

All Funds Budget Model

Introduction

Below is the description of the budget model announced by the Provost in September 2015. This model will go into effect July 1, 2017 (Fiscal Year 2018).

This model features:

- Simplicity, transparency and predictability;
- Clarity in reporting;
- Allocation of each revenue source separately and consistent with how each was generated;
- Allocation of utilities, facilities and capital maintenance expenses to all units, including central units;
- Utilization of a tax (“General Services Allocation”) for the majority of central expenditure recovery; and
- Timing that allows model to be run as a parallel shadow system in FY 2016 and FY 2017 to identify any unintended consequences prior to implementation in FY 2018.

Detailed Information

Total University Budget: ~\$1.2 Billion

Total Revenue

- **Undergraduate Tuition and Fees** (gross) are allocated to colleges based on 75% credits taught using instructors’ college of record (ICOR) and 25% based on students’ Home School
- **Graduate Tuition and Fees** go directly to the colleges that generate them
- **Other Tuition and Fees** go directly to the colleges that generate them
- **State Restricted Appropriations** go directly to the colleges identified in state budget language
- **Federal Appropriation** (currently only College of Agriculture and Natural Resources) goes directly to the college identified by the federal government
- **Contract & Grants-Federal, State & Other** go directly to the colleges that generate them
- **Facilities & Administrative Cost Recoveries** go directly and entirely (100%) to the colleges or central units that generate them
- **Gifts** go directly to the colleges that generate them
- **Endowment Payout** goes directly to the colleges that generate it
- **Temporary Investment Income** goes directly to the colleges that generate it
- **Other Sources Revenue** goes directly to the colleges that generate it

- **Activities of Educational Departments** go directly to the colleges that generate them
- **Auxiliaries** go directly to the colleges that generate them

Total Expenditures and Transfers

- Direct, all funds expenses within each college (compensation, benefits, travel, supplies and expense, graduate tuition expense, plant O&M, sub-contracts, capital expenses, interdepartmental expenses), as well as transfers, are attributed to the colleges in which they are incurred.

Allocation of Revenue and Expenses

- **State Appropriation** revenue (unrestricted) is allocated based on an adjusted expenditure base as a proxy for the activity of the college:
 - Total All Funds Expenses
 - Less:* 90% of subcontract expenditures
 - Less:* graduate tuition expense
 - Equals:* Adjusted Expenditure Base for State Appropriation
- **Utilities** expenses are allocated by square footage with a lab factor of 35%
- **Facilities** expenses are allocated by square footage
- **Capital Maintenance** expenses are allocated by square footage
- **Financial Aid** expenses are allocated to colleges based on 75% ICOR and 25% Home School
- **General Services Allocation** (supplemented by central revenues) supports all other central (non-college) operating expenditures. This is a tax assessed on an adjusted expenditure base of each college:
 - Total All Funds Expenses
 - Less:* state restricted expenditures (defined by fund)
 - Less:* federal restricted expenditures (defined by fund)
 - Less:* contracts & grants expenditures (defined by fund)
 - Less:* graduate tuition expense
 - Equals:* Adjusted Expenditure Base for General Services Allocation

One University Support

All parts of the University benefit from and rely upon our strength as a collective with many and varied fields. **One University Support** is a redistribution of funds that accommodates the understanding that different programs have differential costs of delivery and infrastructure needs.