

INITIATIVE BRIEF

FINANCE AND BUDGET MODELING



UTSA is changing its approach to resource allocation, better aligning budgets to the evolving mission and strategic priorities of the university while making the most efficient use of institutional funds.

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CONSULTANT Huron Consulting

OVERVIEW

In the fall of 2017, UTSA launched a Presidential Initiative on Finance and Budget Modeling to create a transparent, data-driven approach to resource allocation. In addition to assessing UTSA's current financial practices, the task force developed a budget model that supports innovation and is highly customized for the needs of the university. Called Incentivized Resource Management (IRM), the new model provides increased transparency into budgetary decisions that impact the university's ability to meet its goals.

THE CHALLENGE

The higher education landscape has experienced significant changes in recent years that have a direct impact on university resources, including increased student price sensitivity and decreased state funding. By shifting from an incremental to incentive-based approach for resource allocation, UTSA will grow revenue through enrollment and entrepreneurial activities while increasing transparency around the budgeting process.

THE PLAN: INCENTIVIZED RESOURCE MANAGEMENT

The new budgeting process, called Incentivized Resource Management (IRM), changes the very nature of the way financial decisions are made at UTSA. IRM better connects decision making responsibility with the investment of financial resources, promoting incentives for revenue growth and exceptional stewardship of funds. During the 2019 fiscal year, UTSA will run the IRM model in parallel with the existing budgeting system, allowing for any adjustments before the university transitions fully to IRM in fiscal year 2020. A new budgeting governance structure will facilitate regular evaluations for effectiveness and appropriate adjustments as UTSA grows.

**FOR MORE
INFORMATION**

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