



COLORADOSCHOOL**OF****MINES**TM
EARTH ● ENERGY ● ENVIRONMENT

Academic Budget Allocation Model

August 18, 2016

4 Component Approach

- Holistic University Design
 - Speaks to: **Strategic Intent**, programmatic priorities (development, size, resources, support)
- Productivity Guidelines
 - Speaks to: **Quantity**, resource utilization and deployment, strategic intent (sponsored research, student scholarship, curriculum delivery)
- Promotion & Tenure Expectations
 - Speaks to: **Quality**, faculty incentives, strategic intent (faculty scholarship, curriculum development and delivery, institutional and professional service)
- Budget Model
 - Speaks to: **Resource allocation**, programmatic incentives, strategic intent (align resource deployment, expand resource base, drive program development)

Methodology

- Operating, instructional and research support will be allocated based on the budget model
- Productivity model will be used to define academic expectations
- Faculty lines and adjunct budgets will be allocated based on the productivity model
- Outcomes will be assessed after the first year and adjustments made accordingly
- Phased, iterative approach

Strategic Intent: Quantity, Quality, Resource Allocation

- Ensure and promote equity in delivery of strategic academic activities
- Build reputation
 - Drive growth in thesis based Graduate enrollment
 - Drive growth in externally funded research
 - Recruit, retain, and promote high quality faculty
 - Promote and reward innovation
- Align and expand resource capacity
 - Align resources with strategic activities
 - Utilize capacity in summer
 - Drive growth in non-thesis Graduate enrollment
- Maintain UG enrollment at current levels

Budget Model

- Allocate operating support, instructional support and research support through metric-based allocation utilizing appropriate weighting factors.
- The budget will be calculated and allocated at the College level.
- Proposed allocation is:
 - Operating support (non-labor) \$X per student credit hour
 - Instructional support of \$14,000 (one student) for every X student credit hours provided
 - Research support for first year PhD students will be funded at 50% of the total 3 year rolling average of PhD graduates in the department at \$33,000 (one student) each
- Additional incentive based funding opportunities

Budget Model Allocation

Example

Facts	Allocation
<i>In Fiscal Year 2015 College A delivers 10,000 weighted student credit hours (WSCH)</i>	
Operating (non-labor) support is \$5/WSCH	Operating (non-labor): $\$5 \times 10,000 = \$50,000$
One student (hourly or TA) is provided for every 500 WSCH delivered	Student support: $10,000/500 \times \$14,000 = \$280,000$
Over the last three years (2013-2015), College A graduated, on average, 10 PhD students each year	Research support: $10 \times 50\% \times \$33,000 = \$165,000$
	Total (non-labor) budget for College A: \$495,000

Summary of Proposed Incentives

Incentive	Proposed	Rollforward Allowed
Chargeout	Salary to department if class held, if class not held \$8,500 of salary to college and balance to department, fringe to university	Yes
Sabbatical	Salary to college and allocated as needed, fringe to university	Yes
Leave without pay	Salary to college and allocated as needed, fringe to university	Yes
Summer (Non-Field)	35% of gross revenue for overhead; net revenue (after direct expenses and overhead) split: 60% to department, 10% to the college, and 30% to the innovation fund	Yes
Non-Thesis Masters	Student credit hours flow through regular model and additional \$50/CH is allocated to the department for overall growth in all programs under that department using a 3-year average of total student credit hours. All interdisciplinary programs incentives will be distributed to those programs directly and will not be included in department allocations.	Yes

Consideration of fees TBD

Summer Model

- Excludes mandatory field courses
- Shared revenue based on:
 - Department level calculations
 - 35% of gross summer revenue to overhead
 - Net revenue (total revenue-less overhead-direct expenses):
 - 60% to department
 - 10% to college
 - 30% to innovation fund
 - Academic year course offering requirements that are met as follows:
 - 100 - 200 level must be offered in fall and spring
 - 300 - 400 and above must be offered in fall or spring
 - New courses and electives are exempt
 - Department surplus/deficits allocated to department
- Implement Summer I 2017

Summer Model

Example

Facts:

- Department A delivers 150 student credit hours for qualifying summer courses.
- Resident tuition is \$523 per credit hour for Summer I 2017
- Faculty and student support for these courses totals \$40,000

Allocation:

Revenue	\$78,450
Overhead	(27,457)
Direct Costs	<u>(40,000)</u>
Net Revenue	\$10,993

Department receives (60% of net) \$6,596

College receives (10% of net) \$1,099

Innovation Fund receives (30% of net) \$3,298

Masters Non-Thesis Incentive

- Student credit hours flow through regular model
- Additional funding provided of \$50 per SCH (= X2 of normal allocation) for three-year rolling average of SCH enrollment for initial base allocation
- Annual base adjustments up or down at \$50 per SCH for three-year rolling average change in enrollment

Masters Non-Thesis Incentive

Example

Department A delivered the following Non-Thesis Masters student credit hours over the past four years:

2013	2014	2015	2016
900	878	930	950

Allocation:

$$2015: 902.67 \times \$50 = \$45,134$$

$$2016: 919.33 \times \$50 = \$45,967$$

Productivity Model: Intent

Recognize:

- our central mission is to deliver quality educational experiences to our students,
- the practical need for resource generation through effective use of existing staffing,
- that institutional reputation is built on strength of faculty research and graduate mentoring, and
- there is broad spectrum of individual abilities, strengths, and interests that can contribute toward advancing our institutional objectives

Productivity Model

Instructional Load Target (Student Credit Hours per AY)

Tenured Faculty					
		Thesis and Dissertation Advisees (as primary advisor)			
		≤ 1	2 - 3	4 - 5	>5
Annual Research Expenditures	<\$25k	720	660	600	540
	\$25k - \$100k	675	540	440	440
	\$100k - \$200k	630	500	360	340
	\$200k - \$400k	585	460	330	240
	> \$400k	540	420	300	180

Tenure-Track Faculty	
0 - 2 Years in Position	180
3 - 5 Years in Position	240

Teaching Faculty	
	840

Implementation Specifics

- Aggregate targets set at College and Departmental levels. Within these targets, DHs have authority to derive specific faculty targets
- Student Credit Hours: All AY courses, 100 through 600 levels
- Expenditures:
 - All (direct and indirect) 4- expenditures
 - All gift expenditures, 6-, with 1200 program code
- Charge-out at 12.5% AY salary: equals 120 SCH
- Internal buy-out at cost: equals 120 SCH for course release, generated SCH for course reassignment
- Center Directors (>\$5M AY expenditures), DHs, considered 50% with regard to SCH targets
- Used in determining areas of resource need (e.g., additional faculty lines, etc.)

Implementation

Fiscal Year 2017

- Hiring decisions considering impact of productivity model for fall 2017 start
- Develop TA allocations for FY2018
- Develop summer process
- Assess model and make adjustments

Fiscal Year 2018

- First year transition (50% implemented) of productivity model and budget model allocation
- Assess model and make adjustments

Fiscal Year 2019

- Full implementation of productivity and budget models
- Assess model and make adjustments