Subject: Charge of the Activity-Based Budgeting (ABB) Phase IV Incentive-Based Budgeting (IBB) Subcommittee

Sponsor: ABB Phase IV Steering Committee, co-chaired by Erin Guthrie, Associate Vice Provost, Finance, Planning & Budgeting and Michael Spencer, Dean and Professor, School of Social Work

Subcommittee Members:
Christian Adams, Principal Analyst, Financial Analysis & Budget Strategy, FPB (ex-officio)
Czarina Francisco, Senior Project Director, School of Medicine
Jean Hushebeck, Director of Finance, UW Facilities
Jennifer Buck, Assistant Vice Provost, Administration, Continuum College
Kojay Pan, Associate Dean, College of Engineering
Linda Rose Nelson, Associate Dean, College of Arts & Sciences
Stephanie Harrington, Associate Dean, College of the Environment
Sylvia James, Vice Chancellor for Finance and Administration, UW Tacoma

Steering Committee Liaisons:
Gowri Shankar, Vice-Chancellor, Planning & Administration, UW Bothell
Santhi Perumal, Assistant Dean for Finance and Administration, College of Education

Charge and Scope of the Subcommittee
Your primary charge is to examine which elements of an incentive-based budget (IBB) model might be included in the University of Washington's Financial Model. The selection should align with the UW's academic and other strategic priorities, as well as the Steering Committee's goals and charge.

Key questions to address include:

- What risks are inherent at the enterprise level due to the current model? What risks do our schools, colleges, and administrative units assume in the current model? In looking at recent examples of public universities of our size and complexity with precarious financial results, what are the lessons learned that this model could contemplate?
- What key budget elements are vital to the culture of the University of Washington and should remain within a new model, even if they are tweaked and tailored for the new mode?
- Of the proposed new elements presented by Maximus, which provide change that best supports the institutional priorities? (Note: these elements will be shared when the subcommittee convenes.)
- What are the best practices of our peer institutions that we should advance for development What is the ideal time horizon for implementation?

Resources and Timeline:
Provide regular updates to the Steering Committee.

Key milestones will include:
End of Spring Quarter: Submission of midterm report
Late Summer 2024: Submission of final report by August 31, 2024