College of Nursing  
Budget System Survey

1. From the perspective of your college, do you feel that the guiding principles of the University budget system have been observed? Explain reasons why or why not?

   From our perspective, the guiding principles have been generally observed. One area which has been problematic has been budget stability and predictability, because of the requests by several central support services for additional funds for new initiatives, e.g., wireless for the campus, additional revenue for the Office of Research, diversion of funds for Development from several colleges to units such as Athletics. Another problematic area has been the increased cost of providing additional personnel to assure appropriate oversight of the budget with increasing internal controls.

2. What has been the impact of the University budget system on the ability of your college to achieve its vision, mission and strategic goals, in support of the Academic Plan?

   To date the college has been able to continue to increase enrollment. Since tuition and subsidy do not generate enough revenue to support these increases, we have been forced to rely on assistance from the Medical Center to support the cost of instruction. During the past five years the college’s IDCs have increased; however, we anticipate a drop in IDCs because of the retirement of some key researchers and decreased federal funding of grants. NIH budgets have been cut substantially in recent years, and competition for funding is incredibly stiff. In addition, several of our principal investigators have retired or been recruited to other, much higher paying positions, and to date we have been only moderately successful in recruiting senior-level replacements, in large part because our salaries are not sufficiently competitive.

   We also anticipate that the budget system will have a very major negative impact in the near future because of our inability to continue to increase enrollment. In nursing we are mandated by the Ohio Board of Nursing to maintain maximum student to faculty ratios, and to assure that all faculty have master’s degrees and work experience. This means that we cannot increase our enrollment any more than we have already (over 26% in the undergraduate program and 40% in the graduate program in the last 5 years) without substantial increases in faculty hiring and expansion of office and classroom space. Importantly, the cost of hiring well qualified faculty in nursing is very high, because we compete for these individuals with the clinical agencies, which generally pay salaries at least 50% above academic salaries. We also are not able to use GTAs to teach our undergraduate students unless they are already at least master’s prepared.
3. Have you proactively and by design considered and incorporated the University budget system in the development and implementation of your strategic and/or business planning, including enhancing your financial resources to support these plans? How?

The College’s strategic plan, in existence for the past 4 ½ years, was designed and implemented within the parameters of the University budget system. Fiscal resource enhancement has been one of the key goals of the plan. Two major areas in which we have been successful have been increased development funding (current use and endowment) and increased external grant funding. For example, we have greatly enhanced our clinical education laboratory through donor generosity and a $1 million federal grant. IDC’s have also helped considerably to enhance the college’s research infrastructure. As noted above, IDCs are anticipated to drop next year. Because the college is not a direct provider of clinical services (i.e., we do not operate a clinic) and does not hold patents at the present time, our opportunities for other revenue sources are limited. Looking ahead to our new strategic plan, several important steps will continue and increase. We have recently been assigned a new development officer, and anticipate continued growth in development-generated revenues. A new associate dean for research was hired last January and is aggressively moving research funding submissions forward. Continued exploration and development of new revenue-generating initiatives will remain an important ingredient of the new strategic plan which is currently under development.

4. For colleges with multiple academic units, by what process does your college allocate to units current PBA and the annual net marginal revenue allocation (e.g., by a performance-based, formula-based model comparable to the process by which the University allocates budget to the colleges, or by some other process)? How has your allocation process supported or challenged the ability of your units to achieve their academic goals?

Not Applicable

5. Have any anticipated or unanticipated consequences of the budget system arisen (e.g., due to changes in the state instructional subsidy share of total revenues or external forces), and how have they positively or negatively impacted your college? How have you addressed those impacts and have you been successful? Please identify those unanticipated consequences in your response.

One consequence of the budget system is that heavy reliance on increasing student enrollments has forced us to focus much of the faculty hiring on clinical instructors who can teach students in the clinical setting. This has, in effect, diverted funds from hiring tenure track research-productive faculty. Although the college has been able to fund compensation increases that are above the university and benchmark averages, we have not been able to afford the high salaries that are needed to recruit outstanding tenured faculty, let alone world class scholars.
Additionally, we have lost tenured researchers to prestigious institutions (e.g., Yale, U. of Michigan) that have offered salaries 50-100% higher than we are able to offer.
Another unanticipated consequence is the unpredictability of charges associated with inflationary increases (e.g., facilities) and “emergency” requests by central support units.
Another consequence of the budget system is that the College of Nursing is constrained financially by its inability to generate tuition revenues that pay for its expensive instruction. Unlike the other health sciences professional schools, our undergraduate students pay the standard undergraduate tuition, and our graduate students (enrolled in the Graduate School) pay standard graduate student rates. Subsidies are likewise less generous than in most professional colleges, and risk becoming lower in the future with changes in doctoral subsidies. Unlike the other health sciences colleges, we do not have the ability to raise tuition at a rate that is consistent with the increased cost of educating our students. Clinical and program fees have helped considerably to support the cost of clinical instruction. Clearly the academic plan favors certain “high profile,” high impact colleges over other, primarily smaller ones. The latter are central to the land grant mission of the university and play vital roles in serving the people of Ohio and in preparing the state’s skilled workforce, but are not viewed as essential to building the national reputation of the institution. The College of Nursing has therefore not received priority for funds such as the targeted investments. However, due to our heavy undergraduate enrollment we have been impacted by events such as the current tuition freeze, tuition caps, and leveling of state subsidies.

6. How does the University budget system impact your level of risk taking? Are you able to conduct financial projections and with the flexibility to handle unplanned events (e.g., enrollment changes, research climate changes, utility costs)?

The entire college budget for FY08 is $12.6 million. Of that, 85% is in personnel costs (salaries and benefits, related primarily to the instruction of students). Therefore, we dare not take many risks. We do carry out careful financial analyses and projections before launching any new initiative (e.g., new educational programs or specialty areas), but as noted above any major unplanned events would have a serious impact on college reserves, and could well result in the need to decrease enrollments. That would be a very negative consequence in this era of severe shortages of nurses and nursing faculty.

7. Do you feel that your leadership team and their staff have a full and working knowledge of the budget system, and the ability to utilize that knowledge to optimize the academic success of the college and their own units or programs?

Through the efforts of our senior fiscal officer, the leadership team and increasingly the faculty as a whole have a vastly improved understanding of the budget system. Our SFO is directly involved in all academic program planning
and decision-making regarding facilities and changes in personnel or operations that have budgetary consequences.

8. Are your faculty and staff adequately knowledgeable and informed about the University budget system? Do they have budget data so they can understand how actions at the unit level impacts both the college and unit budgets? How have you provided this knowledge and information, and does it reduce misperceptions about the nature and impact of the budget system?

Updates are provided by the SFO and dean in presentations at faculty and staff meetings (last update in October, 2007).

9. How has the University budget system impacted the ability of your college to successfully and proactively engage in interdisciplinary research, including the operation of both University and college-level research centers?

The budget system has in effect discouraged involvement in interdisciplinary research because of the need to share IDC’s, expenditure credit and salary recovery. Very detailed and often contentious negotiations have been required, yet few guidelines have been provided by the Office of Research to assist with this process and to assure that all are operating from the same set of assumptions. At times, the result has seemed to be an unfair distribution across participating units. One of the major impacts (until the recent change in NIH policy) has been that even substantial participation as co-investigators on interdisciplinary center grants (such as some Comprehensive Cancer Center grants) by college of nursing faculty has not been recognized by the funding agency – hence not taken into account in determining NIH rankings.

10. Has the University budget system impacted special programs, such as the honors program, joint academic programs, study-abroad programs? How?

The honors program has not been impacted to date. The study abroad opportunities for nursing students are very limited, in part because of the clinical requirements of the degree. Limited resources to spend for faculty and administrative travel to explore and arrange study abroad programs have constrained expansion to new venues.

11. How do you think the University budget system can be adjusted or improved to be more supportive of the academic goals of the University and your college?

Somehow the over reliance on marginal increases in enrollment and on IDC’s has to be changed. The enrollment issue is particularly acute for the health sciences, where the teaching model and legislative mandates REQUIRE specific ratios and teaching qualifications. The availability of federal funding for research has decreased markedly since 9/11/01. Other sources of external research funding frequently do not pay high IDC’s, e.g., private foundations and professional
associations typically pay >10% and often provide no IDC’s. As colleges have to rely increasingly on non-federal funding, they may be serious disadvantaged under the current model. Central support units should be forced to submit requests for major budget changes and one-time assessments that will have major impacts on college budgets at least two fiscal years in advance. Also, central support unit budgets and performance reviews should be more transparent across university leadership.

12. How have adjustments that have been made to the budget system over the past five years and actions taken by central administration regarding implementation of the budget system impacted your college?

Increased spur-of-the-moment assessments – particularly those targeted to PBA – have made planning difficult, including senior-level hires that are so essential to the Academic Plan.


- General Fund allocation is mission driven and informed by the Academic Plan
- General Fund revenues and expenses are explicitly linked to the generating units, specifically to colleges
- A portion of General Fund revenues is dedicated to the support of University-wide services, and also University-wide goals (e.g., strategic investments in academic excellence)
- Maintenance of a certain level of budget stability and predictability are expected outcomes of the budgets system
- Appropriate oversight and accountability of the budget system are expected
- Continuous review and improvement