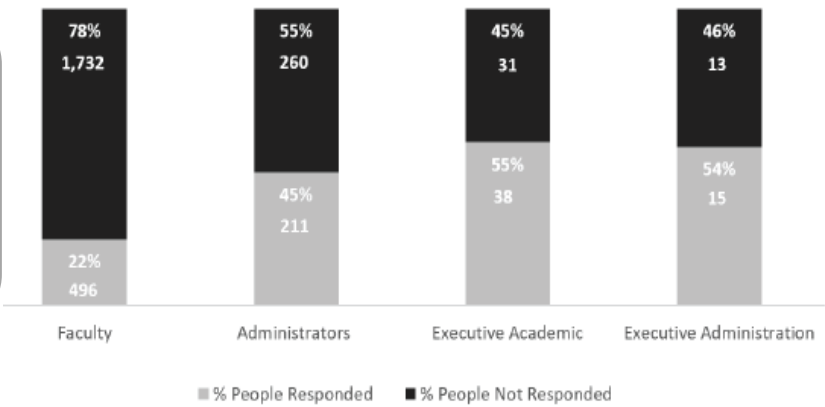
- 52% of respondents have **responsibility for generating revenue or containing costs** of your school/college/department
- Of the 33% who are responsible to contain costs but do not feel incentivized to do so, none of the respondents were executive administrators. In other words, **non-academic units feel far more incentivized to contain costs** than their colleagues housed in schools and colleges where 30% executive academic deans and 47% faculty were not incentivized to contain costs
- 65% of respondents indicate that they do not have budgeting responsibility in their school/college/department which is important feedback as we continue to educate the Temple decision makers that RCM is about more than just the budget
- A consistent concern through both survey responses and internal interviews was a feeling that revenue generation and cost-cutting have usurped strategic priorities, with **72% reporting they do not believe that RCM sufficiently supports strategic plans and priorities** at their school
- 33% of faculty and 48% of executive academic deans indicated they have adequate **access to data to make informed decisions**

### Schools/Colleges/Units Represented by Respondents

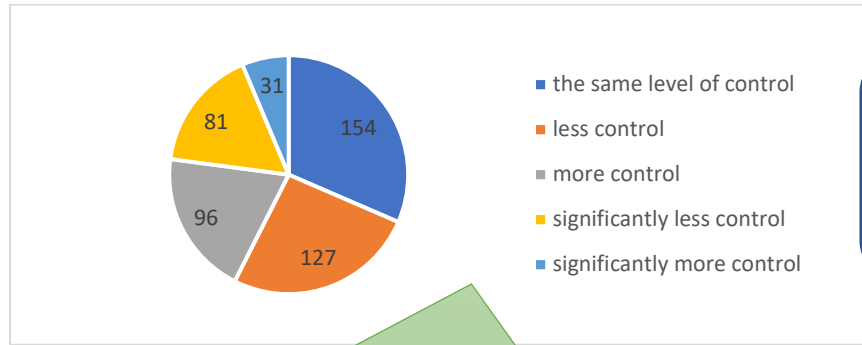


Nearly 18% hail from CLA (n=129) and the next largest group, 11% from the Katz School of Medicine (n=83).

Overall response rates for the four respondent groups: 22% of faculty, 45% administrators, 55% executive academic deans, and 54% executive administration who responded



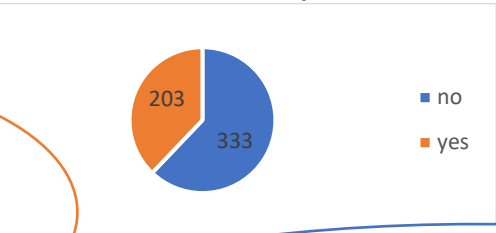
**Q4 What do you believe your school's/college's/department's current level of control is over revenue generation and spending, compared to when RCM was implemented?**



43% reported having less or significantly less control

"The question of control might not be the right one to ask with regard to RCM. It is how much pressure schools and colleges now feel to "generate" revenues for their own school. That pressure has increasingly interfered with the core mission of every college/school to offer high quality education and promote research."

**Q5 Do you feel you have adequate access to data to help make informed financial decisions?**



62% reported not having adequate access to data

Access to data should be made more easily available to the Colleges, so they can disseminate to the departments

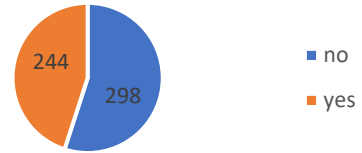
The problem in my college is that the Dean and admin have made decisions supposedly "based" on data but have not shared actual data in any sort of transparent way. RCM without expectations for behavior and inclusiveness...is a recipe for the creation of mini-fiefdoms.....

I do not have clear instructions on how to determine the post-program amount of revenue that was generated to determine if my programs are off-setting the total cost of running them. Additionally, if there was a calculator or downloadable excel with formulas that would allow for external programs (like study abroad) to determine the total costs versus revenue of programs based on credit hours generated that would be helpful.

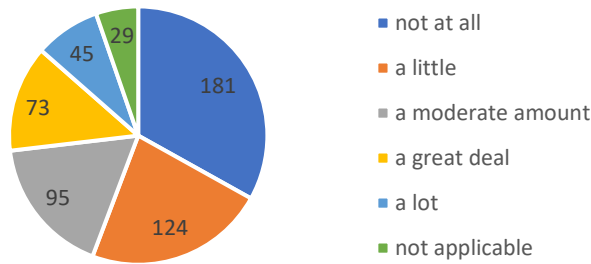
**Q7 Do you know how your school/college/department establishes funding priorities?**

I am a Department Chair with a good working relationship with my Dean's Office. The main issue for me is not getting the budget for my department until a few months into the financial year. I would also like to learn more about the bigger picture of college finances, but I understand that I am only a Chair.

55% report not knowing how funding priorities are established – an increase from 53% in 2017



**Q8 How much does your dean or administrative leader engage you in the strategic planning and budgeting process?**

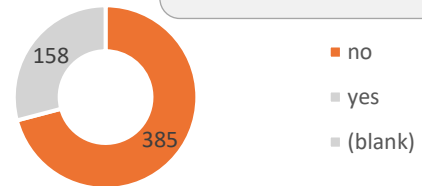


56% reported little engagement or not at all

**Q9 Have you participated in any of the RCM training or on demand learning and development sessions that have been offered since RCM was introduced?**

The university needs to build out the budget office or a similar area in the Provost Office to be a decision support...that can provide a road map for our businesses. This suite of tools and others like it should be developed for the schools. This would be better than individual business managers building uneven capacity. I imagine that it would be highly beneficial to review our business processes and how we input data on the front-end with the lens we can better leverage Banner tables for better data outputs/reporting.

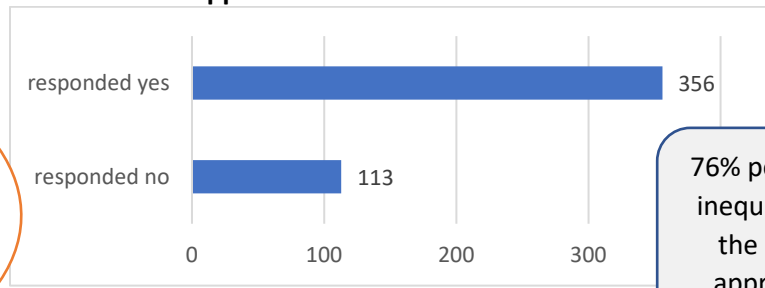
29% report participating in training -UP from 13% in 2017



The University paid so much for banner - but never made use of all the features which worked together - perhaps someone should check out UMDNJ or now Rutgers and see how their banner system works to full capacity. Instead of allowing departments to go out on their own and get other vendors so that we have a different vendor for so many items - in the end the university probably spent more than if they developed the infrastructure that was available.

**Q16 Do you perceive there to be inequities in the RCM approach?**

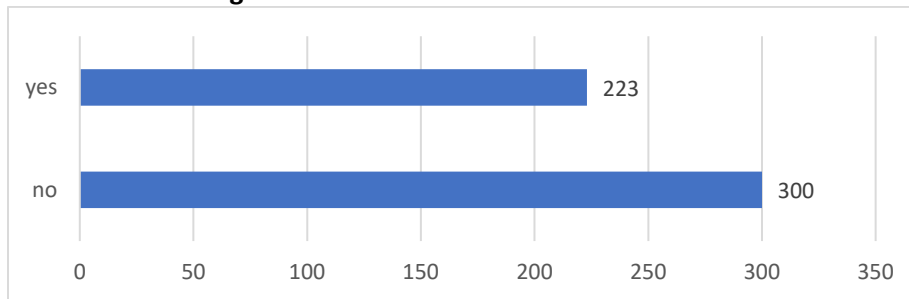
We have different tuition rates and not all colleges and schools can build infrastructure required to innovate and grow, which places a greater emphasis on receiving the support of central units which do not have the necessary will and/or bandwidth to effectively



76% perceive inequities in the RCM approach

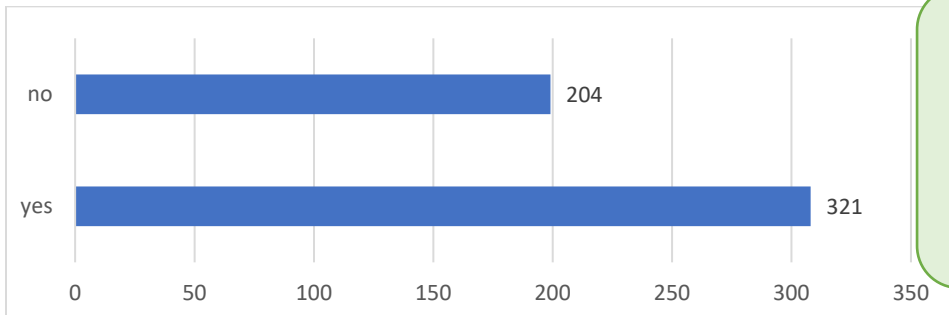
In our department, more recently, we do receive some understanding of the budget allotted and what we can spend. We do not know the budget of other departments and disciplines and whether there is any discrimination being practiced. There may be a hierarchy of disciplines in that some are favored and others not. If that is the case, we are not informed. Without an overall understanding of how money is distributed to departments, or any knowledge of whether there is a controlling mechanism that seeks fairness and if so how? Most professors are very likely only interested in their own financial needs and perhaps that is enough.

**Q12 Do you feel incentivized to generate revenues?**



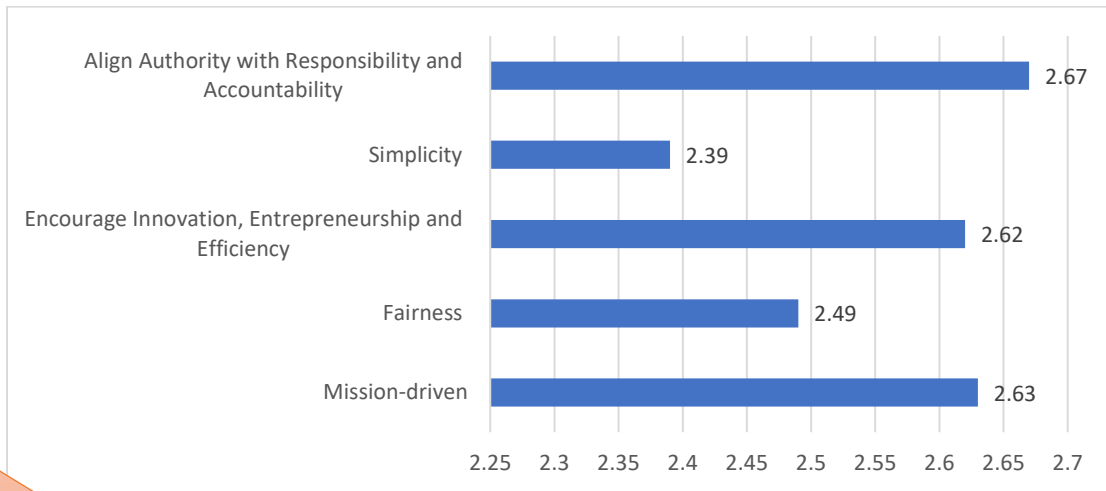
42% report feeling incentivized to generate revenue -UP from 31% in 2017

**Q13 Do you feel incentivized to contain costs?**



61% report feeling incentivized to contain costs - UP from 41% in 2017

**Q11 Temple University's RCM model is driven by 5 guiding principles. Please rate from 1 (low) to 5 (high) how well the university's approach supports each one:**



“RCM is not a cure all for addressing every challenge a school or college faces but it does provide opportunities to reorganize expenditures and engage in entrepreneurial activities **if you are prepared to make difficult and/or bold decisions.**”

“RCM might be the budget model but the budget SYSTEM is still very centralized.”

For all central units there is a black box around how priorities are set each year; and how existing expenditures are evaluated and rationalized. I've seen several projects come through that are aimed at improving efficiency, but no corresponding cost savings seems to be realized. Or that data is not shared. Undergraduate Admissions is a guessing game and schools/colleges have little influence on the results. And, there are initiatives like "Fly in 4" that consume massive amounts of resources from multiple constituencies and delay College-level priorities without a clear analysis of the ROI or the cost-basis for the initiative.



**Q15 – Do you believe the current budgeting model has impacted how your school/college/department makes decisions with respect to services and programs offered?**

The model helps me illustrate the direct impact that school decisions have on our resource levels both in our program portfolio and program efficiency measures. I cannot overstate how helpful this has been in gaining buy-in.

84% believe the RCM model has impacted how decisions are made

The budget model has challenged the chairs within the school to not only think of a new program but also if it will be financially self-sustainable

RCM at a heavily unionized University like Temple is ultimately unsustainable. With every negotiated contract, the guaranteed wage increases require units to raise more revenue either through donations, sale of goods/education, more students, larger class sizes, additional sections of popular classes, or cutting staff, operations, or using lower priced adjunct instructors. Facilities, infrastructure, space, scheduling are all limiting factors. At some point there will be a barrier which cannot be overcome.

This model does not encourage collaboration - given that revenue is generated from students in classes, this model encourages colleges to hold onto their students by offering the same/similar versions of classes. And it means that students are less likely to be encouraged to take courses in other colleges, which limits their intellectual growth and educational opportunities.

It has resulted in a push for larger class sizes. RCM has also significantly reduced collaboration between departments and between colleges since no one effectively wants to share funds

We have lost support staff and instructors. We have struggled to hire replacements when faculty retire or die. We are tightening our belts more and more during prosperity and austerity. This means we have fewer and less qualified people to teach courses (more adjuncts), we have less support staff for doing research, and instead of beefing up our core programs we sink our energy into certificates and PSMs that feel like money-making scams that rake in cash but offer very little educational benefit to the enrollees.

## Qualitative Response Analysis

To help group and codify the qualitative responses of the over 700 surveys, the team partnered with Regina Ruane, Ph.D., Fox School of Business Assistant Professor of Statistical Science, Pedagogical Research Managing Director of the Translational Research Center, and Managing Director of the Data Science Institute. Using expert analysis and coding, Professor Ruane grouped the qualitative data from the survey instrument into eight themes, all of which support the quantitative results described above. Qualitative responses from the survey data are supplied (in separate report) to exemplify each theme. *The examples appear just as their authors sent them, with grammar, spelling, and usage choices unedited.*

### **1. RCM induces competition among units and inhibits collaboration**

- 1.1. I think the system has created an unnecessary level of rivalry between programs and colleges and pulled attention away from our mission to serve. (Faculty Comment)
- 1.2. The RCM model, as implemented at Temple, inhibits cooperation across colleges around the curriculum. (Faculty Comment)
- 1.3. It seems that collaboration and interdisciplinary work, especially that with an element of community and/or public engagement, is a priority, but as above, I have found it very difficult to do that work. (Faculty Comment)
- 1.4. I feel that RCM naturally discourages cross college/department programs. Unless there is a concerted effort to encourage cross-disciplinary programs at the university level, local efforts are doomed to fail. (Faculty Comment)

### **2. RCM emphasizes finances and removes the focus from education**

- 2.1. RCM has been a disaster for my particular department in the humanities. Our class caps have been consistently raised in order to generate more revenue, even though we teach courses (literature seminars, poetry workshops, etc.) that require a smaller, more interactive class size. The RCM model fails to acknowledge the fact that not all fields and disciplines generate revenue in the same way, and it fails in particular to acknowledge the value of the humanities. (Faculty Comment)
- 2.2. Class sizes have been increased, hiring has been shifted around, with chairs incentivized to hire more NTT and adjunct faculty, often putting departments' research missions on the back burner to serve the push for enrollment. (Faculty Comment)
- 2.3. The focus seems to be on enrolments and course hours over everything else. (Faculty Comment)

### **3. RCM creates curricular inequities**

- 3.1. Undergraduate education has been sacrificed, especially with the proliferation of Gen Ed courses taught by unqualified instructors (Faculty Comment)
- 3.2. Programs must be cost-effective. Services must be aligned with resources (Faculty Comment)
- 3.3. Some programs are not profit-generating by nature, such as studio art and community-driven or social justice programs. Also foreign languages, women's studies, queer studies, etc. And yet we should be teaching them and offering them, offsetting costs holistically from other money-making programs. We are a university with other responsibilities to building and educating students, not a corporate model (Faculty Comment)

#### **4. RCM creates resource scarcity and is very time consuming**

4.1. I would like tools that would better assist in projecting revenue in future fiscals. (Faculty Comment)

4.2. The faculty in our college has been forced to revise the coursework for nearly every undergraduate and graduate program. Do you realize what that means in terms of administrative time and effort to revise programs of study, to create new doctoral programs, or new courses? It's been done in the name of "streamlining" but instead we see our programs withering away. I see more "silos" happening in our institution, rather than bridges being built. Funding for innovation - like course releases for grant writing for large-scale federal grants never happen. Similarly, opportunities to travel to conferences are being paid by faculty out of their own pockets (thousands of dollars every year) and not compensated. And finally, we were forced to take on "extra service" as a belt-tightening measure (with the threat of having to teach more courses) meaning faculty have less time to conduct research. (Faculty Comment)

4.3. It can, but requires a lot of communication and manual processes. (Administrator Comment)

#### **5. RCM has the potential to be better**

5.1. It's a 48% tax on Revenue. That means more than 70 million at Fox while people are struggling, programs suffering, and the deficit is now expected to be 11 million. Looks like a downward spiral. (Faculty Comment)

5.2. If you don't have an innovative Dean/Dean's office with financial acumen, then the RCM model cannot realize its potential. When embracing RCM, there seems to be great emphasis on revenue generation but not on cost management/containment. (Faculty Comment)

5.3. Actually, the RCM model at Temple does not go far enough. The central admin tax rate is too high. This effectively redistributes funds back into a non-RCM structure, which is silly. (Faculty Comment)

#### **6. The RCM process should have more transparency and data sharing into the process across levels**

6.1. At the level of colleges, there is no transparency and it is used as a cudgel without adequate explanation (Faculty Comment)

6.2. Better reporting systems that allow for drawing compiled reports across an organization by line item would be very helpful -- these may exist but in 3 years no one has mentioned that they do when I ask for them. (Administrator Comment)

6.3. Make the data available when asked for it. Share financial reports. Be transparent about revenue and expenditures by the college. Be transparent about the use of indirect cost return allocation from grant funding and how those funds are allocated, and share reports internally with faculty and administrators. (Administrator Comment)

6.4. Greater data transparency, at least for tenured faculty who are long-term stakeholders and who play a significant role in decisions with long-term consequences. (Faculty Comment)

6.5. A clear and comprehensive account of current, active policies for allocation. It is clear that there is less money going around. It is not always clear that there is in fact a direct relationship between a given budget and RCM principles, nor indeed that RCM principles truly serve Temple's unique situation. (Faculty Comment)

6.6. It would be of interest to learn about how RCM was implemented and whether any

attempt was made, or should now be made, to have a kind of jubilee and rebooting of the program. It grew out of cost-based management, which was novel in business schools at the turn of the century, and was implemented by a short-term university president with a short on-ramp. My perception is that, aside from the business school, many other units did not have depth of understanding of RCM or cost-based management's implications. I think, especially in light of the business school's impact to the university's brand due to its ongoing legal issues, it makes sense to reboot the program, including allocation of e.g., programs and the ability to block new programs, and treat the past decade as. (Faculty Comment)

### **7. More education into the RCM process and how to do it is necessary, and make these resources easily and continuously accessible**

7.1. A dashboard that shows with transparency how much money is available, how that money is spent on all aspects of running our school which includes a breakdown of academic and administrative salaries. A final graphic that shows how much of every dollar paid by a Temple student benefits that student directly would be interesting. For an example, please see the Guidestar.org non-profit rating site. (Administrator Comment)

7.2. I would like tools that would better assist in projecting revenue in future fiscals. (Administrator Comment)

7.3. I would appreciate a meeting to better understand how the indirect cost recovery is calculated so that I can make better financial decisions. (Faculty Comment)

7.4. webinars explaining simply how RCM works exactly (Faculty Comment)

7.5. Seminars with ppt slides that are available afterward and actually EXPLAIN the process rather than showing a few keywords. But, if that isn't possible, I'd prefer a longer written document that I can read on my own. (Faculty Comment)

### **8. RCM is fair and supportive and provides positive results**

8.1. We are able to self-fund our self-identified priorities without having to go through the various levels of approvals to obtain new budget dollars (Administrator Comment)

8.2. More efficient, better delivery/value to students (Faculty Comment)

8.3. Offers more responsibility for stakeholders (Faculty Comment)

8.4. I actually think the RCM approach, when applied well, can be a huge driver of revenue increase and expense reduction. However, if we continue to insulate 70% or more of our expense units from any risk of poor performance and they cannot equally benefit from revenue-generating activities, I don't see how we, as an institution, foster innovation, and efficiency. (Administrator Comment)

## Findings & Recommendations from FY2017 Review to Test in FY2022

The 2017 survey yielded a 47% response rate and the following results:

- 41% of faculty and administrators in schools/colleges report they feel incentivized to contain costs
- 31% report feeling incentivized to drive revenue
- 13% report participating in RCM training offered
- 53% report they are not aware of how their school/college establishes funding priorities
- 85% percent of survey respondents are full-time faculty
- 25% of survey respondents have joined Temple since 2013

Over the course of the FY2017 review, several issues were ascribed to the RCM model which appear to be symptomatic of other institutional challenges. The following challenges were identified throughout the stakeholder discussions (n=100). Although some may be exacerbated or highlighted by the RCM budgeting approach, there is no viable way to overcome these challenges with a change to the RCM approach alone.

- **Commonwealth of PA Appropriations**  
Flat or slow growth of revenues outside of Temple's direct control are often conflated with other financial management challenges
- **Lack of College/School Input on UG Admissions**  
Approaches to engaging schools in undergraduate admissions should be considered, but outside the bailiwick of RCM
- **Ambler Campus Utilization**  
Questions regarding the treatment of Ambler in the RCM model beget questions about Temple's overall Ambler strategy
- **Rome Campus and the Honors Program**  
It is often more effective to manage certain strategic priorities outside of the RCM model rather than rely on the mechanical design to address it
- **UG Financial Aid Cost Under-projection**  
Past issue with financial aid budget reduced strategic fund pool and led to misplaced criticism on RCM (versus aid projections)
- **Course Cannibalization across Colleges/Schools**  
Vigilance regarding replicated courses is appropriate, but Temple's review of academic courses and programs process ("TRAC") appears to be a sufficient safeguard
- **High Administrative Costs Discourages Research**  
Research costs are intrinsically high across the sector currently and historically regardless of cost allocation rules, and the costs of research are never fully recovered

**Based on the following insights from the first institutional review, the survey and interviews conducted in 2021 sought to also study and measure whether issues had been mitigated:**

- 1) RCM institutions have **training** programs, online tools, and processes that support employee **engagement with RCM** in ways Temple does not. – *Has this improved? Describe what user-friendly and comprehensive tools have been implemented to improve transparency.*
- 2) Research of peer institutions found **evident support for RCM at the highest levels** of administration in other institutions, something not found at Temple. – *How would you describe the level of support for RCM from the President, Provost and Deans at Temple? Should the RCM system have the ability to influence behavior toward current institutional goals (as set by leadership that may change from time to time?) Do you believe that ability currently exists? If not, how would you incorporate it?*
- 3) Survey data uncovered **inconsistencies in practices** related to RCM among the colleges at Temple, which **hindered some colleges from fully capitalizing on the model's benefits**. The data also gave more detailed insights into the Dean's engagement of employees in the budgeting process, as well as their RCM-related communications. – *How does your school/college/department know or measure RCM impacts both quantitatively and qualitatively? How well has your school/college capitalized on the model's benefits or opportunities? Are there budget rules or policies that incentivize "bad" behavior/disincentivize "good" behavior? If so, what are they?*
- 4) Internal interviews showed that Temple faculty felt there is an **overall lack of transparency** related to the financial and academic performance of the colleges. The research also showed that **in some colleges there is a lack of expertise to capitalize on the newfound autonomy afforded by RCM**. – *Higher Ed research shows the use of data (i.e. analytics) can help colleges and universities advance institutional goals, improve quality and efficiency, strengthen student outcomes, and enhance teaching, learning, and advising. In your experience, how accessible are data? Do you have the tools and support to understand the data and apply it in your work?*
- 5) Interviews also revealed the colleges and schools **have not yet adopted a set of benchmarks to measure and recognize progress attributable to RCM**. – *What behaviors are being incentivized? How does your school/college/department incentivize innovation? How have schools/colleges/deans incentivized faculty inclusion?*
- 6) During the interview process many stakeholders expressed **frustration with the allocation process**. Many respondents felt their **ability to control costs was hindered** by a lack of input into the budgeting of central services, and several responses revealed a misunderstanding of the methods used in the allocation process. – *What process(es) are in place to better include the Deans in the budgeting process of shared service units and allocation methodologies? How effective are they?*

### Sample survey responses from over 100 pages of data...

Having a budget that relies on enrollment often interferes with academic planning in the best interest of students in individual departments/majors. It also prevents the allocation of resources in areas that need more support to grow and gives influence over those that already are well resourced. Overall it **prevents a comprehensive academic environment by creating RCM silos that compete with each other** for resources.

Because the administrators are not given the INB and/or complete access in Banner there are many things we cannot do automatically. For a system like Banner which I used in another institution at which everything was electronically routed and approved this unavailability and all the band-aids developed so that TUMarketplace and Taleo and eSirus could work with **Banner has caused more issues** and created more work for everyone.

Enrollment drives revenue, and thus, because enrollment is unpredictable from one semester to another, let alone 5 years down the road, **no long-term planning can possibly be done** with any degree of accuracy.

Especially recently, the push within the school (school/college level) has been to centralize budgeting and allocate it back out to departments and programs. The good news is that this has been accompanied **with a little more transparency about income and expense** (but one still has to push pretty hard to see that). The bad news is that the incentives for **localized (program/dept) incentives are being removed** - in the name of equity and efficiency but at the expense of innovation and creativity.

Seems like grant income, especially from grants that do not carry indirect costs, is 'taxed' under this system - **this would seem to disincentivize applying for and receiving such funding**. However, such grants are an important component of both basic and clinical/translational research and research covered by such grants increases Temple's profile- if anything, a system should be developed that rewards the individual/Dept/Center/School that receives such grants.

I generate substantial funds through NIH indirect costs and to my knowledge I get no known benefits for RCM. **I have no idea of where the RCM money goes or how it benefits my research** projects to help me obtain new funding.

...in financial reporting it's still high level and very backward looking...with projections based on rolling forward the past rather than thinking about and projecting revenues and costs more actively. Banner rant: At a more global level, **trying to do financial management through Banner is like driving looking in the rearview mirror** (often several months behind). Anyone with financial responsibility needs something closer to a real time revenue and expense recognition system, tied to forecasts (not budgets) and checked on a monthly basis with a report. I.e., a real financial system. For our little program (<\$1M), we run a parallel system in QuickBooks just so we have a real sense of what's going on and the ability to plan. Finally, there is little if any ability as a program or dept lead to make trade-offs - to (within boundaries set by the school or u) invest in promising areas, try new things, etc.

I'd like to learn both positive and negative effects of RCM on universities across the country and specifically about Temple. I'd be interested to learn about universities that transitioned away from RCM and whether they were able to improve problems that arose due to RCM. **And I'd be interested to learn if interdisciplinary learning is possible without financial losses through RCM** -- because right now, if

one college's students take a course outside the college, it's considered a loss for the college, when this situation is a benefit to the student and one that should be encouraged for students to grow and develop as well-rounded individuals with a college education.

*(I would be interested to learn)* How RCM works for support or administrative units (my dept) and how it impacts/works for academic units (our partners). **I don't have an understanding of how it should be integrated into our planning, strategy**, etc. I also want to better understand how it impacts decisions about our strategic direction.

*(interested in)* Learning more about how the overhead is calculated and allocated and how we can work to minimize it.

***How the model impacts how decisions are made for programs and services offered...***

Pressure for enrollment in courses is much stronger than it should be at a prominent R1 university like ours. I understand that courses with just 1-2 students may need to be cancelled. But threatening to cancel any courses with fewer than 10 students **does a disservice to our students, the College of Liberal Arts (the academic heart of the university), and the university as a whole. It also maligns what a university like Temple could and should be. It means that Temple's programming will be increasing US-centric and Eurocentric**, because sometimes courses that deal with areas of the world beyond the US and Europe receive proportionally fewer students. If such courses are cut simply because they don't get quite as many students, we may end up with a university whose programming is largely focused on the North Atlantic world, not global society.

We have revised our graduate programs several times, with some impact on enrollment. We also had some failures and new programs closed with 18 months of being opened. We have modified our graduate student support to impact yield. **We have focused on reducing administrative overhead in every possible way. Using our own systems and administrative support, we have attempted to fill gaps in student success infrastructure:** like no degree audit tool for graduate students; no automated warning system for students going "off plan"; no guidance for students on selecting courses where they are more likely to succeed; no predictive course scheduling tool to insure the courses needed for a student to complete their program are offered in a timely manner. All of these gaps are filled with manual administrative processes

**...This is what I hate most about RCM--that it pits colleges against each other. Shouldn't we all be in this together?**

We should have developed a strategic plan that included our mission, identity, current context, and plans for addressing problems and setting aspirational goals; in the absence of that the dean has focused on being rewarded for credit hours; we have actually lost 44% of our undergraduates and some phd students while they focused on that without faculty input

The differential tuition problem. Central administration has waved this off since the very beginning, and we cannot understand why. Though the taxation formula has gotten better, it is still based on assumptions about consumption by credit hours that are just not true.



### ***Model yielding unintended consequences...***

**RCM seems to encourage colleges to keep their resources in-house as much as possible, and to compete with each other** for students/enrollments. Colleges that have more resources can out-compete colleges with fewer resources, not necessarily because they are better, but because they are financially stronger. (Differential tuition rates between the colleges are a big part of this.) The system seems designed to produce a cycle of rewards for colleges that train students for high-income professions (business), while those that train students for equally important, but less highly paid professions (arts, teaching) have to scramble. Programs like GenEd also suffer under RCM because colleges are less inclined to fund instruction for courses that are taken by students from other colleges.

**It is not appropriate that one college has services and opportunities for students that another college does not simply because they have deeper pockets.** Here's an example. In thinking about the 1st generation students we have accepted this year (a third of the incoming class), a few of the colleges are offering robust programming to support these students while others are not. These may give individual schools and colleges control, but it is not inherently equitable for students. Some types of supports should be available to students, no matter in which college or school their major sits. In addition, the staff resourcing issue is a problem. Here is an example: Fox can support a huge team of instructional designers to serve just the faculty in their college while other schools and colleges have very little support in house. In addition, Fox has a bigger team than the CAT does, which serves every faculty member and TA in the university.

### ***Absence of strategy or direction***

Certain schools are propped up through subvention while schools paying into the strategic fund are having to cut staff and faculty. This is fine if the strategy is that you no longer want a great XXX School at Temple but **be clear about what you are doing and how that aligns with the direction of the University.**

At the end of the day, there has been **a lack of strategy from the top.** What schools should we invest in so that we are a recognized leader in 5 years? Where should we invest to be on the leading edge of new fields? There are so many schools and initiatives that no one receives adequate funding to be excellent. What are we going to be? Academic Excellence doesn't work if you try to be excellent in every field. There are just not enough resources. We are afraid of creating winners and losers in the short-term by making choices and bets on the future. Temple has been sliding into mediocrity because we are still trying to be everything to everyone--that model can't work in a shrinking market (lower birthrates and fewer students).

Again, **I am not persuaded that there is clarity about how decisions are made by central administration.** Moreover, the RCM model that was implemented was effectively a continuation of the status quo ante. That means that the current model has perpetuated pre-existing biases. For example: some colleges pay for the use of classrooms, others do not; Some colleges received subsidies from central - significant ones - others do not.

## RCM Survey Invitation

Sent October 6, 2021 / Reminders sent October 14, 2021 / Closed October 17, 2021

### Temple RCM Survey: Participate to Voice Your Feedback

Dear Kathryn,

This year, the University is conducting its second institutional review of Temple's Responsibility Center Management (RCM) model. You are receiving this email because your input and feedback on this review process are important to us.

Seven years ago, Temple University implemented a more decentralized budget model, pushing greater accountability and responsibility out to the school/college level. There are several different budget models used in higher education. All are customized according to an institution's mission and strategic priorities. Temple's model, often called "RCM," is our own version of a model common to many large public universities. We understand that there may be varied opinions about how well this model is operating, whether the schools are behaving more innovatively and efficiently, and whether the model is yielding any unintended outcomes. That is why we want to hear from you.

We are asking you to provide your feedback on RCM in a brief survey. To begin the survey, [click here](#).

None of the questions are required so you can click through to respond where you feel your view may fit. The last questions are open text boxes where you should feel free to provide any additional feedback. Although we understand that some of you may feel you are not involved enough in financial decisions made at the school level to respond to the survey, we encourage you to share your experiences where possible.

The comments submitted will be treated seriously and confidentially and your identity will not be released for any purpose. Information gathered from this survey will be presented only in the aggregate.

If you have any questions about this survey, please contact Katie D'Angelo by email ([kathryn.dangelo@temple.edu](mailto:kathryn.dangelo@temple.edu)) or by phone (215) 204-6545.

Thank you in advance for your participation.

Sincerely,

Gregory N. Mandel  
Interim Provost and Peter J. Liacouras Professor of Law

Ken Kaiser  
Chief Administrative Officer

## Survey Instrument October 2021

Complete=Respondent clicked on the submit button. Because the questions were not required, a respondent could have submitted a survey without answering any of the questions. These instances are highlighted in yellow.

- Q1 Do you have responsibility for budgeting in your school/college/department?
- Q2 How many years have you been in your current role?
- Q3 Do you have responsibility for generating revenue or containing costs of your school/college/department?
- Q4 What do you believe your school's/college's/department's current level of control is over revenue generation and spending, compared to when RCM was implemented?
- Q4a Please tell us why you chose your answer above:
- Q5 Do you feel you have adequate access to data to help make informed financial decisions?
- Q5a Please provide suggestions about how/what might improve access to data for you to make informed financial decisions:
- Q6 How well do you understand the university's approach to budgeting and the budgeting process?
- Q7 Do you know how your school/college/department establishes funding priorities?
- Q8 How much does your dean or administrative leader engage you in the strategic planning and budgeting process?
- Q9 Have you participated in any of the RCM training or on demand learning and development sessions that have been offered since RCM was introduced?
- Q10 Would you be interested in future RCM learning opportunities?
- Q10a Please tell us what kind of learning opportunities would be most helpful or useful to you:
- Q11#1\_1 Temple University's RCM model is driven by 5 guiding principles. Please rate from 1 (low) to 5 (high) how well the university's approach supports each one: - Mission-driven
- Q11#1\_2 Temple University's RCM model is driven by 5 guiding principles. Please rate from 1 (low) to 5 (high) how well the university's approach supports each one: - Fairness
- Q11#1\_3 Temple University's RCM model is driven by 5 guiding principles. Please rate from 1 (low) to 5 (high) how well the university's approach supports each one: - Encourage Innovation, Entrepreneurship and Efficiency
- Q11#1\_4 Temple University's RCM model is driven by 5 guiding principles. Please rate from 1 (low) to 5 (high) how well the university's approach supports each one: - Simplicity
- Q11#1\_5 Temple University's RCM model is driven by 5 guiding principles. Please rate from 1 (low) to 5 (high) how well the university's approach supports each one: - Align Authority with Responsibility and Accountability
- Q12 Do you feel incentivized to generate revenues?
- Q13 Do you feel incentivized to contain costs?
- Q14#1\_1 Do you believe that the current RCM model sufficiently supports your school's/college's/department's – Programs
- Q14#1\_2 Do you believe that the current RCM model sufficiently supports your school's/college's/department's - Innovation/Initiatives

- Q14#1\_3 Do you believe that the current RCM model sufficiently supports your school's/college's/department's - Strategic Plans/Priorities
- Q14#2\_1\_1 Do you believe that the current RCM model sufficiently supports your school's/college's/department's - Programs - If you selected no, what changes are needed to make the RCM model more supportive?
- Q14#2\_2\_1 Do you believe that the current RCM model sufficiently supports your school's/college's/department's - Innovation/Initiatives - If you selected no, what changes are needed to make the RCM model more supportive?
- Q14#2\_3\_1 Do you believe that the current RCM model sufficiently supports your school's/college's/department's - Strategic Plans/Priorities - If you selected no, what changes are needed to make the RCM model more supportive?
- Q15 Do you believe the current budgeting model has impacted how your school/college/department makes decisions with respect to services and programs offered?
- Q15a Please explain the ways in which the current budgeting model impacted how your school/college/department makes decisions with respect to services and programs offered:
- Q16 Do you perceive there to be inequities in the RCM approach?
- Q16a Please explain what inequities you perceive:
- Q17 Please provide any other comments on your experience with the RCM model that may be helpful for this review.
- Q18 Are there university priorities that RCM does not support as well as it should?
- Q19 Does RCM adequately support relationships and work across schools/colleges/departments? Please explain: