

# Responsibility Center Management

Allocation of Revenue  
Methodology

# Tuition

- Waivers
  - All examples charge waivers to college hiring the student
- Tuition
  - All examples calculate tuition as total tuition less university provided assistance divided by total SCH
  - Calculation is individually for undergraduate tuition, graduate tuition and each profession school tuition

# Tuition

- Course fees
  - 100% to college
- College differential tuition/fees
  - 100% to college

# Tuition

- University of Minnesota
  - 46% of instructional costs
  - 100% allocated to colleges
    - 75% college of instruction
    - 25% college of enrollment

# Tuition

- University of Michigan
  - 80% of instructional costs
  - 100% allocated to colleges
    - Undergraduate
      - 50% college of instruction (25% prior to 08/09)
      - 50% college of enrollment (75% prior to 08/09)
    - Graduate
      - 25% of instruction (0% prior to 08/09)
      - 75% of enrollment (100% prior to 08/09)

# Tuition

- University of New Hampshire
  - 70% of instructional costs
  - 100% allocated to colleges
    - Undergraduate is weighted based on average cost per SCH
    - Graduated is 100% college of enrollment

# Tuition

- Ohio State University
  - 80% of instructional costs
  - Combines with appropriations
  - Step allocation
    - Distributes to base
    - Growth funds are distributed to colleges based on SCH increase or decrease as:
      - 40% weighted for cost of delivery
      - 60% unweighted
    - Remainder is shared based on SCH

# OSU's Base

- Initially calculated on RCM principles and compared to prior year incremental budget
- Five year phase-in
- Periodically rebased
  - Provost judgment
  - Changes in cost of delivery

# UF Tuition Strawman

- 25% of instructional cost
- Undergraduate
  - 100% to colleges
    - 25% to enrolled college
    - 75% to instruction college
      - Weighted for cost of delivery
- Graduate
  - 100% to enrolled colleges
    - Weighted for cost of delivery
- Professional Schools
  - 100% to enrolled colleges
- What is “enrolled” college?

# Appropriations

- University of Minnesota
  - 54% of instructional costs
    - \$27 million for presidential and provost initiatives
    - Salary and benefit increases
    - Remainder the same as tuition

# Appropriations

- University of Michigan
  - 20% of instructional cost
  - Entirely retained by president and provost for balancing and strategic initiatives

# Appropriations

- University of New Hampshire
  - 30% of instructional costs
  - Allocated based on faculty salaries

# Appropriations

- Ohio State University
  - See tuition

# UF Appropriations Strawman

- 75% of instructional cost
- 100% of directed appropriations as directed
- General appropriations
  - 20% retain by president and provost for balancing and strategic initiatives
  - 80% allocated to colleges
    - Undergraduate
      - 100% to colleges
        - » 25% to enrolled college
        - » 75% to instruction college
          - Weighted for cost of delivery
    - Graduate
      - 100% to enrolled colleges
        - » Weighted for cost of delivery
    - Professional Schools
      - 100% to enrolled colleges
- What is “enrolled” college?

# Other Revenues

- Returned overheads
  - 100% to college or unit where direct expenditure is incurred
- Sales and Services
  - 100% to college or unit earning revenues
- Interest income
  - Short-term rate to colleges and units on carryforward balances
  - Remainder to president for strategic initiatives

# Other Revenues

- Dining concession fee
  - Reinvest in dining hall infrastructure
- Other contractual and concession revenues (i.e., Pepsi contract)
  - Retained by president for strategic initiatives
- Registration fees
  - College of enrollment or decrease cost of student services