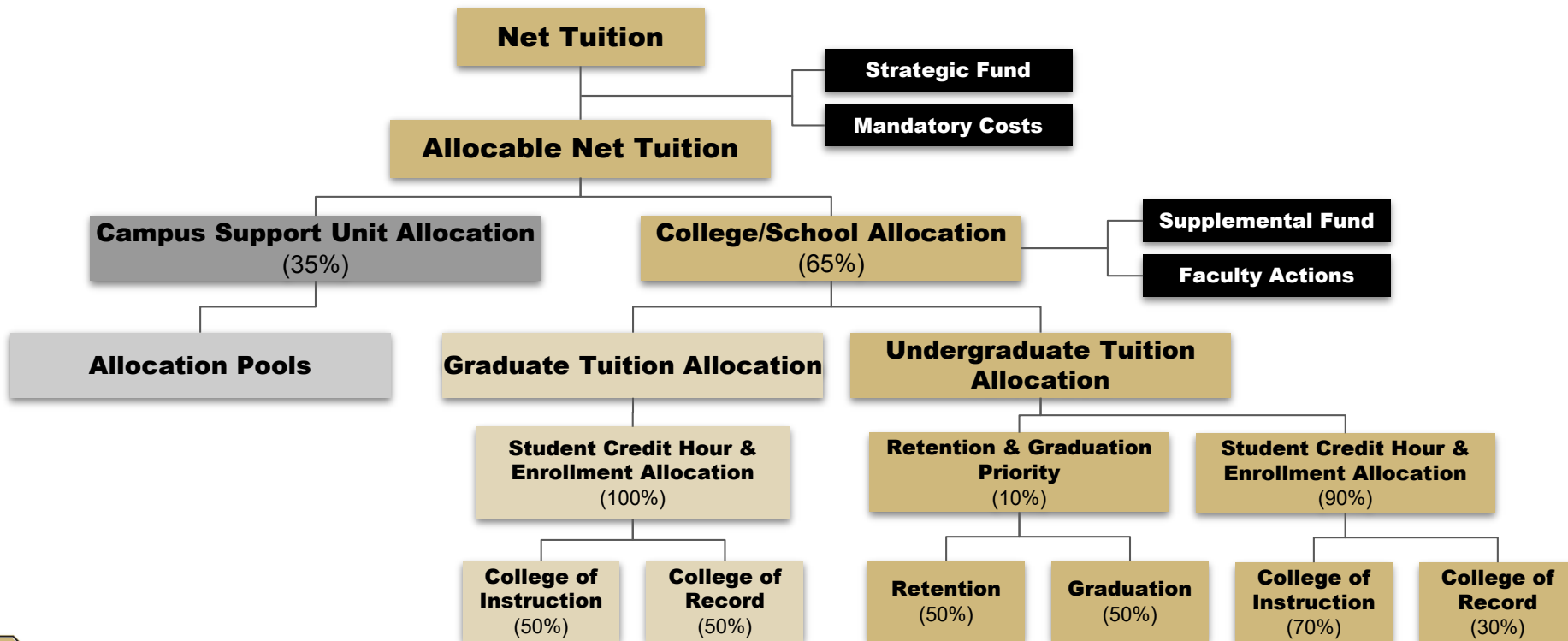
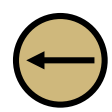


Interactive Budget Allocation Model



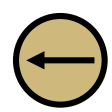
Please *click* on any of the boxes to learn more about that element of the budget model.





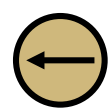
Net Tuition

- Definition:** Net tuition is gross tuition (**billed tuition for undergraduate and graduate**) **less** institutional financial aid, refunds, non-resident graduate tuition remission (the portion not paid by departments) and bad debt.
- Decision:** Executive sponsors included the decision to focus the budget model on net tuition in the initial design parameters. **Other sources of funding**, including auxiliary, state, ICR, and restricted funds **will not be allocated** via the model.
- Impact:** Tuition accounts for roughly **43% of CU Boulder's total revenues**. In the new model, these funds will flow to colleges, schools and campus support units based on quantitative and qualitative methods.



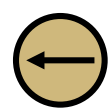
Strategic Fund

- Definition:** The strategic fund is **not something CU Boulder has had in the past**. It is a pooled fund, taken “off the top” of net tuition, through which campus-wide priorities can be addressed.
- Decision:** Executive sponsors made the decision to include a strategic fund in the initial design parameters. The amount of the strategic fund will be determined based on **campus revenues and strategic priorities** which may be funded on an annual or multi-year basis.
- Impact:** In fiscal year 2023, the strategic fund is \$3M of which \$1M will be allocated to the Chancellor’s Diversity Fund. In years to come, the amount of funding in the strategic fund will be based on the strategic goals of the campus. A transparent process for determining the strategic fund will be finalized in fiscal year 2022-2023.



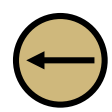
Mandatory Costs

- Definition:** Mandatory costs represent **campus-wide obligations** such as insurance, some deferred maintenance, Inter-campus Cost Allocation (ICCA), utilities, legislative requirements and library licensing & materials.
- Decision:** The Strategic Alignment Committee (SAC) recommended that incremental changes to mandatory costs come “**off the top**” of **net tuition** before the funds are allocated to colleges, schools and campus support units. The current baseline amount for mandatory costs is already included in the 35% allocation to campus support units.
- Impact:** This approach recognizes mandatory costs as serving the campus **common good** and provides budgeting **stability** for campus, as the costs of these activities can vary year-over-year.



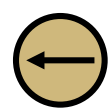
Allocable Net Tuition

- Definition:** The portion of net tuition **available after** the strategic fund and mandatory costs are covered, which is then allocated to colleges, schools and campus support units.
- Decision:** Executive sponsors determined that the allocable net tuition would be distributed to colleges/schools and campus support units along a 65/35 percent split.
- Impact:** The 65/35 percent split represents an average of the allocations to colleges/schools and support units over the past ten years. This provides some stability for colleges/schools and campus support units as the new model is implemented. This split may be adjusted over time as the model is reviewed for effectiveness.



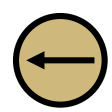
Campus Support Unit Allocation

- Definition:** Campus support units are inclusive of entities that are **not located in the colleges and schools**. Examples include University Libraries, Student Affairs, Human Resources, the Office of Information Technology, Institutional Equity and Compliance and more. [View a list of included campus support units](#).
- Decision:** Campus support units receive a cumulative 35% of the allocable net tuition. Specifically, they receive 36% of the allocable undergraduate tuition and 25% of the allocable graduate tuition.
- Impact:** The cumulative 35% allocation, while in keeping with historical averages, may shift as the model is reviewed for effectiveness.



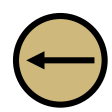
Allocation Pools

- Definition:** Campus support units will receive 35% of net tuition. **Incremental growth or reductions** based on increased net tuition will be allocated to the chancellor, provost, chief operating officer (COO) and a shared pool.
- Decision:** The SAC recommended that each campus leader have discretionary authority over their respective pool. The shared pool will be allocated via **joint decision-making** from the chancellor, provost and COO and will incorporate diversity, equity and inclusion priorities. It is recommended that a clear, transparent process be established by which support units may request new funds.
- Impact:** Similar to the supplemental fund, these allocation pools provide a qualitative element to the allocation of funding.



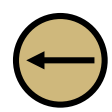
College/School Allocation

- Definition:** Colleges and schools are **degree-granting entities**. CU Boulder has eight such entities. [View a list of included colleges and schools](#). Note that University Libraries, the Graduate School and Continuing Education are not defined as colleges/schools within this budget model.
- Decision:** Colleges and schools receive a cumulative 65% of the allocable net tuition. Specifically, they receive 64% of undergraduate net tuition and 75% of graduate net tuition. The SAC decision to allocate a greater portion of graduate tuition dollars to colleges and schools reflects the costs of providing support services for graduate education at the college/school level.
- Impact:** The cumulative 65% allocation, while in keeping with historical averages, may shift as the model is reviewed for effectiveness.



Supplemental Fund

- Definition:** A **portion of the college/school allocable net tuition** distributed to colleges/schools and eligible academic support units under the authority of the provost with consideration of the university's mission as a comprehensive AAU public teaching and research institution, and after consultation with shared governance and other stakeholders. [View an illustrative example.](#)
- Decision:** Not all mission-critical activities at CU Boulder generate sufficient revenue to be self-supporting. The supplemental fund represents our commitment to CU Boulder's comprehensive teaching and research mission, provides a qualitative aspect that incorporates diversity, equity and inclusion priorities, and complements the quantitative metrics of student credit hours, enrollment, retention and graduation.
- Impact:** The supplemental fund provides a qualitative method of allocation to the model whereby colleges and schools can receive funds in addition to the allocations made via quantitative formulas.

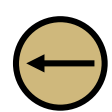


Faculty Actions Fund

Definition: A portion of the college/school allocable net tuition which is distributed back to colleges/schools and eligible academic support units to fund promotion, tenure, retentions and the faculty diversity action plan (FDAP) allocations.

Decision: To ensure a strategic and sustainable approach to faculty support, the SAC recommended that faculty actions come “off the top” of the school/college share of allocable net tuition instead of being left to colleges and schools to fund individually.

Impact: The faculty actions fund provides a qualitative method of allocation to the model whereby colleges and schools can receive funds in addition to the allocations made via quantitative formulas.



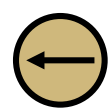
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Graduate Tuition Allocation

Definition: The **portion of allocable net graduate tuition** that is allocated to colleges and schools; approximately 75%.

Decision: Using campus data, the SAC recommended that a larger portion of graduate tuition be allocated to colleges and schools to recognize the support services provided to graduate students at the college/school level.

Impact: This recommendation will allocate more net graduate tuition dollars to colleges and schools, and will align traditional master's degrees with professional master's degrees in terms of revenue allocation.



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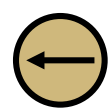
Student Credit Hour and Enrollment Allocation

Graduate

Definition: Student credit hours (SCH) are the **credits generated by teaching activities in colleges and schools**. Enrollment is the **count of each student enrolled** in a school or college. This most closely aligns with an incentive-based budget model.

Decision: The SAC recommended that 100% of the graduate portion of allocable tuition be allocated to colleges and schools based on SCH and enrollment. This recommendation, different from the one made for undergraduate tuition allocation, is based on data that suggests retention and graduation rates at the graduate level are healthy and that colleges and schools are in the best position to determine graduate program priorities.

Impact: The SCH and enrollment based allocations directly support the costs of instruction and administration of graduate programs at the school and college-level.



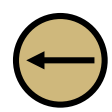
College of Instruction

Graduate

Definition: The college of instruction refers to the college or school **delivering a course in which a student is enrolled**. For example, the College of Arts & Sciences would be the college of instruction in the case of a student majoring in aerospace enrolled in a ceramics course.

Decision: Using graduate enrollment data, the SAC recommended that **50% of the net graduate tuition** allocation be allocated to the college of instruction based on student credit hours.

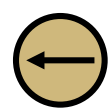
Impact: Allocating a portion of funding to the college of instruction recognizes the costs of providing instruction and supports interdisciplinarity. In the example above, the College of Arts & Sciences would receive funding based on the credit hours generated by the student taking the ceramics course.



College of Record

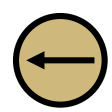
Graduate

- Definition:** The college of record refers to the college or school in which a **student is rostered based on the degree the student is pursuing**. For example, the College of Music is both the college of record and the college of instruction in the case of a student majoring in piano performance enrolled in a music composition course.
- Decision:** The SAC recommended that 50% of the net graduate tuition allocation be allocated to the college of record based on enrollment (headcount).
- Impact:** Allocating a portion of funding to the college of record recognizes the costs of advising and other college-based activities. In the example above, the College of Music would receive funding based both on SCH and enrollment.



Undergraduate Tuition Allocation

- Definition:** The **portion of allocable undergraduate tuition** allocated to colleges and schools; approximately 64%.
- Decision:** The SAC recommended a 64/36 percent split of allocable net tuition between colleges/schools and campus support units in recognition of the fact that many campus support units are directly involved with undergraduate student success and support.
- Impact:** This recommendation maintains the cumulative 65/35 percent split between colleges/schools and campus support units. As the model is reviewed for effectiveness, this overall split could be adjusted.



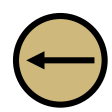
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Retention & Graduation Priority

Definition: Ten percent of the undergraduate portion of tuition allocated to colleges and schools will be based on undergraduate student retention and graduation.

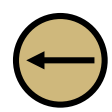
Decision: The SAC recommended building retention and graduation incentives into the allocation funding formula in an effort to tie campus budgets more directly to priority outcomes.

Impact: If successful, this methodology could have a positive impact on retention and graduation across campus and the impacts would be felt in colleges and schools. Benchmarking suggests CU Boulder may be unique in its decision to tie retention and graduation specifically to budget allocations.



Retention

- Definition:** Retention in the model is defined as a **first-year undergraduate student enrolled in their second fall semester.**
- Decision:** The SAC recommended its focus on the retention of an undergraduate first-year student into their second fall semester based on campus data that points to this juncture as the time when student attrition from the university is highest.
- Impact:** Colleges and schools of record will receive funding based on the number of degree-seeking students enrolled in their second fall semester. The impact of the retention component of the model on overall undergraduate student retention and on the retention of specific student populations will be closely monitored.



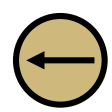
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Graduation

Definition: Graduation in the model is defined as **undergraduate degree completion within six years.**

Decision: The SAC recommended using a six-year graduation rate in order to recognize degree exploration, multiple majors and other factors related to degree completion.

Impact: Colleges and schools of record will receive funding based on the number of undergraduate students who graduate within six years.



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Student Credit Hour & Enrollment Allocation

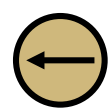
Undergraduate

Definition: **Ninety percent** of the undergraduate tuition allocated to colleges and schools will be based on student credit hours (SCH) and enrollment (headcount). This most closely aligns with an incentive-based budget model.

[Learn more about incentive-based models.](#)

Decision: Based on stakeholder interviews, the SAC recommended that school and college funding be more closely tied to SCH and enrollment, while not designating SCH as the **only** factor determining how tuition flows to schools and colleges.

Impact: Funding from tuition is more closely tied to the enrollment and teaching activities of the colleges and schools.



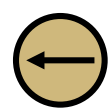
College of Instruction

Undergraduate

Definition: The college of instruction refers to the college or school **delivering a course in which a student is enrolled**. For example, the Leeds School of Business would be the college of instruction in the case of a student majoring in elementary education enrolled in a global business course.

Decision: The SAC recommended that **70% of undergraduate tuition** be allocated to the college of instruction based on student credit hours (SCH) in order to acknowledge and support the direct costs of instructional delivery.

Impact: Allocating a portion of funding to the college of instruction recognizes the costs of providing instruction and supports interdisciplinarity. In the example above, the Leeds School would receive funding based on the credit-hours generated by the student taking the global business course.



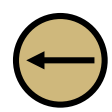
College of Record

Undergraduate

Definition: The college of record refers to the college or school in which a student is rostered based on the degree the student is pursuing. For example, the College of Media, Communication and Information (CMCI) is both the college of record and the college of instruction in the case of a student majoring in journalism enrolled in a sports media class.

Decision: The SAC recommended that a portion of funding be allocated to colleges and schools based on the college of record, based on headcount, in order to recognize the costs associated with college-based activities such as recruitment and academic advising.

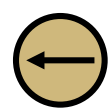
Impact: In the example above, CMCI would receive funding based both on SCH and enrollment (headcount).



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Campus Support Units

- Academic Affairs
- Academic Planning and Assessment
- Academic Resource Management
- Business, Finance and Infrastructure
- Chancellor's Office
- Conference on World Affairs
- Division of Public Safety
- Enrollment Management
- Faculty Affairs
- Graduate School
- Human Resources
- Infrastructure & Resilience
- Office of Information Technology
- Office of Institutional Equity & Compliance
- Office of Leadership Support and Programming
- Office of the Senior Vice Chancellor for Operations
- Office of the Vice Chancellor for Sustainability
- Provost's Office
- Research & Innovation Office (RIO)
- Strategic Relations & Communications
- Student Life
- Undergraduate Education
- University Libraries



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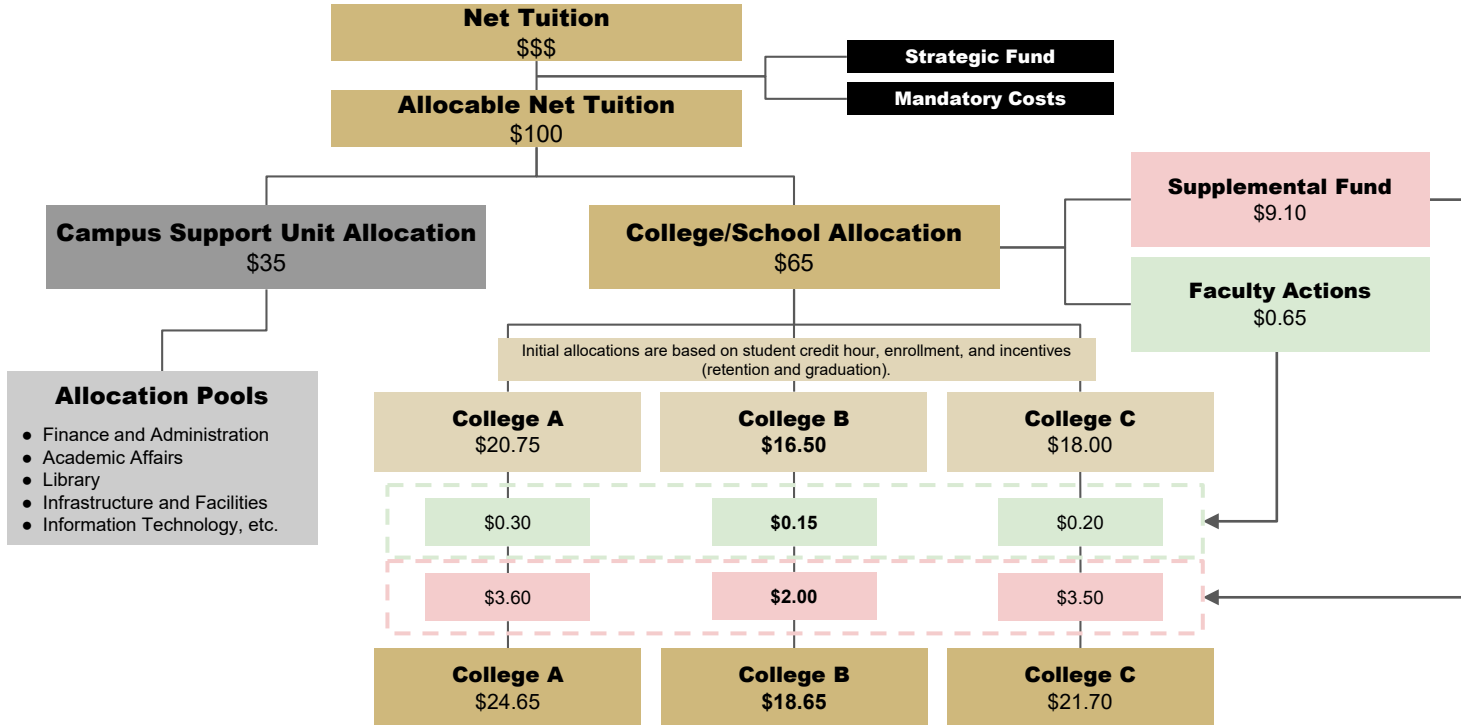
Colleges and Schools

- College of Arts and Sciences
- Leeds School of Business
- School of Education
- College of Engineering & Applied Science
- University of Colorado Law School
- College of Communication, Media Design and Information
- College of Music



Supplemental Fund Illustration

All amounts are for illustration purposes only.



- Allocation Pools**
- Finance and Administration
 - Academic Affairs
 - Library
 - Infrastructure and Facilities
 - Information Technology, etc.

The process for distributing supplemental and faculty action funds is currently underway and will be launched in Spring 2023.



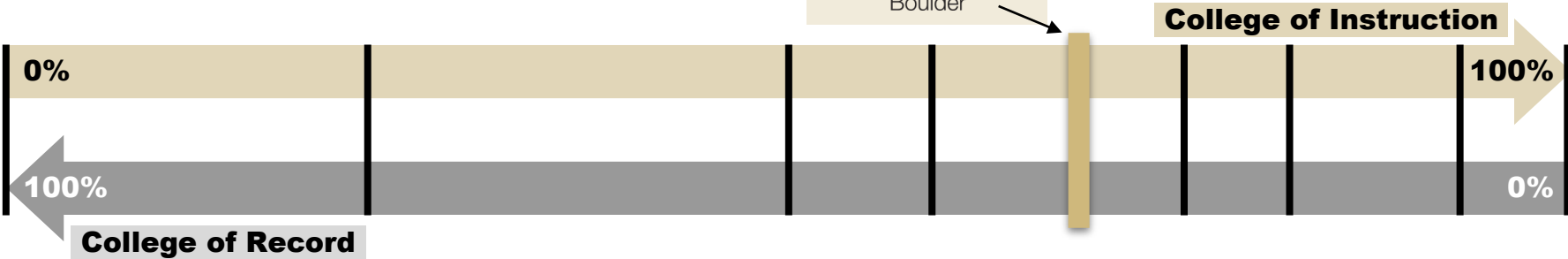
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Incentive-based Model

Institutions with incentive-based models will typically implement a tuition allocation methodology that uses a **blend** of credit hours by college of **instruction** and college of **record**.

Tuition Allocated to College of Instruction

- + Supports direct costs of instruction
- Can lead to course competition and redundancy
- Misaligned incentives for academic advising




University of Colorado Boulder

College of Instruction

College of Record

0/100

UNIVERSITY OF MICHIGAN
1999

25/75

UNIVERSITY OF MICHIGAN
2006

50/50

UNIVERSITY OF MICHIGAN
Current

60/40

UNIVERSITY OF WASHINGTON

70/30

UNIVERSITY OF FLORIDA
AUBURN UNIVERSITY

75/25

IOWA STATE UNIVERSITY
UNIVERSITY OF VIRGINIA
MIAMI UNIVERSITY
UNIVERSITY OF MINNESOTA

80/20

THE UNIVERSITY OF MEMPHIS
KENT STATE UNIVERSITY
THE UNIVERSITY OF TENNESSEE
UNIVERSITY OF WASHINGTON
Current

85/15

OHIO UNIVERSITY

100/0

INDIANA UNIVERSITY

Tuition Allocated to College of Record

- + Promotes recruitment
- + Recognizes costs associated with major programs (e.g. advising)
- Does not support direct costs of instruction
- Can lead to "holding company" mentality