

Managing Budgets: Planning, Prioritizing, and Allocating in Higher Education

Strategies for effective financial management
in academia



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Case Studies





Central Washington University

Case Study



CWU is a regional comprehensive 4-year institution, located in the central valleys of Washington State. Our mission is to be a model learning community of access and opportunity

As an access institution, ~48% of our student population are FTIC. .

~7,500 undergraduate students and ~500 graduate students.

~32 master programs and a handful of certificates.

College Deans supervise graduate faculty. 99% of faculty teaches at the undergraduate level, whereas ~30% also instruct graduate level courses.

The School of Graduate Studies and Research is in charge of managing the entire journey of graduate students, save instruction, including defining and interpreting processes and policies.

Functions: admissions, graduate student success, degree checkout, limited registrar's functions, advocacy, recruitment and marketing (partnerships with M&C), evaluate new grad curriculum, fundraising (limited) – *dependent on the Provost's vision and the University's strategic plan*

Albeit a centralized model, innovation relies heavily on partnerships.

SGSR operational budget is close to 2.5 millions; half of it is allocated to graduate assistantships, the other half to staff and operations. Key funding sources

Institutional Budget Models

Centralized Budgeting

- Top-Level Decision Making
- Consistency and Control but limited Flexibility

Responsibility Centered Management (RCM)

- Resource Allocation based on profit
- Incentives for Revenue Enhancement and accountability
- Increases internal competition

Incremental Budgeting

- Simplicity and Ease of Use
- Potential Inefficiencies

Zero-Based Budgeting

- Promotes efficiency
- Cumbersome justifications

Activity-Based Budgeting

- Understanding Cost Allocation
- Effective Resource Allocation

Performance-Based Budgeting

- Linking Funding to Outcomes
- Encouraging Accountability

<https://www.hanoverresearch.com/insights-blog/6-alternative-budget-models-for-colleges-and-universities/>

Institutional Design

- Different type of institutions invite different forms of budget allocation.
- Research Intensive Institutions (R1s and R2s) vs Regional Comprehensive Institutions (like CWU, focused more on teaching and service).
- How graduate units and their functions sit within a given institutional ecosystem determines therefore funding sources and budget allocations.
- Graduate Assistantships, for instance, are a key entry point to understand funding allocations for graduate units within a larger value system—Provost Office, University Mission and Vision, Carnegie classification, etc.
- In turn, the different forms of value that graduate assistantships contribute to the institutions reinforce (or may even invite innovation) in that same value system.
- Budget allocations, in this sense, are value-based budgets.
- How can we map our values using a budget?

KANSAS STATE

U N I V E R S I T Y

Case Study



R1 Institution; 20,000 students; approx. 4,200 graduate

Graduate School mission:

- To create a graduate education culture that leads to innovation
- To partner with local, state, international units in building a strong graduate curriculum and graduate student experience
- To be a strong voice for graduate students and faculty

Source: <https://www.k-state.edu/grad/about/mission-and-strategic-plan/>

Mission and strategic plan:

- ✓ *Drive the activities/functions*
- ✓ *Highly impact the Budget*

Functions: admissions, graduate student success, audit (graduation), limited registrar's functions, advocacy, recruitment and marketing (partnerships with EM), grad curriculum, fundraising (limited) – *dependent on the Provost's vision and the University's strategic plan*

Source: <https://www.k-state.edu/grad/about/mission-and-strategic-plan/>

Budgeting: the process

Challenges (2021):

- Did not know the budget, the IN and the OUT
- Grad School is a service unit, not included in the RCM model (like the academic colleges), Dependent on Provost's budget allocation formula
- Grad School was part of shared services model: accounting unit servicing many service units

Challenges → Opportunities

- Work with the VP for Finance to identify the “buckets” of IN (source of funds)
- Identify the “OUT” (expenses)
- Develop a budget Using a combination of zero-based budget and an activity-based budgeting models
- Tie each activity/budget line to a strategic goal
- ➔ Use graduate student needs assessment to identify strategic priorities
- ➔ Develop a planning tool that also serves as an advocacy tool
- ➔ Develop opportunities to partner with other Units (i.e. end of year event – fully funded by the President's Office)



Mapping Goals


Understanding Budget Management

- How much funds I have?
- Where are the funds coming from?

Planning and Prioritizing Resources

- How do I plan to efficiently use the funds?
- How do I increase my budget?

Achieving Institutional Goals:

- Is my funding sufficient to accomplish the Graduate School's mission and the annual goals?
 - What are the implicit and explicit values of my budget?
- 

Group Activity



Conclusion



Importance of Effective Budget Management for Graduate Units



Resource Allocation

Effective budget management allows Graduate units to allocate resources efficiently, ensuring that funds are directed where they are most needed—and on what is valued.

Adaptability to Change

Institutions can adapt to changing circumstances through effective budget management, allowing for timely adjustments to financial strategies.

Support Student Success

Sustaining program quality through effective budgeting directly contributes to the overall success of students in their educational journeys.

Contact us!



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