Budget Redesign

Tuition Funds Flow Assumptions

1. The first year of Budget Redesign implementation will include only standard academic year tuition revenue distribution. Tuition from summer sessions, winter session, and outreach (including UA South, evening/weekend, distance, and correspondence) will be excluded. ICR revenue will also be excluded.

2. The base year will be AY 2009-10, fall and spring only, for all variables in the model except degrees, which include those conferred during the summer.

3. Tuition to be distributed for tuition funds flow excludes tuition-funded financial aid, debt service, differential tuition, program fees, mandatory fees, and some program costs. For the base year, FY 2010, this amount was $204M (approximately $181M undergraduate, $23M graduate/first professional).

4. Tuition flows to the responsibility centers, which mirrors the UA college structure.

5. Tuition will be distributed through CLAS to the four colleges comprised within this structure. Detailed tuition flow data will be provided for each college within CLAS.

6. Undergraduate model: 75% SCH (all course levels treated equally), 20% enrollment (all majors), 5% degrees.

7. Tuition attributed to the group of undergraduate majors that formerly were part of University College (Pre-Pharmacy, Pre-Nursing, Undecided, and Interdisciplinary) will be held centrally. SCH for these students will be distributed using the same decision rules as all other undergraduate SCH.

8. Graduate model: standard tuition distributed 100% to responsibility center of enrollment, except GIDP and non-degree seeking students’ tuition is distributed based on SCH.

9. SCH for undergrad and grad are attributed to the responsibility center that is funding the instruction. If an instructor is paid by more than one responsibility center, then the tuition funds associated with those SCH will be split proportionately among those responsibility centers.

10. SCH and enrollment are determined using 21st day census data.

11. Degrees are determined using the annual ABOR and IPEDS reporting data.

12. For students with multiple majors, program credit and the associated portion of tuition funds will be split proportionately among the responsibility centers that house the programs.

April 30, 2010
13. The total dollar amount of undergraduate tuition to be distributed in FY 2011 will be based on tuition rates for FY2010. This total tuition dollar amount will be divided by the total number of SCH produced during AY 2010-11 to establish the rate per SCH for that period. Therefore tuition rate increases will not be included in the total tuition distributed.

14. Based on the FY 2010 base model, FY 2011 increases in SCH, enrollment, or degrees will result in additional marginal funding for responsibility centers in FY 2012; decreases in SCH, enrollment, or degrees will result in marginal budget reductions.

**Next steps**

1. The assumptions, time-line, and other current decisions will be communicated across the campus to all stakeholders.
2. A small committee will develop policies to use current governance processes or develop a new process to monitor student credit hour changes and potential problems with overlapping courses and other unintended consequences related to implementation of tuition distribution.
3. The modeling committee will continue to analyze data to determine whether the current decisions about cost pools and bases are most appropriate.
4. The Budget Redesign Committee will meet as needed during the summer to finalize details regarding cost pools and allocation bases.