

2016 BRINGING ADMINISTRATORS TOGETHER CONFERENCE

Academic Unit Budget Resources & Allocations

April 14, 2016

UIC UNIVERSITY OF ILLINOIS
AT CHICAGO

UIC

Lincoln Hall

707 South Morgan Street

Resource & Allocation Panel

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Workshop Objectives

- Overview of the UIC Responsibility Center Management Budget Model
- Collaborative discussion on academic unit budget management and accountability.
- Gain an understanding of how RCM, budget allocations and management practices are similar and divergent across campus academic units.
- Key areas of focus: College budget and resource allocation / management practices

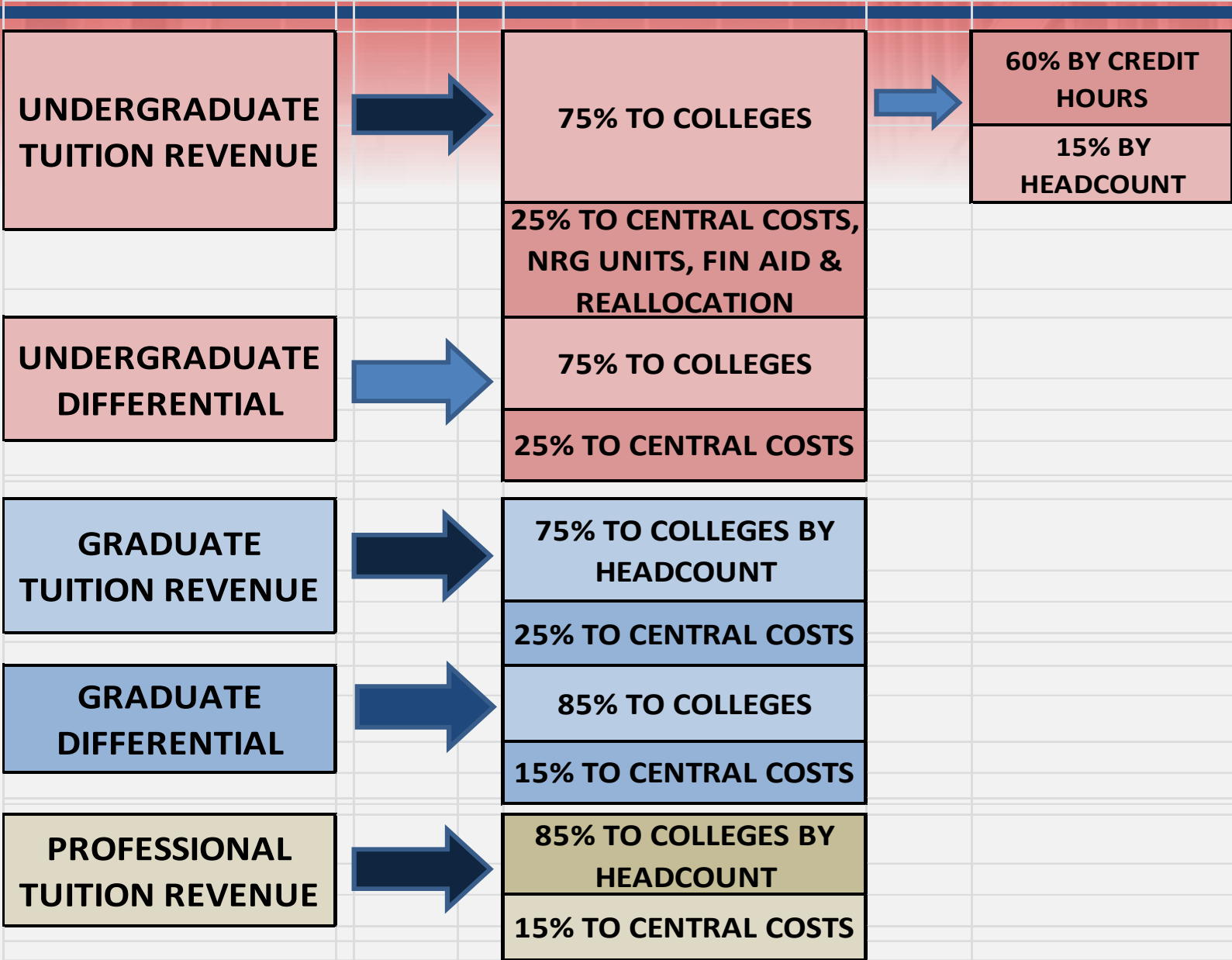
RCM AT UIC

Responsibility Centered Management budget model is designed to provide incentives for growth and align resources with academic activity.

UIC uses a modified RCM model

- **Tuition & ICR revenues are shared with Colleges**
 - *Subject to “hold-back” - funds used to pay for financial aid and administrative units*
- **Colleges do not bear the fully-allocated costs of all central services**
 - *State appropriations were not reset/reallocated when we started the model*
- **Annual reallocation has been used to fund “strategic” priorities – no reallocation for FY16**

Tuition Revenue Sharing

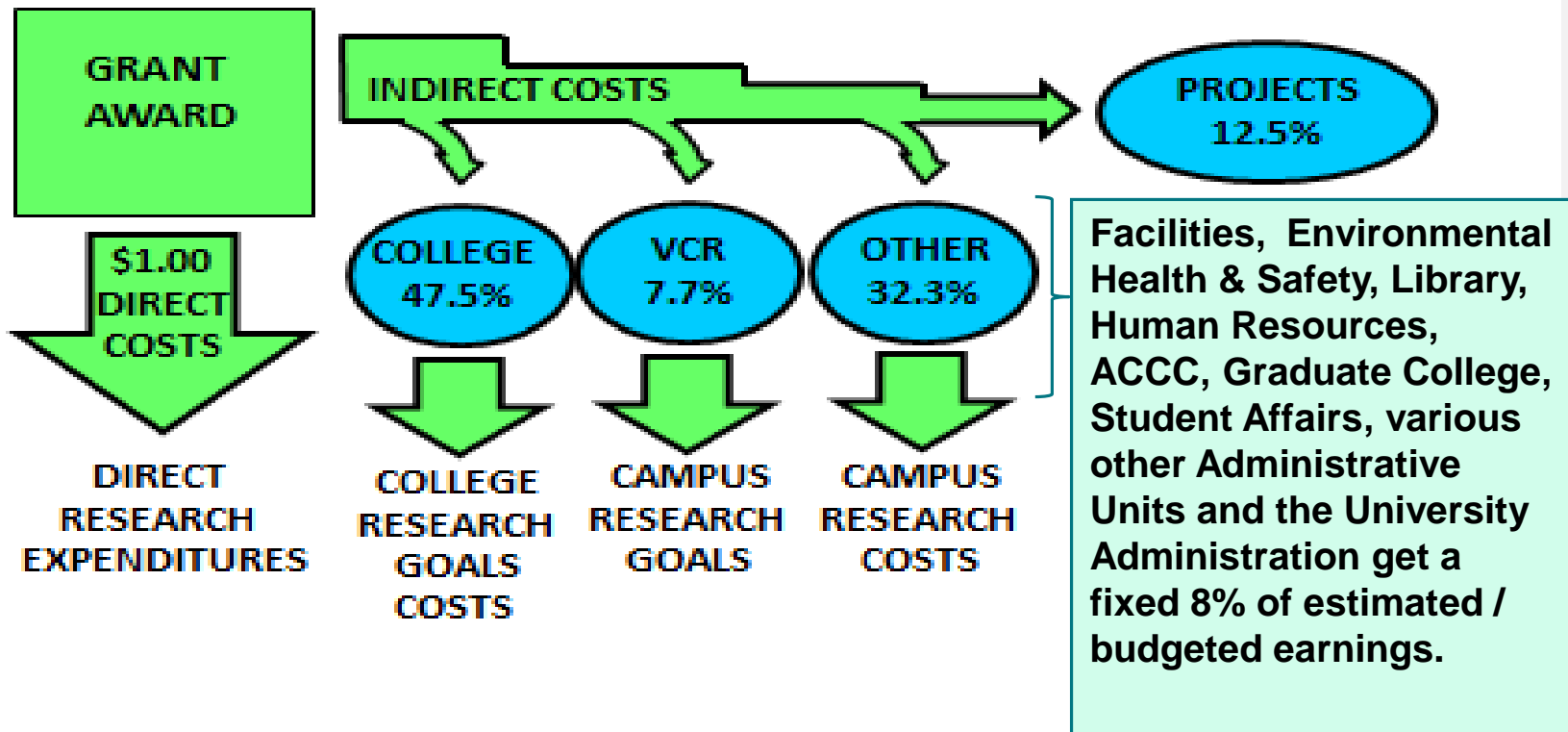


FY 2015 Net Tuition Distribution

			% of Total	
FY 2015 Total Net Tuition	\$ 353,439,018			
Summer Session Instructional Budget	\$ 2,777,247		0.8%	
Tuition Net of Summer Budget		<u>\$ 350,661,771</u>	<u>99.2%</u>	
			100%	
Institutionally Funded Financial Aid				
Illinois Veteran Grant Programs	\$ 1,487,551	}		
President's Award Program	\$ 5,663,886		\$ 46,994,385	13%
UIC Grant	\$ 38,962,796			
Chicago Grant	\$ 880,152			
Administrative Units		<u>\$ 36,243,199</u>	<u>10%</u>	
Total net revenue distributed to Colleges*		\$ 267,424,187	76%	

Indirect Cost Recovery Revenue Sharing

Funds flow diagram: ICR



Budget Model Review

Varied criticism and opinions about the budget model:

- **Central v. RCM? / “Center” is starved**
- **Colleges need more resources**
- **We didn’t reset state appropriations**
- **Use of 3 year rolling average enrollments**
- **Enrollment target setting process**
- **Manual revenue changes**
- **Too many waivers & financial aid funded by tuition**
- **One time transfers to colleges aren’t counted as part of the revenue sharing to the colleges.**

PANEL DISCUSSION

1. How does your College allocate State funds (appropriations & tuition) to its units/departments? What about Institutional funds (ICR & Royalties)? Other funds?

- What internal process is used?
 - Is tuition/ICR distributed to departments?
 - What basis?

2. What are the pros and cons of the current UIC RCM Budget Model?

3. How is financial responsibility and accountability distributed within your college's units/departments?

- Describe your budget planning & expenditure review (budget management) processes.

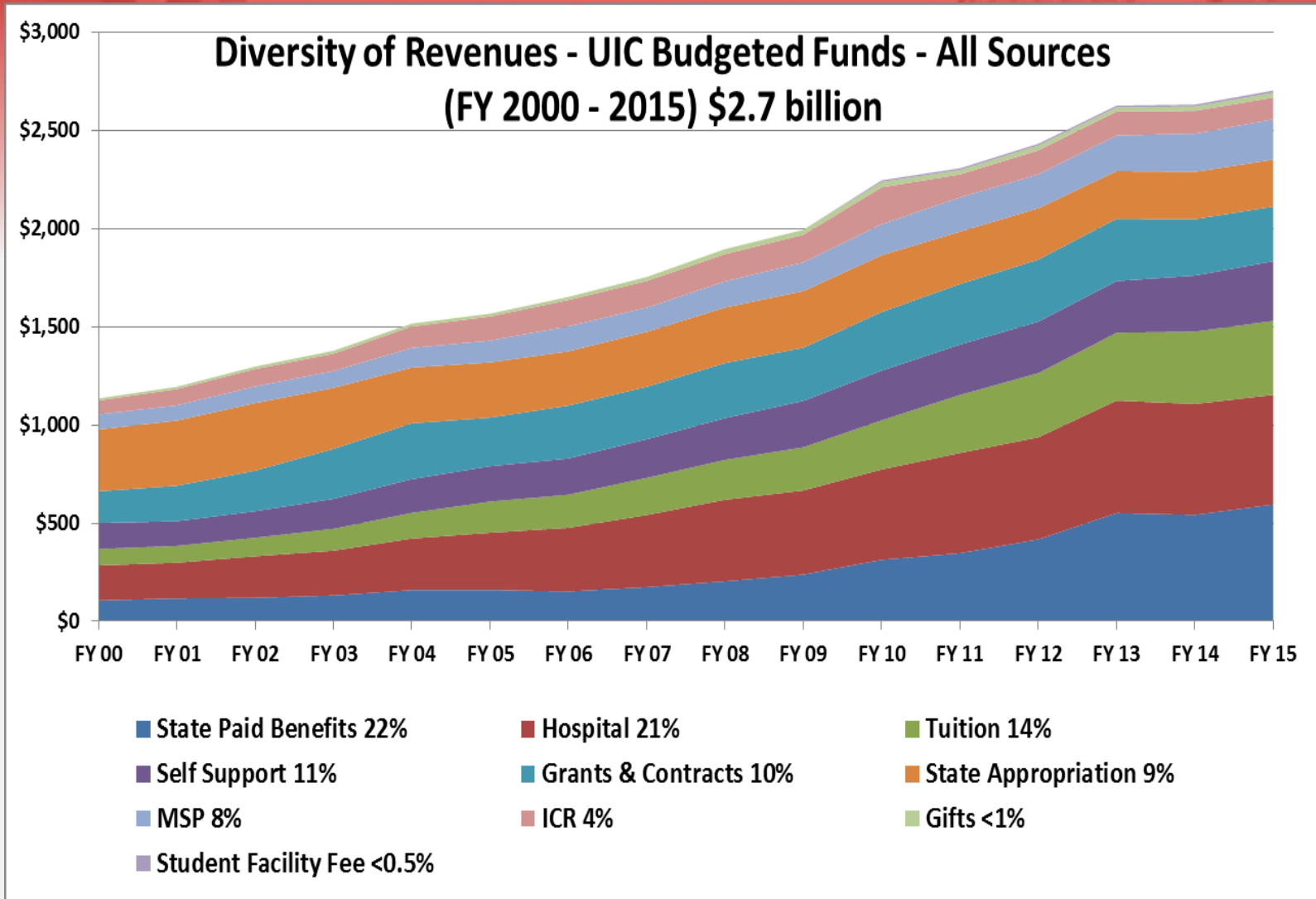
Other Questions ? (Time Permitting)

Background Information

The following slides will not be reviewed during the presentation but are included as background information only.

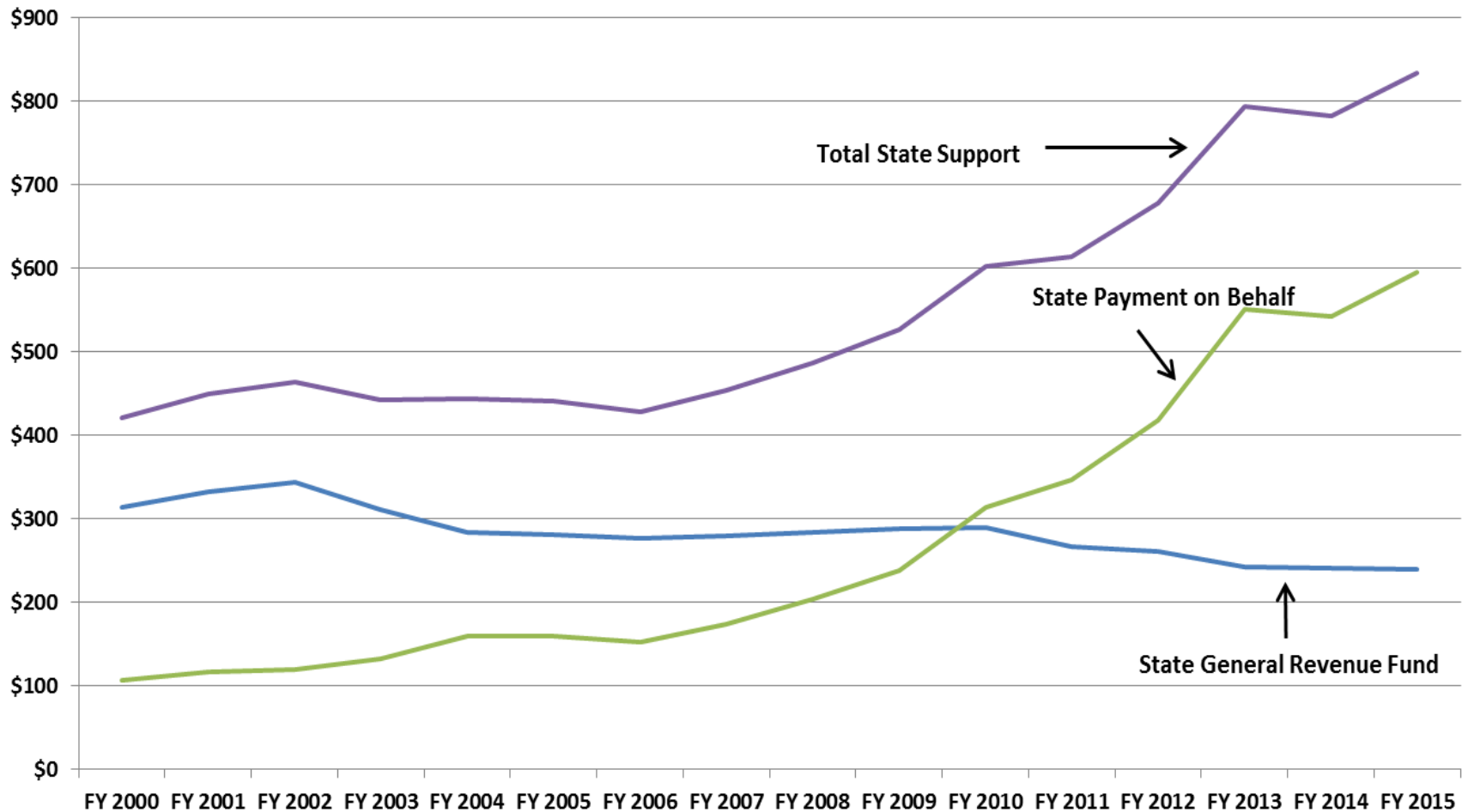
UIC Financial Overview

- Approval of the FY 2016 State of Illinois budget remains at impasse with no operating, capital or Monetary Award Program (MAP) funding for higher education.
- Budget timing and amounts remain uncertain
- UIC planning has been based on a 20% GRF reduction.
 - Not an across the board strategy
 - Some colleges with enrollment growth have a net positive impact rather than a budget cut
- Preliminary state budget loaded into Banner based on a 20% reduction scenario to allow monitoring of finances

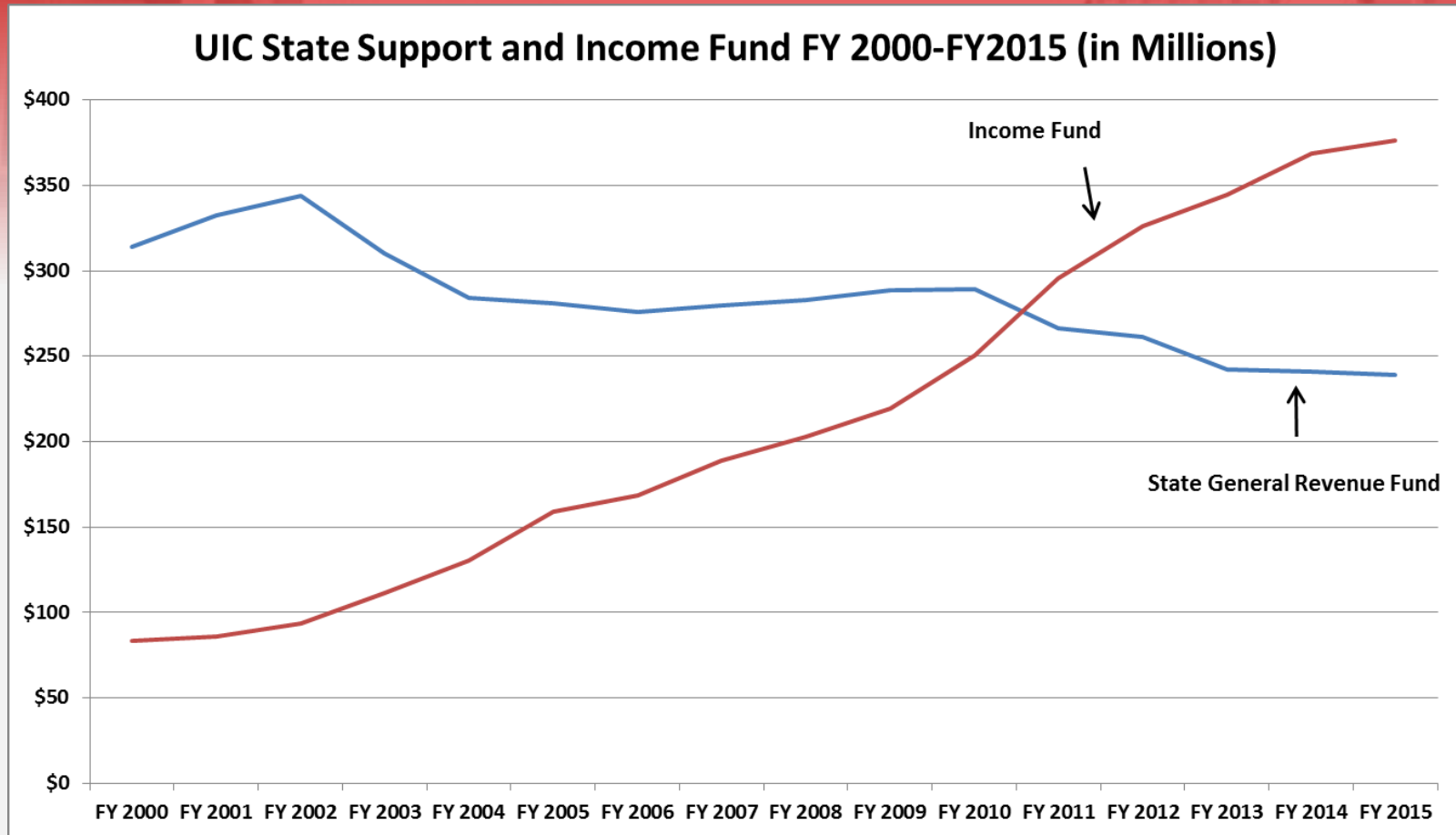


While state appropriations have declined by 24% over the past 15 years, state paid benefit costs on behalf of UIC have increased by 456%. Tuition revenue has grown by 350% and Grants & Contract expenses are up by 72%.

UIC State Support FY 2000-FY2015 (in Millions)



UIC is highly dependent on the state's contribution to benefit costs on behalf of employees. These have grown at a rate disproportionate to the decline in state appropriations.



The State of Illinois contribution (direct appropriations) to UIC has been replaced by tuition revenue (income fund) both from rate increases and enrollment growth.

Undergraduate Tuition Revenue Sharing

- **Bad debt, Summer Session revenue, non-resident tuition premiums are removed from the tuition revenue distribution pool**
- **Computation of the base Undergraduate Tuition per Credit hour and headcount values**
 - Net of revenue 'unpaid' due to mandatory & discretionary tuition waivers
 - FY16 \$203.14 / credit hour and \$1,431.30 / headcount
 - Projected revenue distribution is based on a 3 Year rolling average of credit hour and headcount
 - Reconciliation of budget to actual at the end of the FY

Undergraduate Non-Resident Tuition Premiums

All Non Resident Students Admitted prior to FY 2015, International, and those not qualified for Chicago Grant

- Premium Sharing - \$8,000 per enrolled student FY15
- Premium Sharing - \$5,000 per enrolled student FY16

Chicago Grant Recipients

- Premium Sharing - \$3,050 per enrolled student FY15
- Premium Sharing - \$1,000 per enrolled student FY16

FY 15 Enrollment Projections

- Chicago Grant **131** *First time non-resident UIC students*
- Non Resident **192** *Prior enrolled non-resident UIC students*
- International **311**

634 (+24, 4% over projected)

FY 2015 Tuition Waivers

Waiver Type	Fall 2014	Spring 2015	Summer 2014	Total
UG Mandatory	\$ 893,943	\$ 881,036	\$ 86,849	\$ 1,861,828
UG Discretionary	\$ 1,798,346	\$ 1,685,639	\$ 7,025	\$ 3,491,009
Graduate	\$ 23,363,501	\$ 23,426,237	\$ 2,677,975	\$ 49,467,712
Professional	\$ 5,525,551	\$ 5,454,960	\$ 2,632,811	\$ 13,613,322
Employee	<u>\$ 2,269,532</u>	<u>\$ 2,177,637</u>	<u>\$ 639,100</u>	<u>\$ 5,086,269</u>
Total	\$ 33,850,873	\$ 33,625,508	\$ 6,043,760	\$ 73,520,141

Not including other sources of financial aid, UIC directly discounts 28% of UG tuition (institutional aid & waivers.)