



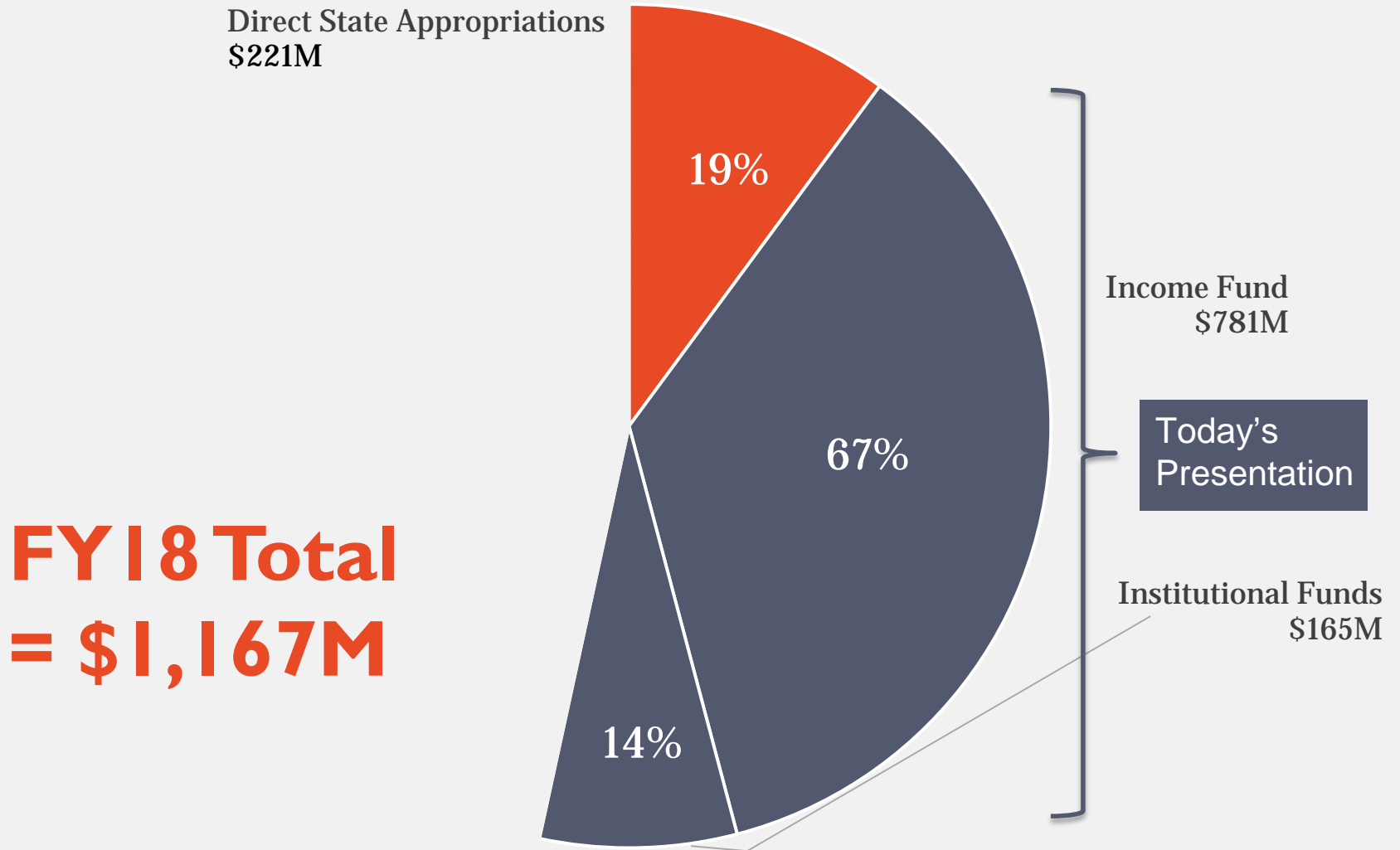
Digging Deeper Budget Reform: Revenue

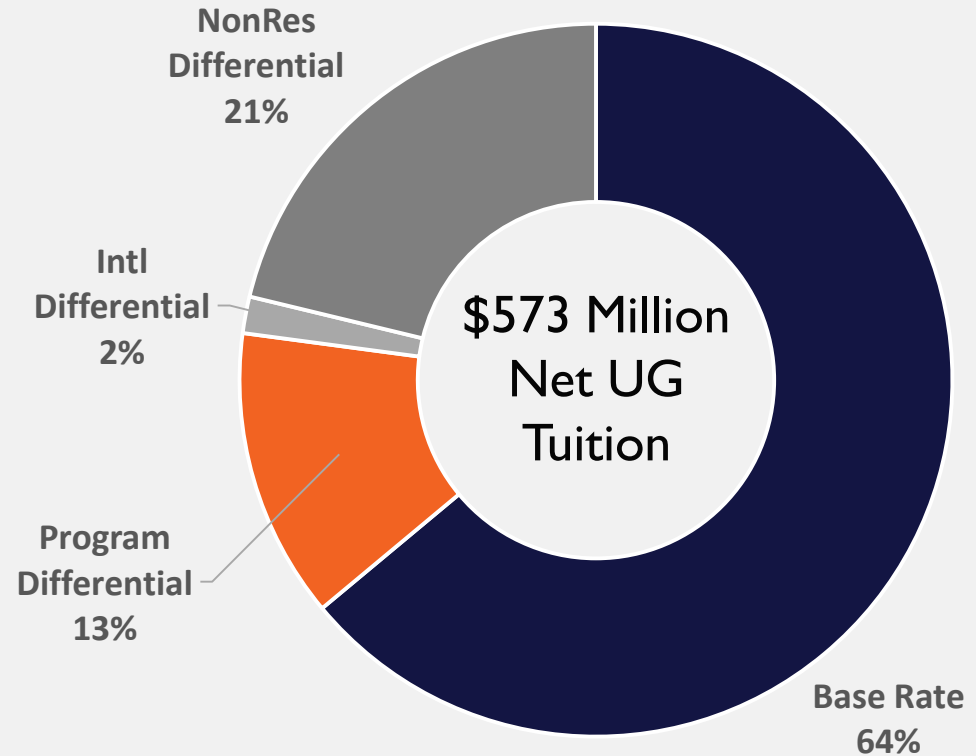
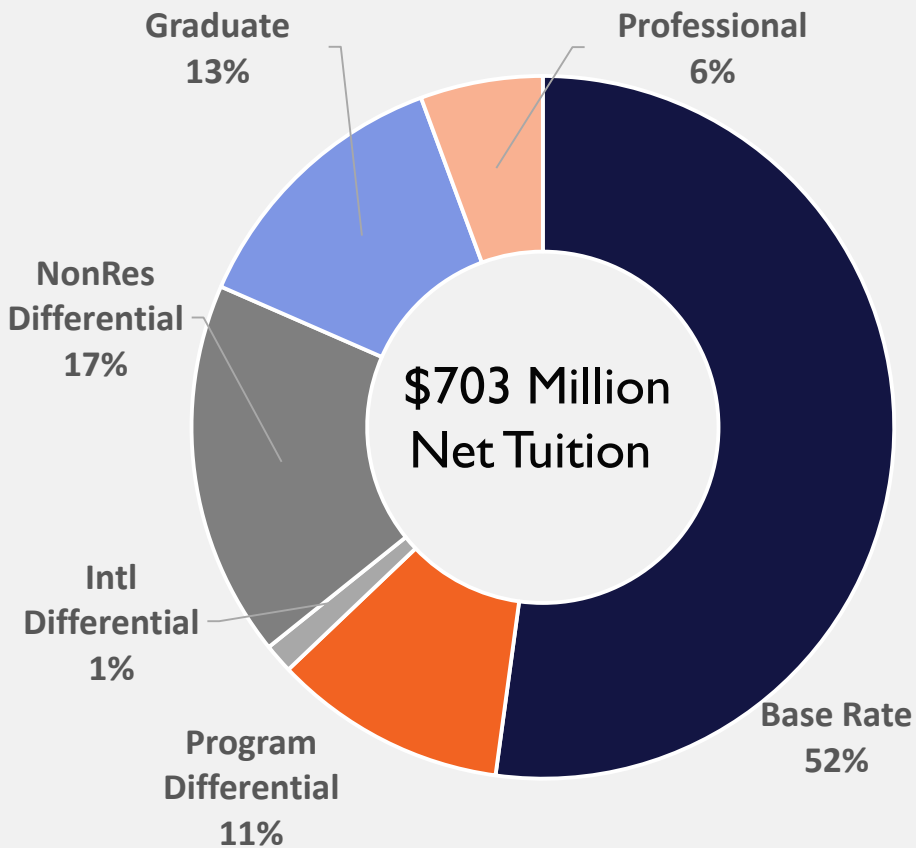
April 2018

This model is a tool to make
our decisions
about revenue, spending and transfers
more transparent.

The main difference from today is that
these transfers will now be
intentional and transparent.

Revenue Allocations





FY 17 Net Tuition Revenue

College Budgeting Framework

SOURCES of FUNDS:

Tuition

Indirect Cost Recovery (ICR)

University Value-Based Investment

Sources Total

USES of FUNDS:

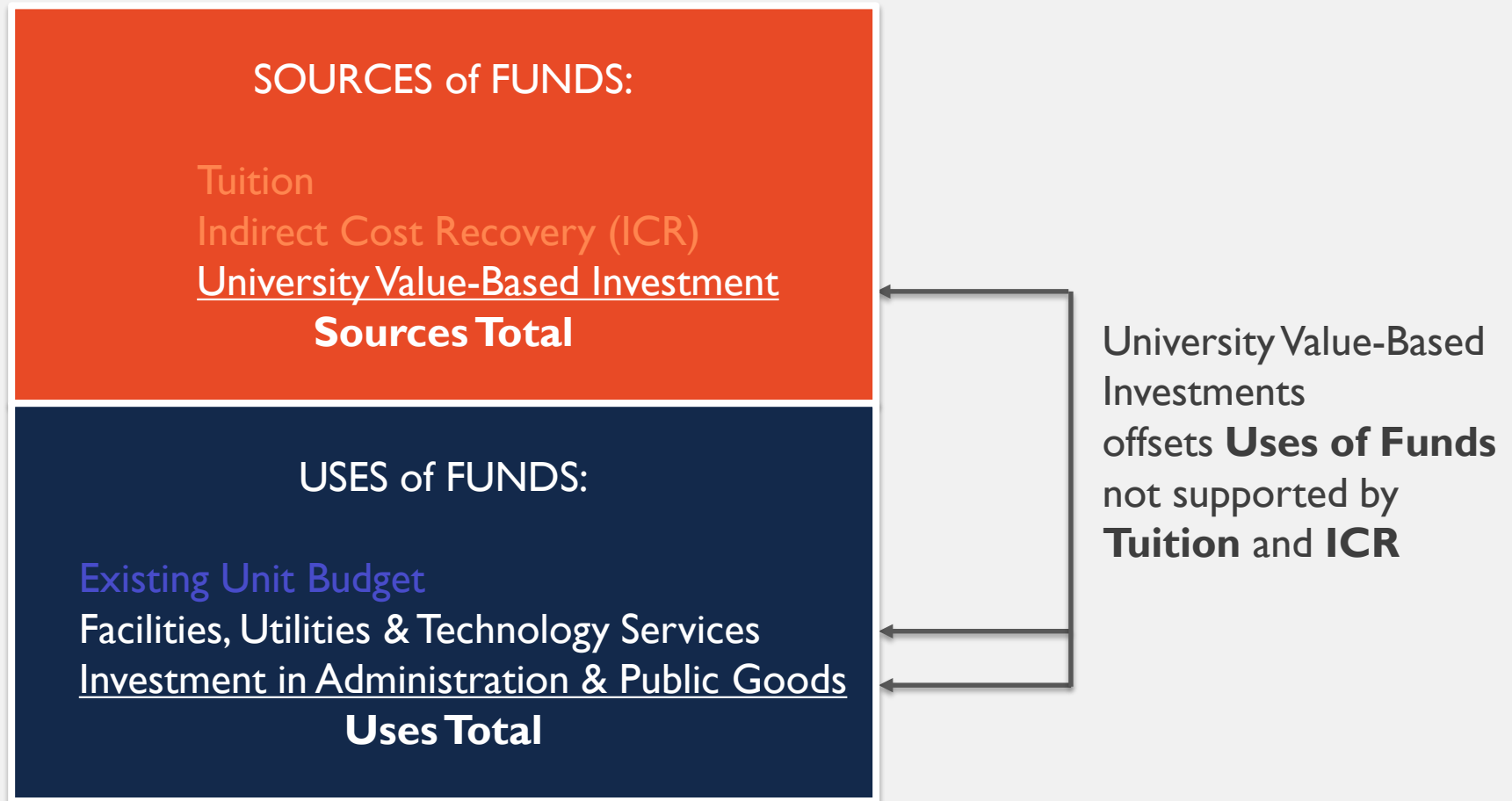
Existing College Budget

Facilities, Utilities & Technology Services

Investment in Administration & Public Goods

Uses Total

Initial Conditions

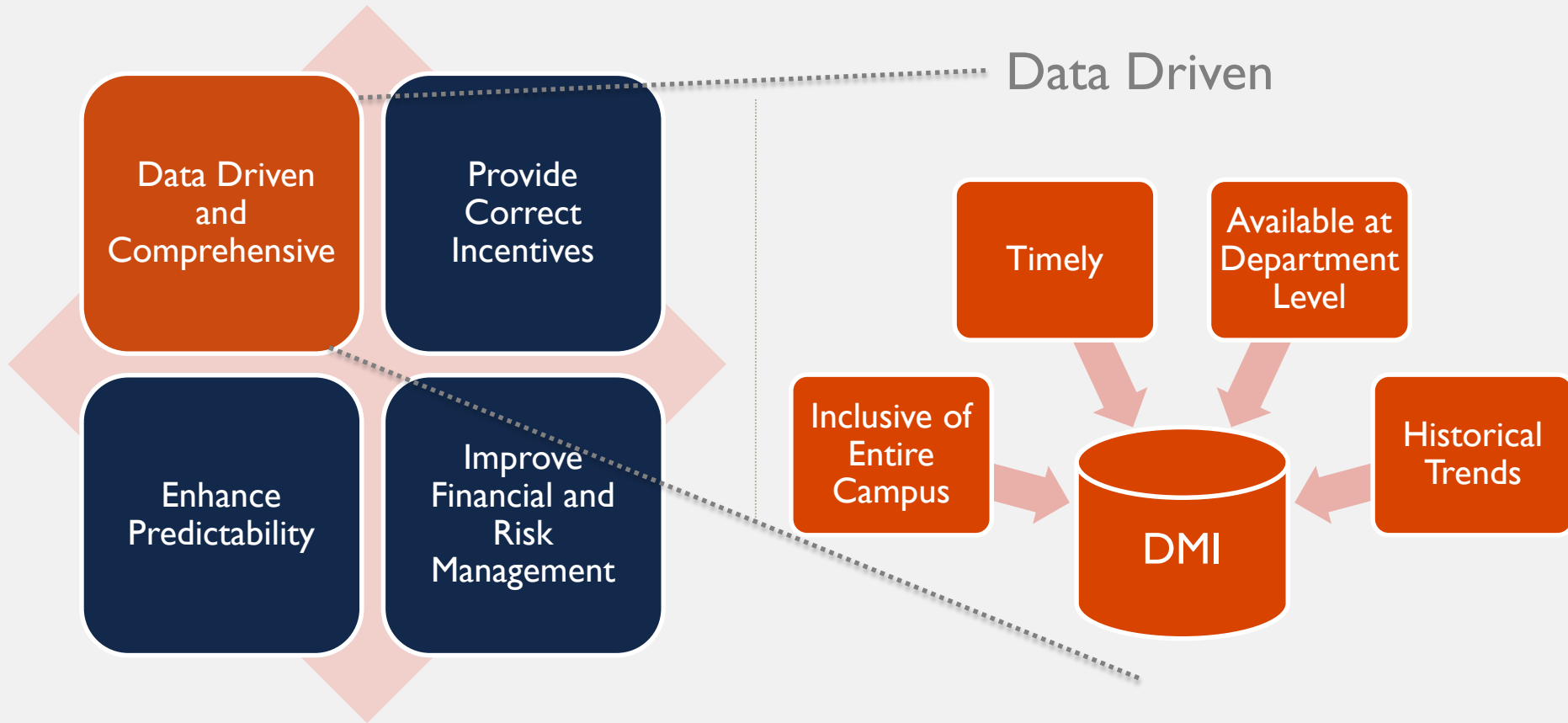


Revenue Drivers: Price x Unit
Aggregate Total

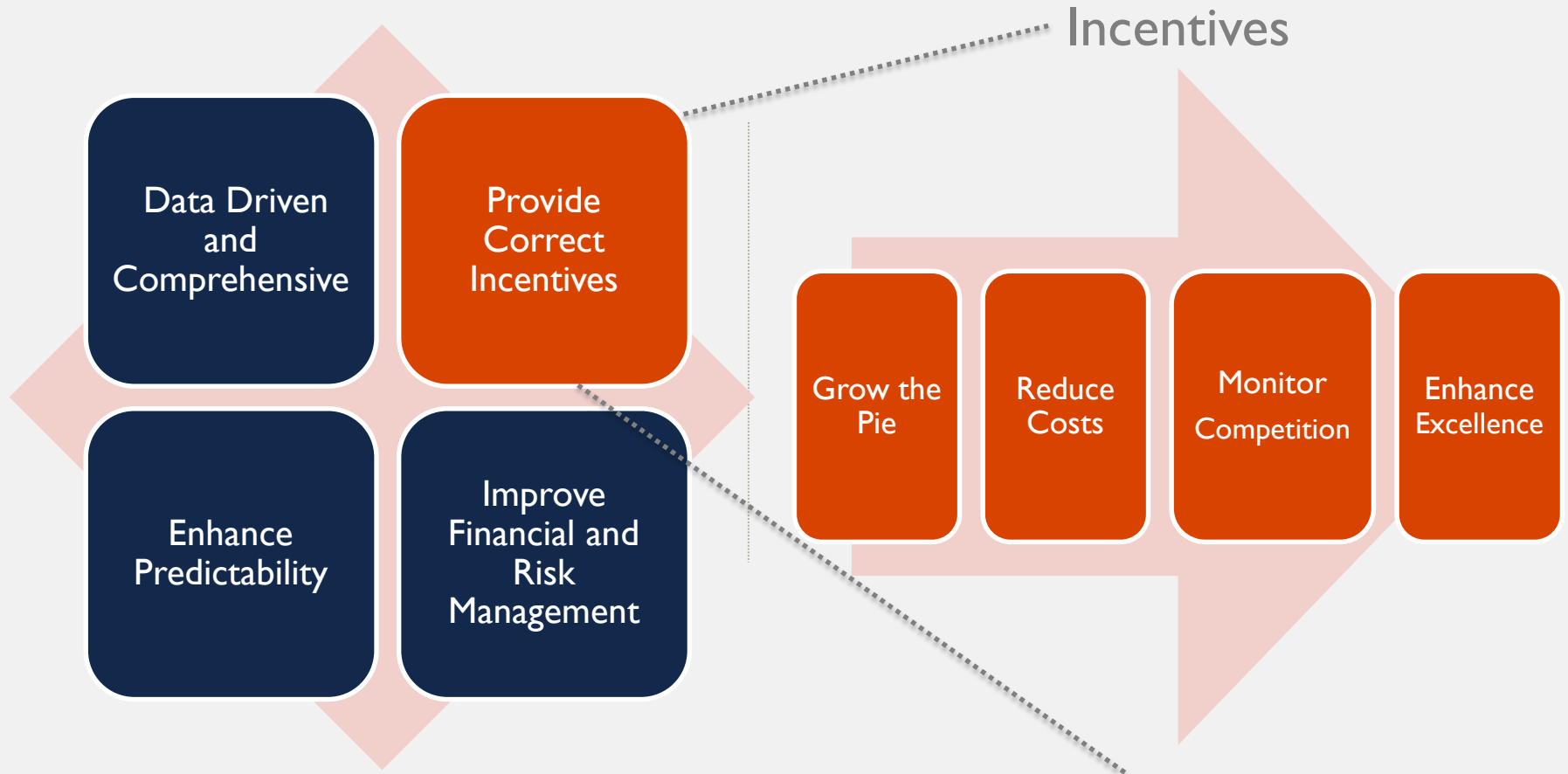
Data Considerations

Availability
Timing
Averaging

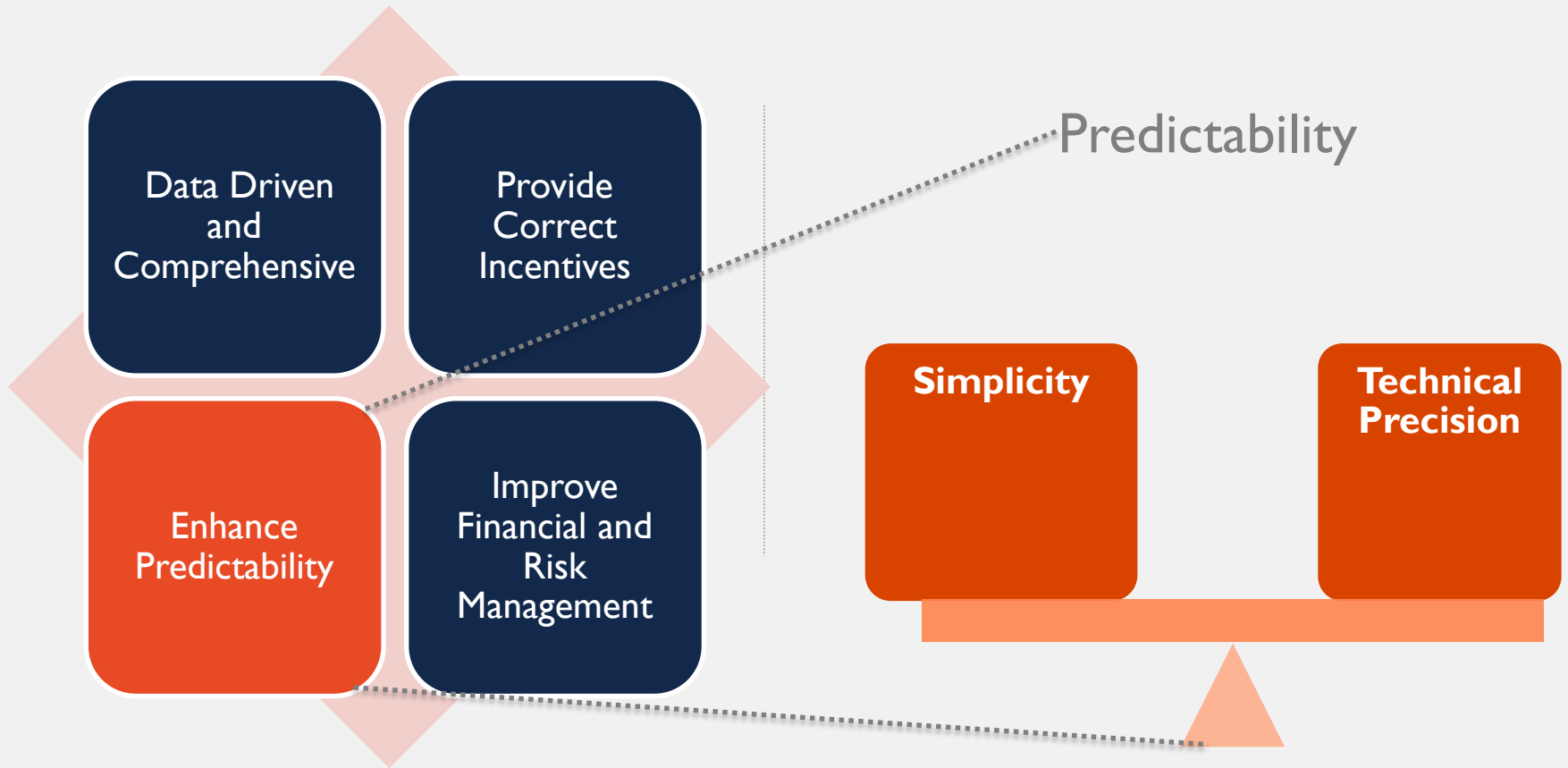
Criteria for Model Components



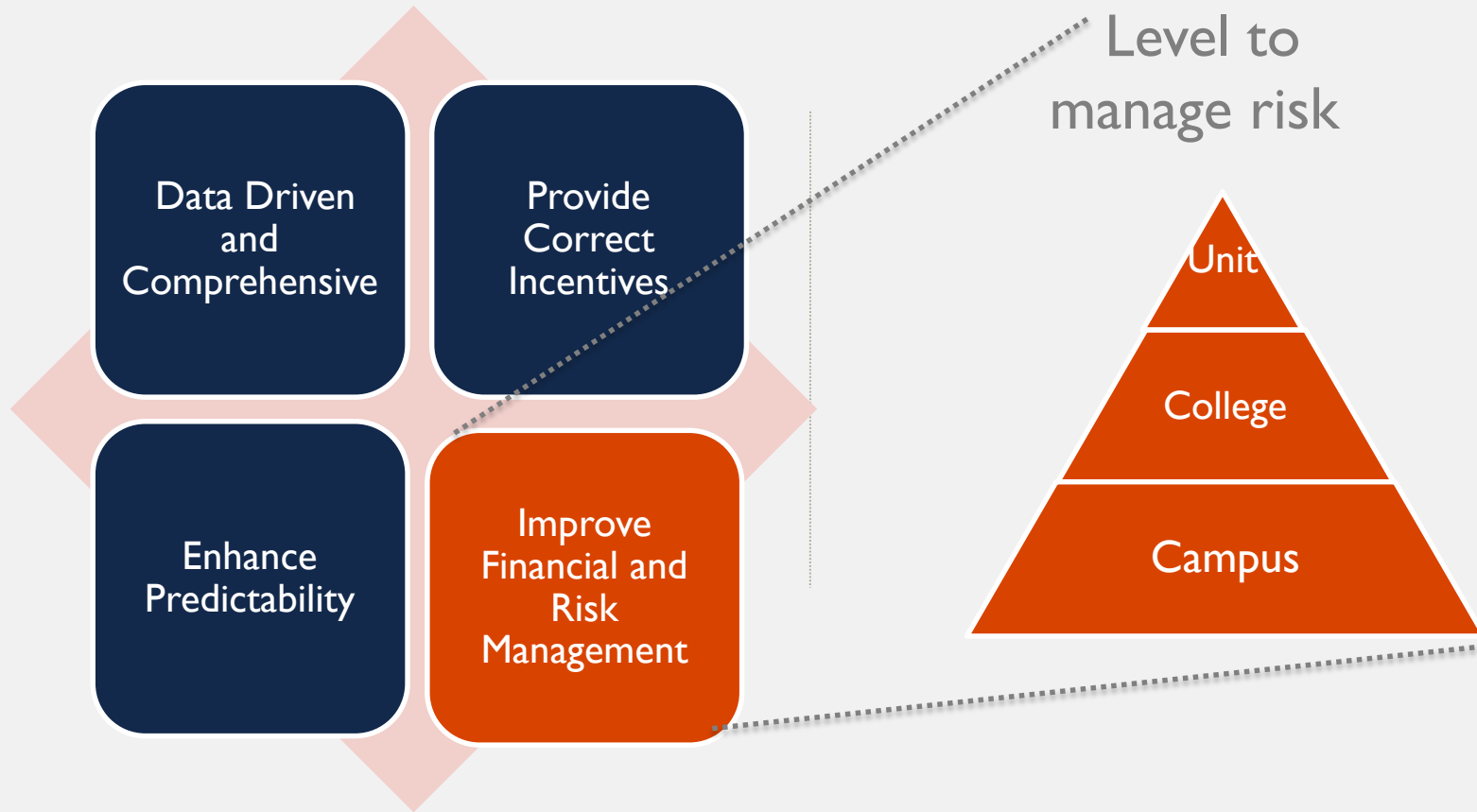
Criteria for Model Components



Criteria for Model Components



Criteria for Model Components



REVENUE DETAILS

Undergraduate Tuition

Base

Timing

Rate: Current FY projection
Allow rate to fluctuate annually
Reconcile year-to-year

Units: Majors and IUs estimates based on
one year lag

Same procedure for International Base Rate

Oversight committee to monitor large
classes

Undergraduate Tuition



Rate Calculation

Aggregate campus base tuition x proportion allocated to majors

Total Majors

\$390,638,959 X 50%

32,845

= \$5,946.70 FY17 example

Aggregate campus base tuition x proportion allocated to IUs

Total IUs

\$390,638,959 X 50%

1,058,329

= \$184.55 FY17 example

Undergraduate Tuition

Nonresident

Specific and General Allocation

Specific %: Additional costs incurred for recruiting & career services

General %: Continued focus on resident students
Allocation same as base rate

Undergraduate Tuition

Nonresident

Timing

Specific: Current FY projection
Reconcile year to year

Units: Majors and IUs estimates based on
one year lag

FY17 Example ACES (20% specific)

$$\begin{array}{r} \text{Tuition from all nonresident ACES students} = \$5,452,339 \\ \times \quad 20\% \\ \hline \$1,090,468 = \text{Specific} \end{array}$$

Undergraduate Tuition

General Calculations

Aggregate nonresident tuition x general % x proportion allocated to majors

Total Majors

$$\frac{\$129,624,693 \times 80\% \times 50\%}{32,845} = \$1,579 \text{ per major} \quad \text{FY17 example}$$

Nonresident

Aggregate nonresident tuition x general % x proportion allocated to IUs

Total IUs

$$\frac{\$129,624,693 \times 80\% \times 50\%}{1,058,329} = \$48.99 \text{ per IU} \quad \text{FY17 example}$$

Undergraduate Tuition

Differentials:

Program &
International

Timing

Specific: Current FY projection
Reconcile year to year

All attributed to college(s) of enrollment

Shared programs should have a negotiated agreement

Undergraduate Tuition

Centrally
Awarded/
Assigned

Financial Aid

Tuition
Waivers

NOT allocated to specific college where financial aid received

Same allocation as base rate tuition:
IUs & majors

Allocated tuition earnings from DGS used to offset campus costs

Calculations: Current FY projection
Reconcile year to year

DRAFT

Value of IU

	Weight Based on Majors		
	25%	50%	75%
Undergraduate Base-Rate Tuition	276.83	184.55	92.28
Undergrad Non-resident Tuition	73.49	48.99	24.50
Undergrad Program Differential	0.00	0.00	0.00
Undergrad International Base	2.98	1.99	0.99
Undergrad International Differential	0.00	0.00	0.00
Less: Centrally-Funded Financial Aid	-48.90	-28.59	-12.21
Less: Centrally-Assigned Tuition Waivers	-22.33	-14.89	-7.44
	\$ 282.06	\$ 192.06	\$ 98.11

Scenario: 2017, all differentials to colleges, 20% of nonresident to colleges

Value of Major

	Weight Based on Majors		
	25%	50%	75%
Undergraduate Base-Rate Tuition	2,973.35	5,946.70	8,920.06
Undergrad Non-resident Tuition	789.31	1,578.62	2,367.93
Undergrad Program Differential	-	-	-
Undergrad International Base	32.01	64.03	96.04
Undergrad International Differential	-	-	-
Less: Centrally-Funded Financial Aid	(525.25)	(921.21)	(1,180.25)
Less: Centrally-Assigned Tuition Waivers	(239.87)	(479.74)	(719.61)
	\$ 3,029.55	\$ 6,188.40	\$ 9,484.17

Scenario: 2017, all differentials to colleges, 20% of nonresident to colleges

Graduate and Professional Tuition

Graduate & Professional

Similar to existing allocation procedures.

Attributed to college of enrollment.

Projections will require data support of departments.

Inter-college agreements on instructional units outside of college. Colleges may need to do this for departments.

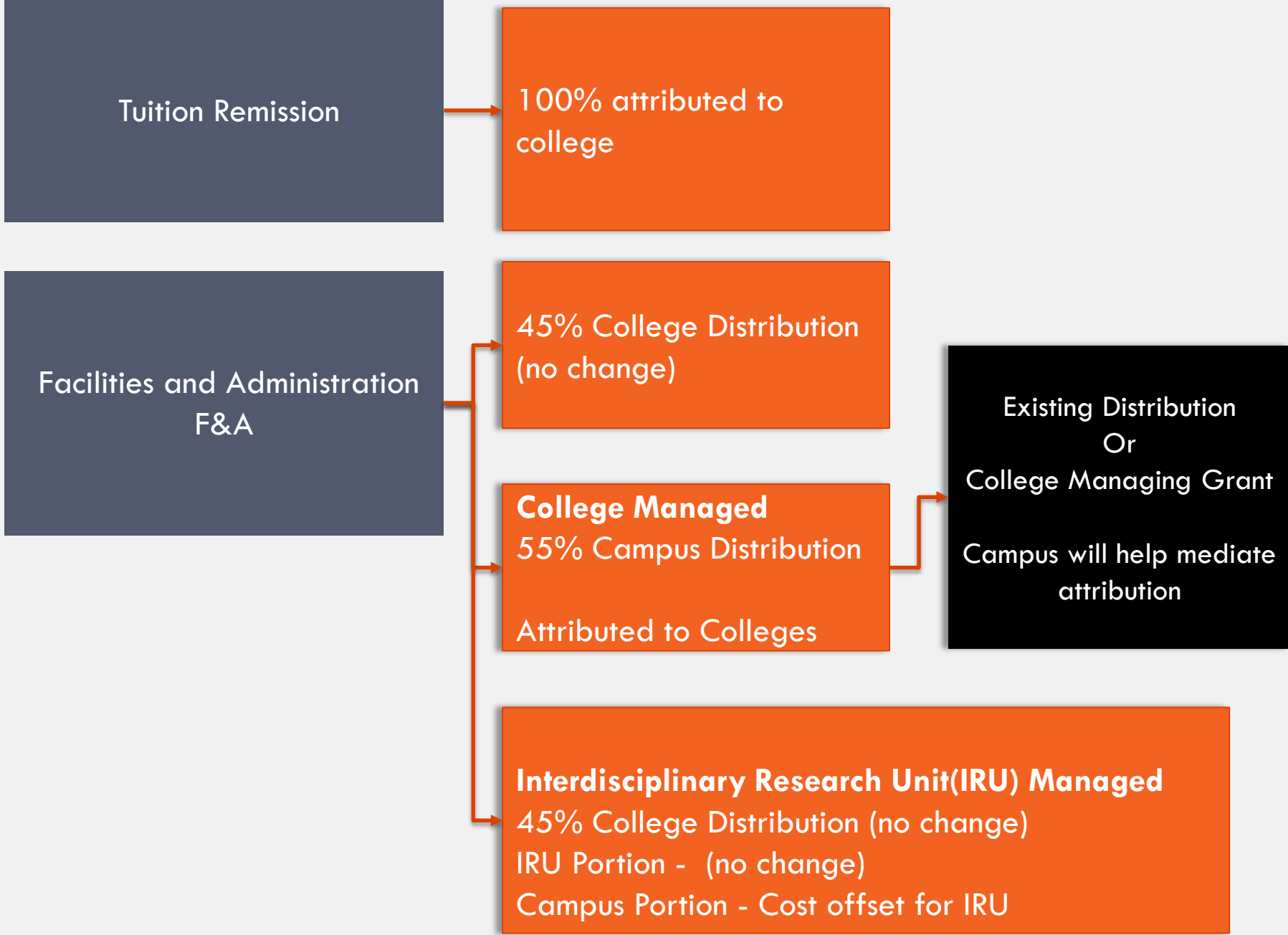
Timing

Specific: Current FY projection
Reconcile year to year

College Tuition Report

CATEGORY ITEM		FY15	FY16	FY17
Tuition Revenue				
Undergraduate Base-Rate Tuition	\$	28,551,147	\$ 28,420,027	\$ 28,426,802
Undergrad Non-resident Tuition		8,225,214	8,482,871	8,636,700
Undergrad Program Differential		5,915,251	5,904,012	5,825,682
Undergrad International Base		286,509	298,549	306,059
Undergrad International Differential		13,480	29,705	44,983
Less: Centrally-Funded Financial Aid		(3,607,834)	(4,030,314)	(4,139,461)
Less: Centrally-Assigned Tuition Waivers		(2,191,376)	(2,255,449)	(2,293,290)
Less: College-Assigned Tuition Waivers		(1,329,702)	(1,361,346)	(1,216,855)
Net tuition: Graduate		1,583,883	1,560,117	1,518,133
Net tuition: Professional		-	-	-
Net tuition: CITL (all levels)		500,089	533,937	676,571
Coursera and Other Revenue		-	-	-
Total Tuition Revenue Generated	\$	37,946,661	\$ 37,582,109	\$ 37,785,323

Indirect Cost Recovery



College ICR Report

Indirect Cost Recoveries					
	All Tuition Remission		786,875	981,151	925,960
College Managed Grants	Facilities & Admin. Cost: Distributed	\$	3,037,669	\$ 3,476,369	\$ 3,509,052
	Campus Portion Facilities & Admin. Cost: Allocated (banner)		3,719,970	4,156,156	4,228,258
IRUs & Other Unit Managed Grants	Facilities & Admin. Cost: Distributed		<u>217,244</u>	<u>225,215</u>	<u>269,539</u>
	Total Indirect Cost Recoveries Generated	\$	7,761,758	\$ 8,838,890	\$ 8,932,809

College Revenue Report

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	Total Indirect Cost Recoveries Generated	\$ 7,761,758	\$ 8,838,890	\$ 8,932,809
	Total Revenue Generated	\$ 45,708,418	\$ 46,420,999	\$ 46,718,132



PREPARING FOR CHANGE

Concerns & Questions

**Next Provost Coffee:
Cost and Investment
April 19, 2018**

provost.illinois.edu

Budget Flows

