Boise State University

Bronco Budget 2.0
Committee Recommendation
COHS Presentation

10.17.16

Ken Kline
AVP, Budget and Planning
Progress to date

1. Development of a new incentive-based budget model identified in the university strategic plan
2. Campus informed of the launch of the initiative through a series of presentations in Fall 2015
3. Committee formed to develop a recommended budget model
   – Committee did not assess existing budgets or recommend reallocations
4. Committee completed initial proposal
5. Currently vetting the initial proposal with campus
Steering Committee

1. Marty Schimpf, Vice President, Academic Affairs and Provost
2. Stacy Pearson, Vice President, Finance and Administration
3. Ken Peterson, Dean, College of Business and Economics
4. Amy Moll, Dean, College of Engineering
5. Tim Dunnagan, Dean, College of Health Sciences
6. Richard Klautsch, Chair, Theater Arts / Faculty Senate
7. Brian Wampler, Chair, Political Science / Faculty Financial Affairs
8. Teresa Boucher, Interim Chair, Communication
9. Brett Shelton, Department Head, Educational Technology
10. Shawn Benner, Professor, Geosciences
11. Randi McDermott, Chief of Staff, President’s Office
13. Shari Ellertson, Director, Institutional Research
14. Ken Kline, Associate Vice President, Budget and Planning
15. Harold Blackman, Associate Vice President for Research and Economic Development
16. Jeremiah Shinn, Interim Associate Vice President for Student Affairs
Guiding Principles

The model should:

• Promote aspirational goals and a shared purpose
• Deliver transparency, clarity and predictability
• Provide incentives that promote excellence, academic quality and financial sustainability throughout the university
• Encourage innovation and entrepreneurship by assuring direct benefits to units willing to engage in responsible risk taking
• Foster interdisciplinary scholarly and teaching activity
• Provide sufficient resources to support University-wide strategic initiatives
• Allow for informed and forward looking decision-making
• Promote efficient and effective services
Phase 1

- Appropriated budget only (general state appropriation and tuition)
- Changes primarily impact “academic revenue units”
- New budget development processes will be implemented for all units
- Implementation of new budget system and tools / reports
  - Bronco Budget 2.0 data team being formed
  - Critical to monitoring / assessing impact of new budget model
- First Bronco Budget 2.0 review committee scheduled for FY22

Phase 2 Considerations

- All funds budgeting
- Administrative and support unit budget structure
- Local budget structure
Bronco Budget 2.0 Structure

Existing Revenue Units

- College of Arts & Sciences
- College of Education
- School of Public Service
- College of Engineering
- College of Innovation and Design
- College of Business and Economics
- College of Health Sciences
- Foundational Studies

Academic Revenue Units

- Campus Recreation
- Transportation and Parking
- Printing and Graphic Services
- Intercollegiate Athletics
- Housing and Residence Life
- University Dining Services
- Bookstore
- Stueckle Sky Center
- Associated Students of Boise State
- Bronco Card
- Student Union
- Morrison Center
- Taco Bell Arena

Administrative and Support Units

All Other Units
# Academic Revenue Unit Budget Plan

<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>Appropriated</th>
<th>Other (e.g. Local)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition Revenue</td>
<td>$$$</td>
<td></td>
</tr>
<tr>
<td>Direct Revenues and Fees</td>
<td></td>
<td>$$$</td>
</tr>
<tr>
<td>University Budget Allocation</td>
<td>$$$</td>
<td></td>
</tr>
<tr>
<td><strong>Total Sources of Funds</strong></td>
<td>$$$</td>
<td>$$$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Uses of Funds</th>
<th>Appropriated</th>
<th>Other (e.g. Local)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Expenses</td>
<td>$$$</td>
<td>$$$</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$$$</td>
<td>$$$</td>
</tr>
<tr>
<td><strong>Total Uses of Funds</strong></td>
<td>$$$</td>
<td>$$$</td>
</tr>
</tbody>
</table>

New with BB 2.0
FY17 Budgeted Tuition Revenue Allocation Baseline Estimates*

<table>
<thead>
<tr>
<th>Domestic Undergraduate</th>
<th>International Undergraduate</th>
<th>Graduate</th>
<th>Online Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>$130 SCH</td>
<td>$235 SCH</td>
<td>$190 SCH</td>
<td>Varies</td>
</tr>
<tr>
<td>$800 Major</td>
<td>$2,050 Major</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$2,000 Degree</td>
<td>$8,200 Degree</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Tuition revenue budgets were not developed utilizing these specific breakout categories requiring adjustments to be made amongst categories.
FY17 Budget Tuition Calculations

Undergraduate Domestic Student Tuition “Bucket”
- 70%

Net Undergraduate Domestic Student Tuition
- 30%

University Budget Allocation Process (also includes general state appropriation)

Undergraduate Int’l Student Tuition “Bucket”
- 70%

Net Undergraduate Int’l Student Tuition
- 30%

Graduate Student Tuition “Bucket”
- 70%

Net Graduate Student Tuition
- 30%

Online Program Fee “Bucket”
- 70%

Net Online Program Fee
- 30%
Tuition Revenue Allocations

1. Undergraduate Domestic Student Tuition “Bucket” Allocation
   – 70% based on SCHs instructed (who is paying the instructor of record)
   – 20% based on the # of majors supported
     • Double majors that cross Colleges / School are counted twice
   – 10% based on the # of undergraduate graduates
     • Dual degree graduates with degrees from different Colleges / School are counted twice

2. Undergraduate International Student Tuition “Bucket” Allocation
   – 70% based on SCHs instructed (who is paying the instructor of record)
   – 20% based on the # of majors
     • Double majors that cross Colleges / School are counted twice
   – 10% based on the # of int’l undergraduates graduates
     • Dual degree graduates with degrees from different Colleges / School are counted twice

3. Graduate Tuition “Bucket” Allocation
   – 100% based on graduate SCHs instructed (who is paying the instructor of record)

4. Online Programs “Bucket”
   – 100% to the Academic Revenue Unit “owning” the program
1. Tuition allocations will be based on projections approved by the Provost / VPFA / Budget Committee
   - Instruction based on total student credit hours instructed in the leading Summer, Fall, and Spring terms
   - Major based on the average # of undergraduate majors, Fall and Spring terms
2. Once approved, the Academic Revenue Unit budget plan tuition revenue figure will remain unchanged throughout the year in order to provide stability
   - May be adjusted in the event of a mid-year state budget cut, significant shortfall in actual revenues, or other unanticipated events that have a significant financial impact
3. **Allocations are made to the Academic Revenue Unit, not the Department**
   - Deans are expected to manage a portfolio of academic programs to balance the Academic Revenue Unit budget plan
4. Failure to hit projections will be addressed from the Academic Revenue Unit’s reserves and/or decisions made during development of the subsequent fiscal year
5. Exceeding projections will typically result in a contribution to the Academic Revenue Unit reserves
University Budget Allocations

State Line Items  Cost of Instruction Differences  Strategic Investments

Initiative Start-up (One-Time)  Other Budgetary Adjustments

1. Funded from General State Appropriations and Held Tuition Revenue
2. Once a baseline allocation is established, the academic revenue unit’s allocation will change based on decisions made during the budget development process.
Academic Revenue Units
Average Baseline Appropriated Budget Composition
(how decentralized is the model?)

- Bronco Budget 2.0 Calculation, 70%
- University Budget Allocation, 30%

Percentages will vary by academic revenue unit
Other Outstanding Issues

- **Maintaining and Improving Quality**
  - Discussions regarding efforts to maintain and improve quality will annually as part of the annual budget development process
  - Metrics that might indicate a potential concern will be identified, monitored, and discussed along with budget plans and strategic priorities for the academic revenue unit
Guiding Principles

The model should:

• Promote aspirational goals and a shared purpose
• Deliver transparency, clarity and predictability
• Provide incentives that promote excellence, academic quality and financial sustainability throughout the university
• Encourage innovation and entrepreneurship by assuring direct benefits to units willing to engage in responsible risk taking
• Foster interdisciplinary scholarly and teaching activity
• Provide sufficient resources to support University-wide strategic initiatives
• Allow for informed and forward looking decision-making
• Promote efficient and effective services
Feedback for Consideration
(to date)

1. Consider allocating 100% of net graduate tuition revenue
   – Would increase the per-credit-hour graduate tuition allocation to ~ $270 pch.

2. Distribute summer tuition revenue in a separate “bucket”
   – Separates summer term for reporting and distributes revenue more directly with summer activity
   – How would majors and degrees be addressed?

3. Consider whether the $ amount of the incentive for int’l students is too high; particularly degrees which are high due to a lag effect

4. Evaluate impact of COED students who are required to major in other Colleges (e.g. secondary education)

5. Should the model include non-degree seeking student SCH? Or just degree-seeking?
Current Schedule

- FY18: Appropriated Budget Only (baseline)
  - Limited budget development process changes for academic revenue units
    - Will follow standard university-wide budget request process
  - Colleges will be held harmless as a result of the transition
    - Budget reductions may still be implemented, however, they will be done prior to establishing the budget model calculated budget
    - New budget management responsibilities and controls will be implemented
      - Some changes have been implemented early
  - FY19:
    - Full budget development process for academic revenue units
  - FY22: First Bronco Budget 2.0 review committee
Communications

- Working documents have been published which describe recommendations
- Email for questions: [broncobudget@boisestate.edu](mailto:broncobudget@boisestate.edu)