

**New Budget Model Steering Committee
Approved Items**

As of February 28, 2017

July 7, 2014	Unless an exception has been made, no substitutes should attend SC meetings.
Sept. 22, 2014	It was approved to include Jayaraman Vijayakumar, Matthew Bogenschutz, Scott Street, Joslyn Bedell, Hunter Rauscher, Deidre Condit and Jennifer Johnson, all faculty members, on the NBMTF.
Oct. 20, 2014	<p>Governance and ground rules were established.</p> <p><u>Governance</u></p> <ol style="list-style-type: none"> 1. Quorum = 8 participants (in person and on the phone) 2. At least 7 affirmative votes are required to make a decision 3. Action items to be on the agenda and noted ahead of each meeting <ul style="list-style-type: none"> • Provide back-up materials in advance <p><u>Ground Rules</u></p> <ol style="list-style-type: none"> 1. Everything is open unless noted as confidential 2. All documents produced are posted to ensure transparency <ul style="list-style-type: none"> • Reciprocal access with Task Force Blackboard site • Don't want to clutter the site, so will review what to include to ensure usefulness • No attribution of specific comments 3. Members are here to represent the University's view, not parochial <ul style="list-style-type: none"> • Leave your hat at the door 4. Recommendations from the Task Force will be accompanied by a written recommendation and back-up materials 5. Do your homework 6. Open for debate 7. Civil discourse 8. Co-chairs are the official speakers for the committee <ul style="list-style-type: none"> • Steering Committee members are ambassadors
Nov. 17, 2014	A motion was made, seconded and approved to endorse an all funds operational approach to budgeting.
Dec. 1, 2014	A discussion took place regarding the opportunity for the NBMSC and NBM Task Force (NBMTF) to hold a social event for the two groups to meet. A motion was made, seconded and approved to hold this event.
Dec. 1, 2014	A determination that a workgroup consisting of members of the NBMTF and ReDAC would be asked to review FACR would be most appropriate. Want them to look at other institutions.
Dec. 1, 2014	A motion was made, seconded, and approved to ask the NBMTF to provide an analysis of all expenditures across all sources.
Feb. 2, 2015	The Steering Committee agrees it would be helpful to have a letter from President Rao to thank the Task Force members for their service and cc their chair so they can be recognized.
March 2, 2015	A recommendation was announced to take another look at the charge given to the Task Force.

Dec. 14, 2016	<ol style="list-style-type: none"> 1. Reaffirmation of the February 2016 decision as to the 14 units to be selected as “schools” for the model. This selection was approved by the committee with the understanding that some other title to better represent both the Colleges and Schools should be developed. The units identified were: Allied Health Professions, Business, Education, Humanities & Sciences, Nursing, Pharmacy, University College, Arts, Dentistry, Engineering, Life Sciences, Medicine, Social Work and Wilder. 2. The Steering Committee also approved the Budget Office’s request to include all except two units within the Auxiliary as Auxiliaries for model development. The two exceptions approved as requested were the steam plant and telecommunications. The Budget Office is developing additional analysis to determine how best to allocate net costs/revenues for these two units.
Jan. 12, 2017	<p><u>Recommendations for Cost Allocations</u></p> <ol style="list-style-type: none"> 1. Recommendation #1: to use a system-based set of central costs and related use metrics to allocate costs including a space step-down method. 2. Recommendation #2: to establish central cost pools based on specific allocation metrics that combine central units according to the general type of services provided. unavoidable cost increases and therefore ensure more predictability. 3. Recommendation #3: to distribute space costs to revenue and central units based on square footage. A motion was made, seconded, and the recommendation to distribute space costs to revenue and central units based on square footage approved. 4. Recommendation #4: to calculate the net total cost for each central unit by adding baseline expenditure budget and allocated space cost and subtracting internal charge transfers, financial aid expenditures, tuition/fee revenue, and any revenue from external sources. <p><u>Recommendations for Financial Aid</u></p> <ol style="list-style-type: none"> 1. Recommendation #1: wherever possible, aid allocations should be on a generalized, across the board/off the top metric rather actual individual student need. 2. Recommendation #2: to allocate 100% E&G funded undergraduate aid proportionally to schools allocated undergraduate tuition revenue and do so “off the top.” 3. Recommendation #3: to allocate PhD support (graduate tuition waivers) based on a per capita rate to the students enrolled School based on data from the Graduate School. There were several questions regarding masters’ level scholarships and if this was included or not. Another member asked how Ph.D. aid would be handled for in-state and out-of-state students for scholarships and how financial aid would be handled for people paid on grants or other external sources.
Jan. 26, 2017	<p><u>Recommendations for Tuition Revenue</u></p> <ol style="list-style-type: none"> 1. Recommendation 1: Allocate tuition revenue primarily based on school of instruction and Recommendation 2: Allocate 80% of base tuition to the school of instruction; 20% to the student’s major school. A motion was made, seconded, modified to exclude first professionals and Recommendations 1 & 2 were approved unanimously. 2. Recommendation 3: Base the revenue calculation on the proportionate share of each enrolled student’s total billed tuition charge divided by the student’s total billed credit hour load (excluding courses without a tuition charge). The recommendation was made to exclude first professional student revenue until further analyses are completed. The revised motion was made, seconded, modified to exclude first professionals and Recommendation 3 was approved unanimously. 3. Recommendation 4: Establish base tuition rates using the BOV approved standard rates (resident and non-resident) for all undergraduate and graduate students (excepting first professionals). All variance from the base rates will be considered as differential with 100% being attributed to the major school. A motion was made, seconded, and Recommendation 4 was unanimously approved. 4. Recommendation 5: A base tuition amount, to be determined, should be defined for the first professional students, using a fixed number of credit hours for all students. Given the number of open questions about how such a model could potentially impact the apparent tuition allocation

to the units with first professional students, the Budget Office committed to returning to the Steering Committee with more detailed data at a later meeting. No vote was taken on this recommendation.

5. Recommendation 6: Maintain current school level fee revenue allocation: 100% of program fee revenue to the student's major school and 100% of course fee revenue to the school of instruction. A motion was made, seconded and approved unanimously.

Recommendations for Facilities/Administrative Cost Recovery (FACR)

1. Recommendation R1: Allocate 70% of actual FACR revenue to generating units with the balance of actual 30% to be retained centrally in the University subvention fund to provide for State-mandated central research support. A motion was made, seconded and approved unanimously.
2. Recommendation 3: Centralized E&G expenses related to research support will be allocated following the direction of the cost allocation recommendations and will not depend on FACR earnings. A motion was made, seconded and unanimously approved to reject Recommendation 3 as all E&G costs are included in the cost allocation model.
3. Recommendation R4: Develop specific cost pools following the approved cost allocation methodology for use in allocating FACR to central research supports. A motion was made, seconded and approved unanimously.
4. Recommendation R5: Continue to exempt FACR expenses from the "all funds" expense metric for the cost allocation. A motion was made, seconded, and unanimously approved.
5. Recommendation 6: Table C, as described in the University's Budget Plan, should be reduced by those line items that are FACR revenue allocations to the schools/colleges. A motion was made, seconded, and approved unanimously.