

ALGONQUIN COLLEGE
RESPONSIBILITY CENTER MANAGEMENT (RCM)
PROJECT CHARTER

FINAL – March 12, 2014

This year, Algonquin College celebrates 47 years as a leader in postsecondary education. This accomplishment is directly attributable to one fundamental guiding principle: dedication to student success. Algonquin College offers quality programs and forges strategic partnerships with the aim of ensuring students have access to the education and skills training demanded by the marketplace and required to launch a rewarding career

Algonquin College operates with a \$300 million budget to fund the delivery of 167 full-time postsecondary programs as well as apprenticeship, career and college preparation, continuing education, and corporate training. The College employs nearly 1,300 full-time and 2,300 part time faculty and staff, and serves approximately 20,800 full-time students, and has more than 37,000 part-time course registrations annually. The College consistently faces funding uncertainty when preparing its budget and it operates in a province with the least funding per student in the country.

Algonquin College will undertake the **RESPONSIBILITY CENTER MANAGEMENT (RCM) PROJECT** with the goal of strategically aligning revenues and expenditures within the College to better align its resource allocation to institutional priorities in accordance with the Vision, Mission, Core Values, and Strategic Plan. This project will involve a comprehensive, inclusive review of the current budget and financial reporting system, external review of RCM models in other academic institutions, and present options for costing allocations relevant to the requirements of the College. In addition, the project will include communication and training plans. The RCM Project will culminate with the development of recommendations and an action plan to achieve the goal of aligning academic authority with resource allocation while incenting College leaders to maintain and improve College financial sustainability. As part of the implementation, a series of business process reviews will be undertaken to ensure that impacts to students, faculty, staff, volunteers and external clients at all levels are supported through communication and training.

Algonquin College has done an extensive review of external implementations of RCM since its inception at the University of Pennsylvania in 1974. At the moment there are no other community college examples to pull from but we do have information from two major Canadian Universities and numerous US university models.

The major outcomes of an RCM model include:

1. Growth in new sources of funding – one major Canadian university has seen their revenue grow at double its historical rate of growth
2. Efficient and effective use of space – one major Canadian university has seen a growth in shared common academic space, saving overall on both operations costs and allowing redirection of capital expenditures.

3. Growth in financial sustainable programs – new or expanded programs (traditional or non-traditional) supported by market demand and a business plan and delivering on surpluses within the first five years

NACUBO (National Association of College and University Business Officers) defines RCM as "institutional financial management systems having decentralized financial accountability for both revenues and expenses and incentives for the leadership of the academic and non-academic units to achieve positive financial performance."

The **goals** of the **RCM Project** are:

Overall Goal:

Develop a responsibility center management model for Algonquin College that

1. Encourages and incents College leaders to offer programs and services in an entrepreneurial, innovative and financially sustainable manner;
2. Allocates revenues and expenses to academic and non-academic centers by aligning authority with fiscal responsibility while improving transparency and accountability; and
3. Provides a framework to balancing academic entrepreneurship with fiscal responsibility.

Supplementary Goals:

1. Position the College to adapt to future trends in government funding, demand, demographics, the economy, and public policy, while ensuring financial stability;
2. Examine current academic program review systems for opportunities to improve the usefulness of the results of these reviews and provide support for financial and strategic decision-making; and
3. Establish service standards and financial benchmarks for non-academic centers to improve accountability and resource allocation.

Definition of an academic center:

Academic centers are established to create and deliver instructional programs in varied formats to students. Each academic center is managed by a separate Dean or Director reporting to the Vice-President Academic.

Definition of a non-academic center: Non-academic centres are organizational units designed primarily to provide goods or services mainly to Algonquin College clients, students, employees, alumni, schools or academic centers. Non-academic centers may generate revenue. Non-academic centers are managed by a Director reporting to a

President's Council Member and also include the Offices of the President's Council Members.

(See Appendix 1 for potential breakdown of departments by Centers)

The **principles** of the **RCM Project** are:

1. The Algonquin College Vision, Mission, Core Values, and Strategic Plan, as well as all legislation, regulations & directives (policies, laws and regulations) governing College operations will be the overall guiding principles.
2. All recommendations and/or decisions will be carefully reviewed to assess the potential impact on students and employees, to optimize opportunities for student success and to maximize potential positive outcomes.
3. Budget and operations guidelines will take into consideration institutional goals in the allocation of resources and will be done following a fair, transparent and data driven methodology.

Responsibility Center Management Project – Committee Mandates

President's Council

The President's Council (PC) will provide overall direction and leadership to the RCM Project. PC will approve the Project Charter and ratify the membership and mandates of the Steering Committee. PC will review the recommendations presented by the RCM Steering Committee and will make the final decisions regarding policy, implementation and action plans.

Steering Committee

The Steering Committee shall provide leadership and direction to the RCM Project. The Steering Committee will include representation from all College areas. The Committee shall establish communication and confidentiality policies for the Project, approve the membership of other working groups as needed, and advise the Vice President Academic Services and Vice President Finance & Administration regarding policies and procedures for the RCM Project. The Steering Committee may request additional technical assistance or consulting services, or recommend additional resources to be provided to the review and reporting processes. They shall review the reports and preliminary recommendations from the RCM Project Manager and other advisors developed during the RCM Project process, and bring forward recommendations for action to the President's Council. Upon approval of the recommendations, they shall develop an action plan for implementation of the recommendations and monitoring and evaluating the outcomes.

Expectations

During the course of this project, the RCM Steering Committee will be responsible for:

- Reviewing scenarios presented for possible revenue and cost allocations
- Providing input into definitions leading to the establishment of academic and non-academic centers
- Setting the appropriate principles for implementing an RCM model

- Providing an implementation plan for RCM recommendations
- Monitoring implementation plans for completion and evaluation of recommendations
- Providing input into policy development or amendments
- Reviewing policies as applicable to RCM
- Providing input into communication and change management plans
- Monitoring implementation of communication and change management plans and review and provide amendments
- Providing input into training plans and delivery options
- Monitoring training plans to ensure appropriate staff receive training
- Reviewing evaluation of training courses and provide input into learning plans
- Providing input into data elements for both source and reporting options
- Reviewing a Business Process review plan of affected operating processes
- Being champions for RCM in their departments and for the College Community
- Setting measurable outcomes
- Preparation of an evaluation and feedback process to be used during the budget planning cycle as part of the CBC Mandate

Financial reporting

The committee is also mandated to explore opportunities for metrics and changes to current financial reports which will aid in the delivery of timely, appropriate financial reports to management.

Communications

Action items related to the Steering Committee meetings will be recorded by the RCM Project Manager and will be available on the SharePoint site for all members. A webpage will be kept up to date with resource materials for the College Community to access. The Communications Plan will contain a variety of communications delivery methods to inform the College community of the intent, processes and impact of the RCM Project.

Reporting to specific College Committees will be done at the discretion and decision of the Co-Chairs.

Steering Committee Membership

Co-chairs: Claude Brule, Vice President Academic Services
Duane McNair, Vice President Finance & Administration

Membership:

- Larry Woods, Associate Vice President Academic Services
- Doug Ouderkirk, Executive Director, Academic Operations & Planning
- Cathy Dempsey, Director, Finance and Administrative Services
- Elizabeth (Liz) Smid, Compensation & Budget Officer, Human Resources
- Emily Woods, Manager, Business Systems, Physical Resources

- Angela Clermont, Senior Manager, ITS
- Sara Jordan, Disability Counsellor, Student Support Services
- Lynn Schumann, Associate Registrar, Registrar's Office
- Shawn McBride, Professor, Computer Systems Technician Program and Bachelor of IT
- Chris Janzen, Dean, Faculty of Technology & Trades
- Peter Fortura, Acting Dean, School of Business
- Denis Lefebvre, Business Administrator, Faculty of Health, Public Safety & Community Studies
- Cristy Richards, Supervisor, Academic Operations & Planning
- Julie Viau, Apprenticeship & Budget Officer, Center for Construction Excellence
- Anne Kalil, Manager, Student Recruitment
- Diane Banks, Marketing Officer, Faculty of Media, Arts & Design
- Maria Belanger, Coordinator, School of Business

Resource Persons:

- Sandy Finnigan, RCM Project Manager
- Rebecca Volk, Training Resources (HR)
- Executive Director, Advancement (or designate), Communications
- Others as required

Appendix 1:
Possible breakdown of Academic and Non-Academic Cost Centers

Academic centers:

- Algonquin College in the Ottawa Valley (Pembroke)
- Faculty of Arts, Media & Design
- School of Business
- School of Hospitality & Tourism
- Faculty of Health, Public Safety and Community Studies
- Faculty of Technology and Trades
- Center for Continuing & On line learning
- Algonquin College Heritage Institute (Perth)
- Corporate Training
- Language Institute

Non-Academic centers:

- Academic Operations & Planning
- Academic Development
- Advancement
- Ancillary Services
- Applied Research
- Business Development
- Community Partnerships & Engagement
- Finance & Administrative Services
- Foundation
- Human Resources
- Information Technology Services
- Physical Resources
- Registrar's Office
- Student Support Services
- Workforce and Personal Development
- Offices of President's Council Members
- International Education Center
- Learning & Teaching Services