IMPLICATIONS OF A CHANGE TO A TRIMESTER SYSTEM

FINANCIAL MODELS FOR SUMMER

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AGENDA

- Review Trimester Financial Model
- Review Summer Session Models



TRIMESTER FINANCIAL MODEL

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



TRIMESTER FINANCIAL MODEL

Summary of Trimester Financial Model

(FY 2022 amounts / in millions)

		% of
	<u>Amount</u>	<u>Revenue</u>
Trimester Student Fee Revenue	\$ 208.5	
Trimester Instruction Direct Costs	\$ 114.4	54.9%
Trimester Instruction Indirect Costs	27.8	13.3%
Trimester Scholarships and Grants Costs	27.6	13.2%
Total Trimester Expenditures	\$ 169.8	81.4%
Available for Strategic Investment	\$ 38.7	18.6%



BACKGROUND FOR SUMMER SESSIONS

- 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.



REVISIT THE MODEL

- 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.

