

IBB QUARTERLY UPDATE

MARCH/APRIL 2025

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BACKGROUND

- In December 2024, the ABB Phase IV Steering Committee Report recommended establishing a robust governance structure to support a shift from an Activity Based Budgeting model to an Incentive Based Budgeting model.
- An Executive Committee and Model Working Group were stood up and each group meets monthly.
- In FY25, the groups are focused on developing a charter for President and Provost review, providing guidance and input into the modeling effort to stand up IBB, and establishing a timeline for implementation.

EXECUTIVE COMMITTEE

The Executive Committee (EC) includes deans, administrative leaders, and representatives from faculty and student governance.

- Chair: Sarah Norris Hall, SVP, Finance Planning & Planning
- Jay Panyam, Dean, School of Pharmacy
- Frank Hodge, Dean, Foster School of Business
- Linda Rose Nelson, Associate Dean, Finance & Administration, College of Arts & Sciences
- Andreas Bohman, Vice President, Information Technology and CIO
- Barbara Wingerson, Associate Vice President, Facilities
- Sharon Kioko, Associate Professor of Public Administration, Evans School of Public Policy
- Simon Neame, Dean, University Libraries
- Eric Klavins, Professor and Chair, Electrical & Computer Engineering
- Alex Chiu, Executive Vice Dean, School of Medicine
- Zachary Glenn, Associated Students of UW Seattle

EXECUTIVE COMMITTEE

The Executive Committee (EC) oversees the implementation and governance of Incentive Based Budgeting (IBB), as advisory to the President and Provost.

The EC's work (which will occur over several years) will:

- Evaluate model parameters, revenues, and cost pools.
- Recommend policies on unit subvention and margin.
- Assess capabilities of financial teams and system readiness for the IBB transition.
- Provide quarterly briefings and solicit feedback from BODC, Cabinet, Admin Council and student governing bodies.
- Conduct annual reviews of the UW's readiness for the transition and develop management strategies to mitigate risks.
- Develop ongoing review and adjustment strategies for the IBB model.

The Governance Structure: The EC is advisory to President and Provost. Decisions are made by consensus, with an opportunity to draft and publish dissenting opinions from the consensus. Final decisions are made by the Provost and President.

MODELING WORKING GROUP

The Modeling Working Group (MWG) was convened to focus on data and modeling efforts. The MWG has begun its first round of data modeling as directed by the Executive Committee, and will report monthly to the EC.

- Chair: Christian Adams, Senior Analyst, Institutional Analysis & Decision Support, FPB
- Erin Fujiwara, Associate Treasurer, Cash Forecasting, FPB
- Karl Kaminske, Associate Director of Finance, UW School of Medicine, Department of Family Medicine
- Santhi Perumal, Assistant Dean, College of Education
- Xiaosong Li, Associate Dean, College of Arts and Sciences

QUARTERLY UPDATE

- Current progress:
 - Drafted and finalized a charter for the EC
 - Reviewed wide swaths of literature and best practices/lessons learned from other institutions
 - Created and assessed three sample budget models and agreed to further develop one model
 - This model would direct core revenues to schools, colleges and campuses and create 4-6 cost pools to fund cost centers (administrative units)
 - Allow for Provost/President funding of university wide initiatives
 - Ensure that good governance guides the cost pool development initially and over time
 - Worked to develop our shared acumen around model options and current state challenges/opportunities as the University works to develop an FY26 budget
- Updates can also be found online:
 - [Together We Thrive website](#)
 - [FPB Blog](#)