

Incentive-Based Budget Model (IBBM) Taskforce

Friday October 25, 2019

Meeting Agenda:

Project Phase: Design and Model

Review:

- FY2018 Financial Results by College
 - Preliminary revenue and cost allocation method

Critical Decision:

- Strategic Enhancement Fund – Subvention
 - Define the purpose
 - Establish authority
 - Funding level

Other Discussions

- Non-Traditional Program (AOCT)
 - Revenue sharing
 - Administrative overhead
- F&A Recovery distribution

IBBM Revenue Allocation

Revenues	Allocation Method
<p style="text-align: center;">Direct Revenues:</p> <p>Gifts AOCT Programs (On-line & Continuing Ed.) Program Fees Differentials Fees Lab Fees Course Fees</p>	<p style="text-align: center;">To College, Support or Dedicated Service</p>
<p style="text-align: center;">General Core Tuition & Fees (unrestricted)</p> <p>Undergraduate student <i>(excluding University College students)</i> Undergraduate student – University College Graduate student</p>	<p>80% to College of Instruction and 20% College of Major 100% to the College of Instruction 100% to the College of Major</p>
<p style="text-align: center;">State Appropriations (Operating)</p> <p>Undergraduate resident students Graduate resident students</p>	<p>97% allocated (80% College of Instruction and 20% to the College of Major) 3% allocated based on the College’s retention and graduation rates 97% allocated (100% College of Major) 3% allocated based on the College’s retention and graduation rates</p>

Service Centers Cost Pool	Cost Allocation Method
<p>Academic and Student Services</p> <p>Academic Affairs</p> <ul style="list-style-type: none"> • All VCAA departments, with the exception of OGE. <p>Enrollment Management and Student Affairs</p> <ul style="list-style-type: none"> • All VC EMSA departments, with the exception of income producing or sponsored programs. <p>Athletics</p> <ul style="list-style-type: none"> • All Athletics, with the exception of incoming producing programs. <p>Library</p>	<p>Billable Credit Hours</p>
<p style="text-align: center;">Facilities</p> <ul style="list-style-type: none"> • Includes the following: <ul style="list-style-type: none"> ○ Property Insurance and taxes ○ Utilities ○ Grounds ○ Building Services ○ Maintenance ○ Physical Facilities (Plant) ○ Space management ○ Lease payments (Portage) 	<p>Assignable space</p>
<p>Administration (excludes income producing activities)</p> <ul style="list-style-type: none"> • Includes the following units: <ul style="list-style-type: none"> ○ Chancellor’s departments ○ Finance and Administration departments (excluding: Facilities) ○ Institutional Advancement departments ○ Information Services departments (excluding: Library) 	<p>Total Allocated Revenues (State Appropriations and Tuition & Fees)</p>

Incentive-Based Budget Model - Revenue & Costs Allocation (FY2018 Data)

Date: 10-22-2019

	College of Business	College of Engineering & Sciences	College of Humanities, Education, and Social Sciences	College of Nursing	College of Technology	Central & Support Services	PNW Total
Revenues							
Direct or Dedicated Revenues	(\$2,577,127)	(\$4,515,872)	(\$3,823,472)	(\$4,273,916)	(\$3,243,787)	(\$47,611,902)	(\$66,046,076)
Allocated Revenues							\$0
Core Tuition	(\$9,498,059)	(\$15,293,764)	(\$18,705,500)	(\$2,824,854)	(\$6,390,426)	\$0	(\$52,712,603)
Undergraduate	(\$8,414,438)	(\$13,916,456)	(\$17,209,418)	(\$2,444,850)	(\$5,722,414)	\$0	(\$47,707,577)
Graduate	(\$1,083,621)	(\$1,377,308)	(\$1,496,082)	(\$380,004)	(\$668,012)	\$0	(\$5,005,027)
							\$0
State Appropriation (Operating)	(\$8,149,876)	(\$10,727,522)	(\$17,723,160)	(\$2,781,573)	(\$4,069,272)	\$0	(\$43,451,403)
Undergraduate	(\$7,292,365)	(\$10,266,727)	(\$16,351,744)	(\$2,050,383)	(\$3,799,864)	\$0	(\$39,761,083)
Graduate	(\$605,549)	(\$238,305)	(\$1,146,163)	(\$326,543)	(\$70,218)	\$0	(\$2,386,778)
Graduation Rate	(\$123,877)	(\$99,125)	(\$97,719)	(\$244,514)	(\$86,535)	\$0	(\$651,771)
Retention Rate	(\$128,085)	(\$123,364)	(\$127,535)	(\$160,133)	(\$112,655)	\$0	(\$651,771)
							\$0
Total Allocated Revenues	(\$17,647,936)	(\$26,021,286)	(\$36,428,660)	(\$5,606,427)	(\$10,459,698)	\$0	(\$96,164,006)
Total Revenues	(\$20,225,063)	(\$30,537,157)	(\$40,252,132)	(\$9,880,342)	(\$13,703,485)	(\$47,611,902)	(\$162,210,082)
Expenses							
Direct or Dedicated Expenses	\$11,333,662	\$15,448,112	\$20,878,580	\$7,193,661	\$9,552,571	\$47,611,902	\$112,018,488
Allocated Costs							
Academic and Student Affairs	\$2,551,067	\$4,219,789	\$6,207,356	\$753,745	\$1,438,095	\$0	\$15,170,051
Facilities Costs	\$1,205,088	\$3,680,994	\$3,495,692	\$858,656	\$2,874,355	\$0	\$12,114,785
Administrative Assessment	\$3,670,635	\$5,412,227	\$7,576,881	\$1,166,094	\$2,175,537	\$0	\$20,001,372
Total Costs/Expenses	\$18,760,452	\$28,761,121	\$38,158,509	\$9,972,156	\$16,040,557	\$47,611,902	\$159,304,696
FY2018 results under IBBM (surplus)	(\$1,464,611)	(\$1,776,037)	(\$2,093,623)	\$91,813	\$2,337,072	\$0	(\$2,905,386)

Notes:

PNW Operating & Grants Funds

Excludes Housing

Revenue transfers for State R&R and Debt service excluded

Data Sources:

10-31-2018 SOFA Trend

IR Data Digest for enrollment

JLL space audit

Incentive-Based Budget Model - Revenue

	Central & Support Services	College of Business	College of Engineering & Sciences	College of Humanities, Education, and Social Sciences	College of Nursing	College of Technology	PNW Total
Direct Revenues							
Investment Income	(\$2,828,295)	(\$169,872)	(\$86,451)	(\$77,529)	(\$228,233)	(\$21,218)	(\$3,411,597)
Debt Service (Fee Replacement)	(\$1,636,805)	\$0	\$0	\$0	\$0	\$0	(\$1,636,805)
State Appropriation (Dual Credit)	(\$1,527,900)	\$0	\$0	\$0	\$0	\$0	(\$1,527,900)
State Appropriation (R&R)	(\$1,677,728)	\$0	\$0	\$0	\$0	\$0	(\$1,677,728)
Differential Fees	\$0	(\$399,653)	(\$258,976)	\$0	(\$148,277)	(\$275,288)	(\$1,082,194)
Lab Fees	\$0	(\$327,677)	(\$1,351,775)	(\$339,144)	(\$375,012)	(\$631,420)	(\$3,025,027)
Grants	(\$3,458,876)	(\$278,810)	(\$837,079)	(\$39,667)	(\$391,409)	(\$1,042,929)	(\$6,048,770)
F&A Recovery	(\$519,201)	(\$1,543)	(\$21,112)	(\$6,609)	(\$6,019)	(\$215,139)	(\$769,622)
Overhead recovery	(\$484,879)	\$0	\$0	\$0	\$0	\$0	(\$484,879)
Gifts	(\$4,320,870)	(\$96,073)	(\$47,690)	(\$25,848)	(\$167,364)	(\$22,225)	(\$4,680,069)
Student Aid	(\$15,070,093)	\$0	\$0	\$0	\$0	\$0	(\$15,070,093)
Sales and Services	(\$7,153,663)	(\$183,405)	(\$42,601)	(\$146,018)	(\$83,880)	(\$263,158)	(\$7,872,725)
CE Traditional Program	(\$3,275,316)	(\$851,080)	(\$573,382)	(\$828,976)	(\$692,440)	(\$94,347)	(\$6,323,056)
Special Course Fees	(\$881,296)	(\$7,516)	(\$26,415)	(\$17,715)	(\$3,200)	(\$892)	(\$937,034)
Miscellaneous Fees	(\$267,584)	\$0	\$0	\$0	\$0	\$0	(\$267,584)
Composite Fees (restricted)	(\$4,509,396)	\$0	\$0	\$0	\$0	\$0	(\$4,509,396)
Transfer - Revenues	\$0	(\$261,499)	(\$1,270,391)	(\$2,341,966)	(\$1,962,946)	(\$677,173)	(\$6,513,975)
County Appropriation	\$0	\$0	\$0	\$0	(\$215,137)	\$0	(\$215,137)
							\$0
Total Direct Revenues	(\$47,611,902)	(\$2,577,127)	(\$4,515,872)	(\$3,823,472)	(\$4,273,916)	(\$3,243,787)	(\$66,053,592)
Allocated Revenues							
							\$0
							\$0
Core Tuition	\$0	(\$9,498,059)	(\$15,293,764)	(\$18,705,500)	(\$2,824,854)	(\$6,390,426)	(\$52,712,603)
Undergraduate	\$0	(\$8,414,438)	(\$13,916,456)	(\$17,209,418)	(\$2,444,850)	(\$5,722,414)	(\$47,707,577)
Graduate	\$0	(\$1,083,621)	(\$1,377,308)	(\$1,496,082)	(\$380,004)	(\$668,012)	(\$6,088,648)
							\$0
State Appropriation (Operating)	\$0	(\$8,149,876)	(\$10,727,522)	(\$17,723,160)	(\$2,781,573)	(\$4,069,272)	(\$43,451,403)
Undergraduate	\$0	(\$7,292,365)	(\$10,266,727)	(\$16,351,744)	(\$2,050,383)	(\$3,799,864)	(\$39,761,083)
Graduate	\$0	(\$605,549)	(\$238,305)	(\$1,146,163)	(\$326,543)	(\$70,218)	(\$2,386,778)
Graduation Rate	\$0	(\$123,877)	(\$99,125)	(\$97,719)	(\$244,514)	(\$86,535)	(\$651,771)
Retention Rate	\$0	(\$128,085)	(\$123,364)	(\$127,535)	(\$160,133)	(\$112,655)	(\$651,771)
							\$0
Total Allocated Revenues	\$0	(\$17,647,936)	(\$26,021,286)	(\$36,428,660)	(\$5,606,427)	(\$10,459,698)	(\$96,164,006)
							\$0
Total Revenues	(\$47,611,902)	(\$20,225,063)	(\$30,537,157)	(\$40,252,132)	(\$9,880,342)	(\$13,703,485)	(\$162,210,082)

Incentive-Based Budget Model - Expenses

	Central & Support Services	College of Business	College of Engineering & Sciences	College of Humanities, Education, and Social Sciences	College of Nursing	College of Technology	PNW Total
Direct or Dedicated Expenses							
S&W		\$7,829,955	\$10,797,784	\$15,342,266	\$4,705,757	\$6,370,419	\$45,046,181
Fringes		\$2,136,680	\$3,277,872	\$4,446,641	\$1,369,997	\$1,750,273	\$12,981,464
Overhead		\$5,667	\$95,174	\$40,917	\$27,669	\$218,826	\$388,254
Supplies & Services		\$1,282,465	\$1,027,793	\$914,526	\$921,370	\$923,465	\$5,069,621
Capital		\$16,577	\$112,727	\$22,380	\$90,970	\$120,017	\$362,672
Scholarships, Fellowships & Awards	\$15,070,092.58	\$93,038	\$181,225	\$111,958	\$192,197	\$102,808	\$15,751,319
Transfer		-\$30,721	-\$44,464	-\$110	-\$114,299	\$66,762	-\$122,832
Grants	\$3,458,876.46	\$0	\$0	\$0	\$0	\$0	\$3,458,876
F&A Recovery	\$519,201.19	\$0	\$0	\$0	\$0	\$0	\$519,201
Overhead recovery	\$484,879.15	\$0	\$0	\$0	\$0	\$0	\$484,879
Gifts	\$4,320,869.69	\$0	\$0	\$0	\$0	\$0	\$4,320,870
Sales and Services	\$7,153,663.33	\$0	\$0	\$0	\$0	\$0	\$7,153,663
CE Traditional Program	\$3,275,316.38	\$0	\$0	\$0	\$0	\$0	\$3,275,316
Special Course Fees	\$881,295.76	\$0	\$0	\$0	\$0	\$0	\$881,296
Miscellaneous Fees	\$267,583.90	\$0	\$0	\$0	\$0	\$0	\$267,584
Composite Fees (restricted)	\$4,509,396.01	\$0	\$0	\$0	\$0	\$0	\$4,509,396
Investment Income	\$2,828,294.56	\$0	\$0	\$0	\$0	\$0	\$2,828,295
Debt Service (Fee Replacement)	\$1,636,805.00	\$0	\$0	\$0	\$0	\$0	\$1,636,805
State Appropriation (Dual Credit)	\$1,527,900.00	\$0	\$0	\$0	\$0	\$0	\$1,527,900
State Appropriation (R&R)	\$1,677,728.00	\$0	\$0	\$0	\$0	\$0	\$1,677,728
Total Direct Revenues	\$47,611,902.01	\$11,333,662	\$15,448,112	\$20,878,580	\$7,193,661	\$9,552,571	\$112,018,488
Allocated Costs							
Academic and Student Affairs	\$0.00	\$2,551,067	\$4,219,789	\$6,207,356	\$753,745	\$1,438,095	\$15,170,051
Facilities Costs	\$0.00	\$1,205,088	\$3,680,994	\$3,495,692	\$858,656	\$2,874,355	\$12,114,785
Administrative Assessment	\$0.00	\$3,670,635	\$5,412,227	\$7,576,881	\$1,166,094	\$2,175,537	\$20,001,372
Total Allocated Costs	\$0.00	\$7,426,790	\$13,313,009	\$17,279,929	\$2,778,494	\$6,487,986	\$47,286,208
Total	\$47,611,902.01	\$18,760,452	\$28,761,121	\$38,158,509	\$9,972,156	\$16,040,557	\$159,304,696

Service Center Cost Pools

Academic and Student Affairs Direct Expenses	Facilities Direct Expenses	Administration Assessment Direct Expenses
S&W \$12,919,408	S&W \$3,857,819	S&W \$13,896,406
Fringes \$4,106,597	Fringes \$1,694,972	Fringes \$6,402,441
Overhead \$366,456	Overhead \$0	Overhead \$2,561,512
Supplies & Services \$5,869,155	Supplies & Services \$7,657,683	Supplies & Services \$8,702,751
Capital \$40,173	Capital \$162,813	Capital \$208,541
Scholarships, Fellowships & Aw \$1,581,701	Scholarships, Fellowships & Awards \$0	Financing Expenses \$2,287,719
Transfers-Other \$2,275,246	Transfers-Other (\$1,258,503)	Scholarships, Fellowships & Awards \$15,814,224
		Transfers-Other \$5,565,008
Total Direct Expenses \$27,158,737	Total Direct Expenses \$12,114,785	Total Direct Expenses \$55,438,601
Direct Revenue	Direct Revenue	Direct or Dedicated Revenues
CE Traditional Program (\$3,275,316)	CE Traditional Program \$0	Scholarships, Fellowships & Awards (\$15,070,093)
Special Course Fees (\$881,296)	Special Course Fees \$0	Composite fees (excluding SSF) (\$2,453,008)
Gifts (\$362,805)	State Appropriation (Dual Credit) \$0	Miscellaneous Fees (\$238,843)
State Appropriation (Dual Cred) (\$1,527,900)	Grants \$0	Investment Income & Distributions (\$2,401,340)
Grants (\$3,458,876)	Sales & Services \$0	Debt Service (Fee Replacement) (\$1,636,805)
Sales & Services (\$801,750)	Investment Income & Distributions \$0	State Appropriation (R&R) (\$1,677,728)
Investment Income & Distribut (\$426,954)	Student Services Fees \$0	Overhead recovery (\$484,879)
Student Services Fees (\$1,253,788)		Gifts (\$4,320,870)
		Sales and Services (\$7,153,663)
Total Direct Revenue (\$11,988,685)	Total Direct Revenue \$0	Total Direct Revenue (\$35,437,228)
<i>*Excludes Housing and Central Scholarships</i>		
Cost Pool Allocation \$15,170,051	Cost Pool Allocation \$12,114,785	Administration Assessment \$20,001,372
Bill Hours	Total Campus Assignable Square Footage 1,300,891.52	
College of Business 34,556	Assignable Square Footage by College	Total Allocated Revenues
College of Engineering & Scienc 57,160	College of Business 25,645.84	College of Business (\$17,647,936)
	College of Engineering & Sciences 78,336.30	College of Engineering & Sciences (\$26,021,286)
College of Humanities, Education, and Social Sciences 84,083	College of Humanities, Education, and Social Sciences 74,392.84	College of Humanities, Education, and Social Sciences (\$36,428,660)
College of Nursing 10,210	College of Nursing 18,273.31	College of Nursing (\$5,606,427)
College of Technology 19,480	College of Technology 61,169.98	College of Technology (\$10,459,698)
Total Bill Hours 205,489	Total College Assignable Space 257,818.27	Total Allocated Revenues (\$96,164,006)
Allocations	Allocations	Allocations
College of Business \$2,551,067.44	College of Business \$1,205,088.37	College of Business \$3,670,634.62
College of Engineering & Scienc \$4,219,788.60	College of Engineering & Sciences \$3,680,993.50	College of Engineering & Sciences \$5,412,226.87
College of Humanities, Educatio \$6,207,356.28	College of Humanities, Education, and Soc \$3,495,692.02	College of Humanities, Education, and Social Sciences \$7,576,880.58
College of Nursing \$753,744.61	College of Nursing \$858,656.26	College of Nursing \$1,166,093.58
College of Technology \$1,438,094.51	College of Technology \$2,874,354.64	College of Technology \$2,175,536.57

FY2018 Tuition and Fees Revenues

Tuition & Fees	77,041,086.77
Core Tuition – Unrestricted	58,139,316.09
AOCT Tuition – Restricted	9,061,880.15
Global Engagement - Short Term Program Fees – Restricted	935,570.76
Student Service Fees – Restricted	1,253,787.64
DSAC Building Debt Fees – Restricted	301,274.10
Incidental Fees – Unrestricted	67,759.28
Lab Fees – Restricted	3,043,947.66
Technology Fees – Restricted	2,085,316.54
Differential Fees – Restricted	1,082,193.80
Grad School Application Fees – Restricted	51,180.00
Late Registration Fees – Unrestricted	37,318.90
Admission Application Fees – Unrestricted	107,374.21
Transcript Evaluation Fees – Unrestricted	52,155.79
Readmission Fees - Unrestricted	19,555.00
R&R Fee - Restricted	802,456.85
Tuition and Fees Allocated	
Core Tuition	58,139,316
Admissions Application Fees	107,374
Incidental Fees	67,759
Transcript Fees	52,156
Late Registration Fees	37,318
Readmission Fees	19,555
Total Unrestricted	58,423,478
Less Scholarships and Fee Remissions	-5,710,876
Total Tuition and Fee Allocation	52,712,603

Data Source: SOFA

FY2018 Appropriations

Revenue Type	2017-18 Total
Unrestricted State Appropriations	43,451,403.00
R&R State Appropriations - Restricted	1,677,728.00
Debt Service State Appropriations - Restricted	1,636,805.00
Dual Credit State Appropriations - Restricted	1,527,900.00
Lake County Nursing Appropriation - Restricted	215,136.93
Total Appropriations	48,508,972.93

Data Source: SOFA