IMPLICATIONS OF A CHANGE TO A TRIMESTER SYSTEM

FINANCIAL MODELS FOR SUMMER

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• Review Trimester Financial Model
• Review Summer Session Models
Assumptions

• Summer undergraduate growth in credit hours to approximately 300,000 credit hours by 2022

• Fall / Spring enrollments decreased 5%
  - Allows for some R&R maintenance of facilities
  - Recognizes reduced instructional hours available in shorter Fall / Spring semesters

• Instruction costs derived using campus-level average instruction cost per credit hour (IPEDS data – salaries, benefits, supplies and services)

• Instruction indirect cost = 24.1% based on university cost study to cover facilities operations and maintenance, student services, and equipment depreciation

• Scholarships and grants costs based on current levels of institutional aid for the Fall / Spring semesters
### Summary of Trimester Financial Model

(FY 2022 amounts / in millions)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>% of Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trimester Student Fee Revenue</td>
<td>$208.5</td>
<td></td>
</tr>
<tr>
<td>Trimester Instruction Direct Costs</td>
<td>$114.4</td>
<td>54.9%</td>
</tr>
<tr>
<td>Trimester Instruction Indirect Costs</td>
<td>27.8</td>
<td>13.3%</td>
</tr>
<tr>
<td>Trimester Scholarships and Grants Costs</td>
<td>27.6</td>
<td>13.2%</td>
</tr>
<tr>
<td>Total Trimester Expenditures</td>
<td>$169.8</td>
<td>81.4%</td>
</tr>
<tr>
<td>Available for Strategic Investment</td>
<td>$38.7</td>
<td>18.6%</td>
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</tbody>
</table>
• Office of the Provost has historically provided supplemental funding for summer.

• Before Summer 2008, colleges would submit a supplemental funding request to the Office of the Provost and each course would have to be approved.

• For Summer 2008 the summer funding model changed.
  - Greater management control to the colleges
  - Base level of credit hours established for each college
  - Incentive funding available for growth above base credit hours
EXPERIENCE WITH SUMMER 2008 MODEL

• Only 1.1% growth in credit hours between 2007 and 2010.

• The college level base made it difficult for departments to determine the financial impact of new offerings.

• Incentive amounts were insufficient to cover instructional costs for most units.

• Not all course offerings were targeted to areas of student need.
In January 2011, a committee was formed to review the summer session funding model and develop ways to achieve greater success with summer session.

Associate deans, PEC and Office of the Provost representatives were included in the committee.

This committee was later combined with the decadal funding group to work on an expanded summer plan and a potential transition to trimester.
**NEW SUMMER FUNDING MODEL**

**Vetting Process**

- Sought and received input from academic advisors and department heads.

- Iterative vetting with the associate deans and directors of financial affairs.

- Followed up with individual meetings with the deans to address college specific issues and opportunities.
**NEW FUNDING MODEL**

Guiding Principles

- Provide flexibility to the departments/colleges
- Fund at a level sufficient to incentivize
- Fund at a level sufficient to have faculty teach
- High level of transparency
- Ongoing review of funding model to ensure guiding principles are achieved
NEW FUNDING MODEL

• Adopted and in place for Summer 2013.
• Funding level for each college based upon:
  – Instructional cost based on college-specific data
  – Supply and expense allocation
  – Additional investment allocation
• Removal of the base; no minimum threshold to attain before funding received.
• Set program parameters:
  – Clearly define course cancellation dates
  – Guarantee offerings of a set of progression courses
• The summer funding model determines the level of dollars that flow to the college. Deans determine implementation within individual colleges.