

Shifting Budget Models: Leveraging Institutional Incentivized Budgets and State Performance Funding in Support of Innovation

- [REDACTED]
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Dr. Corinne M. Murphy serves as the Dean of the College of Education and Behavioral Sciences (CEBS) at Western Kentucky University (WKU) (2018

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No

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No

Section II. Abstract Information

Target Audience Level

- All

Keywords

- Attack on public education
- Competency based education
- Demographic shifts and enrollment impact
- K-12 Partners
- Recruitment and retention
- Resources and funding
- Rural Education
- State Legislation

Short Abstract

Universities around the world are shifting budget strategies moving from traditional, incremental budget practices to incentivized budget philosophies directly impacting the role of deans in university operations. Deans of Education are arguably most severally impacted by this shift as they manage the downward external pressures of industry enrollment decline, shifting state certification policies and requirements, state performance funding models, and public attacks on the discipline. As universities continue to face cuts, college of education deans working in responsibility centered management (RCM) environments have the opportunity for resource gain coupled with the possibility of declining university support depending on external factors and context. This session will highlight a regional comprehensive institution's shift to responsibility centered management and its college of education's successful navigation of the transition resulting in robust statewide partnerships serving to transform educator preparation. Scenario planning will include partnering with other college units, impacts of state performance funding, research expenditures, balancing growth and decline in the enrollment profile, accreditation influences, legislative advocacy, and state certification policy changes. Participants will learn the basics of RCM and explore if/then/when scenarios based on their own state and institutional context. Deans and department chairs will share experiences, perspectives, opportunities, and challenges.

A. Statement of the issue.

Universities are facing continued budget challenges. Industry shifts suggest many universities are moving to decentralized budget models favoring responsibility centered management (RCM). These transparent models assign programmatic and operational costs to the colleges with a parallel expectation of revenue generation in support of the comprehensive operations of the university. Deans are central to institutional success in a decentralized budget however, college of education deans face additional external pressures that impact their college's operations including accreditation expectations, shifting state certification and policy, national enrollment decline, negative public opinion, and bad press.

B. Literature review.

As state support for higher education declines, institutions are looking to address responsibility and transparency in budgeting practices. With few resources, and more dependence on student tuition dollars, calls for accountability increase. To date, there are some studies on the effectiveness of RCM budgets. However, there is little research on the operational framework and practices at the dean and department chair level in colleges of education. Carlson S. (2015), articulated the increased responsibility for deans within RCM budgets. The successful dean can leverage the full operational freedom afforded to them within in the context of establishing college-level reserves that could be used to support unique college operations that may result in increased revenue. Ozan (2018) studied 4 institutions at the university level and found increased tuition revenue against a placebo college in 3 of the 4 cases. This work was analyzed at the university level, not the college level. Curry et. al (2013) wrote of entrepreneurial considerations by deans that would lead to success within the budget model. Again, the outside impact factors facing education programs have yet to be articulated in this work. Rutherford and Rabovsky (2018) found that rcm adoption more positively impacted stem majors. There is a great deal of opportunity to review the impacts of RCM budgeting on the operations and success of colleges of education.

Carlson, S. (2015, February 13). Colleges 'unleash the deans' with decentralized budgets. *Chronicle of Higher Education*, 61(22), A4-A6.
Curry, J. R., Laws, A. L., & Strauss, J. C. (2013). *Responsibility center management: A guide to balancing academic entrepreneurship with fiscal responsibility* (2nd ed). National Association of College and University Business Officers.
Fethke, G. C. & Policano, A. J. (2019). Centralized (CAM) versus decentralized budgeting (RCM) approaches in implementing public university strategy. *Journal of Education Finance*, 45(2), 172-197.
Ozan, J., Kramer, D. A., & Curs, B. R. (2018). Growing the pie? The effect of responsibility center management on tuition revenue. *Journal of Higher Education*, 89(5), 637-676.
Rutherford, A. & Rabovsky, T. (2018). Does the motivation for market-based reform matter? The case of responsibility-centered management. *Public Administration Review*, 78(4), 626-639.

C. Contribution

Resilient Leadership During Unprecedented Times - University deans and academic unit leaders are held accountable via a variety of methods. A large part of role accountability previously included the ability to manage a budget. However, that is no longer enough to claim success. Managing a budget is different than engaging the underlying budget philosophies in the operations of the college. This work speaks to the ability to retain leaders in critical positions supporting education through readiness for the role itself. The work answers the central question, are you prepared to be a leader responsible for unit-level success in an entrepreneurial context that supports quantity and quality in educator preparation? If deans are not prepared to lead in an incentivized budget model, the ability of colleges of education to be innovative, successfully meeting the demands imposed by external influences, the problems of educator preparation programs will only be exacerbated. University resources will shift to other programs as these budgeting practices allow reserves to build at the college level. In many cases, this results in institutions having less centralized dollars to support units whose costs exceed their revenues. Deans and department chairs must work together to tackle the changing fiscal environment so as to be successful as other programs like STEM, Business, and Medicine.

D. Relevance

The proposal relates to all three perspectives:

1. Implications for policy: Through the presentation, participants will learn about one state's performance funding model including the impacts of certain types of majors, learners (demographics), completion rates, persistence rates, and grant activity. Education, while a critical need area, may not be included in the incentivized state performance model. Institutions then are less inclined to provide institutional level dollars to support college of education operations. However, shifting the state level policy to include education majors in the reward structure, incentives universities to support the recruitment and retention of education majors.
2. Using qualitative or quantitative evidence to inform policy or practice: Qualitative and quantitative measures are critical to the operations of the college in the RCM environment. Participants will view a structural analysis of course assignments and program practices that will highlight how quality measures can be monitored in support of retention and degree completion.
3. Successful (exemplary) practices: Department chairs will highlight how to achieve buy-in for the budgeting model as an operational strategy that serves to support faculty and student success in educator programs both at the initial licensure level and the advanced leadership levels.

The dean will also present state level advocacy strategies that serve to inform all three perspectives.

E. Implication for Action

Participants will be prepared to identify their college's success metrics that should influence positive revenue gains in the RCM environment. These metrics will include the ability to analyze department operations at the lower division, upper division, and graduate levels to capture program quality furthering deans and department chairs abilities to advocate for their program within an RCM environment. Participants will be able to frame accreditation expectations (e.g. CACREP) within the context of program quality and lean in to retention as a key metric for revenue recognition within the budget model. Participants will be able to advocate as a professional program within the context of comprehensive university, articulating the credit hour distribution that is necessary to support the college of education's operations. Participants will be able to articulate opportunities to partner with other professional colleges to influence the structure of the budget model in support of professional programs such as health and business. Participants will be able to analyze state performance funding models to identify opportunities for their college operations to align resulting in revenue growth or opportunities to work with their government relations officers on advocacy for state level changes that recognize the operations and importance of education majors within the context of a comprehensive university.

F. Methods

The session will be split in to 3 parts. The first 30 minutes will present the scenario planning with the actual situation details, described for participants. The next 20 minutes will include participant analysis of their own local and regional dynamics and the impacts of the scenario on their educator preparation programs. If/then/when scenarios will be presented and discussed. Participants will be asked to provide their regional and state contexts to bring to life the application of RCM in their context. The final 10 minutes will be a Q&A session at the direction of the participants.

Section III. Content Learning Objectives

1. Participants will identify their college's success metrics that should influence positive revenue gains in the RCM environment including lower division, upper division, and graduate operations capturing program quality
2. Participants will frame accreditation expectations (e.g. CACREP) within the context of program quality and lean in to retention as a key metric for revenue recognition within the budget model.
3. Participants will advocate as a professional program within the context of comprehensive university, articulating the credit hour distribution that is necessary to support the college of education's operations.
4. Participants will analyze state performance funding models identifying college operations aligning to revenue growth and opportunities to work with their government relations officers on advocacy for state level changes.

Section IV. Aligning with AACTE Strategic Priorities and Core Values

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1. **Advocate for high-quality educator preparation. Graduates of educator preparation programs will be profession-ready and prepared to meet the needs of PK-12 districts and schools.**
Resources are necessary to maintain high-quality educator preparation. Deans must be prepared to advocate for resources within incentivized budget environments.
 2. **Prioritize diversity, equity, and inclusion. Educator preparation programs and their faculty, students, and communities will provide successful learning environments that demonstrate diversity, equity, and inclusion.**
Resources are necessary to engage high quality recruitment and retention practices serving to support DEI within the educator preparation program. This is costly, often at a cost higher than other types of university operations. Deans and department chairs must be able to articulate the value of DEI recruitment and retention within educator preparation programs.
 3. **Advance educator preparation policy, practice, and research. The use of leading-edge research and models of innovative practice will advance the field of educator preparation and strengthen public education for all students.**
The overarching budget of a university can be a limiting factor in supporting innovation in educator preparation. Mastering incentivized budget practices, and its related advocacy behaviors, is critical for colleges of education to be successful in the coming years of declining university budgets.