Boise State University

Bronco Budget 2.0
Committee Recommendation
FFA Presentation

10.14.16

Ken Kline
AVP, Budget and Planning
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 (Tim Chenoweth filling in)
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
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 Components

Projected University Net Tuition Revenue

- Undergraduate Domestic Student Tuition Allocation
- Undergraduate International Student Tuition Allocation
- Graduate Student Tuition Allocation
- Online Program Fee Allocation

University Budget Allocation Process (also includes general state appropriation)

70% 30%
Allocated Tuition Revenue
(70% of net tuition revenue)

1. Undergraduate Domestic Student Tuition Allocation
   – 70% based on instruction (instructor of record)
   – 20% based on the # of majors
     • 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 Int’l Student Tuition Allocation
   – 70% based on instruction (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: 100% to instruction (instructor of record)

4. Online Programs: 100% to the Academic Revenue Unit “owning” the program
Tuition Revenue Allocation Process

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 College budget plan 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 College, not the Department**
   - Deans are expected to manage a portfolio of academic programs to balance the College budget plan

4. Failure to hit projections will be addressed from College reserves and/or decisions made during development of the subsequent fiscal year

5. Exceeding projections will typically result in a contribution to College reserves
University Budget Allocations

State Line Items
Cost of Instruction Differences
Strategic Investments
Initiative Start-up (One-Time)
Other Budgetary Adjustments

Funded from General State Appropriations and Held Tuition Revenue
Once a baseline is established, will changes based on decisions made in these areas.
## College / School Budget Plan

<table>
<thead>
<tr>
<th></th>
<th>Appropriated</th>
<th>Other (e.g. Local)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sources of Funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition Revenue Allocation</td>
<td>$$$</td>
<td></td>
</tr>
<tr>
<td>Direct Revenues and Fees</td>
<td></td>
<td>$$$</td>
</tr>
<tr>
<td>University Budget Allocations</td>
<td>$$$</td>
<td></td>
</tr>
<tr>
<td><strong>Total Sources of Funds</strong></td>
<td>$$$</td>
<td>$$$</td>
</tr>
<tr>
<td><strong>Uses of Funds</strong></td>
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<tr>
<td>Personnel Expenses</td>
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<td>$$$</td>
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<tr>
<td>Operating Expenses</td>
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<td>$$$</td>
</tr>
<tr>
<td><strong>Total Uses of Funds</strong></td>
<td>$$$</td>
<td>$$$</td>
</tr>
<tr>
<td><strong>Change in College Reserves</strong></td>
<td>Sources of funds – Uses of Funds</td>
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</tbody>
</table>
## FY17 Budgeted Tuition Revenue Baseline Estimates*

<table>
<thead>
<tr>
<th>Undergraduate</th>
<th>International Undergraduate Students</th>
<th>Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$130 SCH</td>
<td>$235 SCH</td>
<td>$190 SCH</td>
</tr>
<tr>
<td>$800 Major</td>
<td>$2,050 Major</td>
<td></td>
</tr>
<tr>
<td>$2,000 Degree</td>
<td>$8,200 Degree</td>
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</tbody>
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* Tuition revenue budgets were not developed utilizing these specific breakouts requiring adjustments to be made amongst categories
Other Outstanding Issues

• Existing MOAs will be addressed in the FY18 budget development process
• Maintaining and Improving Quality
  – Discussions regarding efforts to maintain and improve quality will occur during
    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
Academic Revenue Units
Total Baseline Appropriated Budget Composition
(how decentralized is the model?)

- Bronco Budget 2.0 Calculation, 70%
- University Budget Allocation, 30%
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
Changes for Consideration

1. Allocate 100% of net graduate tuition revenue
   - Would make the model more decentralized.
   - Increase per-credit-hour graduate 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 revenue

3. Consider whether amount of 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)
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

• Website: https://vpfa.boisestate.edu/budget-and-planning/bronco-budget-2-0-new-budget-model/

• Working documents have been published which describe recommendations

• Email for questions: broncobudget@boisestate.edu