

Members

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Recommendations and Accomplishments

Structural Issues:

- Tuition and subsidy are allocated to the academic units (the colleges). The expenses of the academic support areas are funded through assessments charged to the academic units.
- Auxiliaries, University Outreach and Regional Campuses (UORC), and the College of Osteopathic Medicine (COM) are not part of the budget model, but rather will be assessed a fee that will be based on the services used by those areas. The amount of the fee will be updated through a new cost study.

Shared Governance and Focus on Quality:

- Academic quality measures (admissions standards, student characteristics, percentages of credits taught by type of faculty, section size, grade distribution, etc.) are being created to provide sufficient oversight over the workings of the new budget model.

Budget Stability:

- Both two- and three-year averages for revenue attribution have been modeled. The current consensus is to use the three-year averages, at least at the start.
- A "no-change conversion" will be in place as we move to the new budget model. The possible phasing out of the conversion factor will be discussed once its magnitude is known.

Allocation of Revenues:

- A combination of weighted credit hours and headcounts has been modeled. The exact proportion is still being debated. Credit hours have been weighted to reflect the differential costs of instruction across disciplines by using the new taxonomy developed by the state.
- Since tuition is being weighted and the nonresident surcharge is more closely related to the subsidy portion of the total costs of instruction, the nonresident surcharge revenue is being allocated separately through using the subsidy weights as opposed to the tuition weights.
- Success Challenge revenues are being allocated to the appropriate planning unit on the basis of at-risk students served and degrees granted.
- Subsidy is being allocated to the academic colleges as earned according to the new taxonomy.
- Undergraduate scholarships are being netted against tuition to treat them as a general good from which all units benefit.
- Graduate fee waivers are allocated differentially to the units that generate the stipends associated with the waivers.
- The general fee is being linked to specific activities and units. A Student Senate committee to monitor the use of the general fee has been created and is about to become operational.
- Faculty and staff fee waivers are being spread across all units of the University (including Auxiliaries, UORC, and COM) in proportion to their numbers of employees who are eligible to receive the benefit (regardless of whether they are using the benefit currently). This implements fee waivers as a general employee benefit (similar to health care) in which everyone shares equally.

Assessment of Expenses:

- Facilities costs (maintenance, custodial and grounds services) and utilities are being assessed to the units based on net assignable square feet (NASF).
- The NASF for an academic unit will include the classrooms that the unit controls or for which the unit has priority scheduling rights. Centrally scheduled classrooms will be assigned to the Registrar's Office.
- The costs of the Enrollment Services areas (Admissions, Financial Aid, and the Registrar's Office) will be assessed to the academic units on either a combination of weighted tuition and major headcounts or just headcounts.
- Library expenses will probably be rolled into total administrative expenses but may possibly be allocated via a different allocation factor. Further consideration may occur, depending on the results of that modeling.
- Administrative expenses should be assessed to the units as a percentage of revenues, with appropriate exclusions (stipends, research incentives, etc.). The exact allocation factor and potential exclusions will be considered as the modeling in this area occurs.

Funds for Strategic Investment, Reserves:

- Funds for strategic investment are planned to be generated through a percentage assessed on revenues after appropriate exclusions. The exact allocation factor and potential exclusions will be considered as the modeling in this area occurs.
- Funds for the University priorities pool, which would include funds for strategic investment, opportunity hires, etc., will be generated through a central tax assessed on the same basis as that used for administrative expenses.

FOUNDERS DAY

